CHAPTER IV

REVIEW OF LITERATURE

- INTRODUCTION

- STUDIES IN INDIAN ENTREPRENEURSHIP
  - STUDIES ON ENTREPRENEURIAL HISTORY
  - STUDIES ON EMERGING ENTREPRENEURSHIP
  - GENERAL STUDIES ON ENTREPRENEURSHIP

- SUMMARY OF MAJOR STUDIES

- FINDINGS REGARDING ENTREPRENEURSHIP

- FINDINGS OF MAJOR STUDIES ON LEATHER GOODS.

- RESEARCH GAP
A number of scholars have studied the various aspects of entrepreneurship in India and abroad. Therefore, it will be worthwhile to review briefly some of the work done so far in the field in India as it would improve our understanding of this catalyst of development.

Studies in Indian Entrepreneurship: The research work done and studies on entrepreneurship carried out in India may be classified into the following categories: (a) Studies on business/entrepreneurial history through scanning of newspapers, periodicals, historical records and other documents available from various sources. (b) Studies based on questionnaire, survey and personal interviews of entrepreneurs. (c) Studies based on interpretation of national or regional data pertaining to income, production, employment etc. collected from various sources for contemporary period and studies on biographies of businessmen and industrialist or family histories. A study may not, however, belong to an exclusive category, but it can certainly have a particular focus.

This section is intended to provide an overview of entrepreneurial studies in India, although it is extremely difficult to have a full account of studies undertaken in the context of Indian economy. Therefore, summary given below is by
no means exhaustive, rather it could at best be regarded as illustrative. However, we present here a synoptic view of most of the studies directly focusing on Indian entrepreneurship, arranged in more or less, in chronological order.

(a) **Studies on Indian Entrepreneurial History** : Lamb traces the process of evolution of an industrial class in India and notes the reasons why industry is concentrated in Bombay and Bengal and why members of only certain communities could transform themselves into industrialists. After Independence, he feels, the entrepreneurship is still concentrated in the same communities of Parsis, Gujaratis and Marwaris, but these successful business communities are apparently becoming less distinct and homogeneous than formerly. However, Lamb anticipates that two facts may eventually modify the towering positions of the three big communities. First, with the spread of industry geographically, local business groups may take lead and second, in a culture which rather looks down on business motivation, those industrial families and communities which have already arrived may tend to move on out of business altogether into the more honorific professions.

Brimmer introduces non-Indian readers to the existence in India of a rather unusual type of industrial organisation known as the Managing Agency System. He explains its origin and indicates some of contributions it made to economic development. He argues that the managing agency system of industrial organisation was the result of efforts by the British and Indian entrepreneurs to overcome the limitations imposed by the shortage of venture
capital and business ability. He feels that most views have gone into the legal aspects of the system and discussed the "illegal acts" and transgressions of specific managing agents. Therefore, the acts of irresponsible agents received the most publicity and the achievements of those who used the system as an instrument of much needed development went unheralded. He, therefore, regards the system as an institution worthy of further study and appreciation different from the view most frequently taken and suggests that the legal abolition of the managing agents would not result in removal of the agents as controlling factors.

Pundit attempts to understand the background of the creative response in the non-agricultural sector or Indian economy, with special reference to the entrepreneurial role of Indians. She chooses the 19th century development in India especially Gujarat, for analysis. She discards caste or religion as the traditional explanations for India's slow development in the 19th century and asserts that people of all religions and among Hindus from non-bania castes participated in entrepreneurial activity. It is because Gujarati setting put a prestige value on business which no other religion did. The western ideas and contacts created a new ferment in Indian society, but the response to the new ethic was not always the same. Thus, she suggests, the "unexplained" exceptions prove to be the systematic channels to usher in the Industrial revolution by a complex process of cultural change.

Acharya suggests that the regional analysis, though helpful
in understanding the rise of business class in Gujarati, does not explain all the interacting processes. It must be admitted, she opines, that exceptions apart, businessmen or for that matter entrepreneurs have sprung from certain castes who have tradition of business in their families. The analysis does not take account for variables like geographical environment, religion, economic activities, political conditions, ethics etc. Pandit seems to take religion as the cause, and other factors as the consequence, while all these factors are mutually dependent and functionally related.

Gadgil traces the origins of modern Indian business class and describes the conditions of various business communities around 1750 and onwards. In tracing the rise and growth of modern Indian business, apart from important trading and financing communities of India, he pays considerable attention to non-Indian businessmen and their activities in India. He surveys the political situation about 1750, the condition of agriculture, about extent of urbanisation and the size of cities, trade routes and trading regions, the business communities and their regional distribution, British and European business etc. He demonstrates that India had a highly developed business community which, apart from trading in respective regions, participated very actively in all maritime trade far and wide. It is a painstaking effort based on rare and scanty data to serve as a precursor for more thorough study.

Pavlov makes a historical survey of the Indian capitalist class. He thruways light on the basic laws governing the origin
and the development of capitalist enterprise in the national industry of India. The specific features of the development of the Indian bourgeoisie up to the general crisis of capitalism is the problem which has been examined by him in greater details. The formation process of the Gujaratis and the Marwari bourgeoisie displays the general laws of development of the big Indian bourgeoisie in a most comprehensive way. So, he concentrates his study on these two groups while analysing the rise of the upper strata of the Indian bourgeoisie.

Howard explains the rise of textile entrepreneurship at Ahmedabad and brings out that the "old money" moved into industry, once the success was demonstrated by a Brahmin and a Patel. Gradually, the Jains, Banias, Parsis and also Patels joined the ranks of industrialists. This new industrial class consolidated itself socially as well as economically and relatively small, close knit agencies, often supplemented by caste ties, made further expansion possible. As managing agents, they applied the profits of one mill to the requirements of new ones and solicited public and private deposits to cover the major capital requirements. Spodek underlines a paradox that as conservatism plagued Ahmedabad industry, some pioneers like Sarabhai introduced innovations and brought reputation.

Medhora attributes the Indian backwardness to the colonial rule and not to the lack of entrepreneurship whose growth was autonomous. He also traces the evolution of early
entrepreneurship in the middle of the 19th century and proves that once an opportunity for profit-making seemed to have been established, there were entrepreneurs, second rankers who were willing to move into industry. He repudiates the charge that the religions of India inhibited entrepreneurship. He also notes similarities and dissimilarities in entrepreneurship in the planning era with the tendencies noticed before Independence and brings into sharp focus the changes that have occurred.

Kling explains the circumstances surrounding the emergence of the managing agency system in India and describes the story of Carr, Tagore and Company, the first managing agency firm. On the basis of functioning of this organisation, he brings out the defects associated with the managing agency system and also most of the characteristics of the mature managing agents.

Morris demolishes the widely held view that the Indian value system and the social structure are obstacles to economic growth or change. The Indian caste system has behaved historically the same way as extended kin groups elsewhere and therefore, entrepreneurial behavior in the 19th and early 20th century India seems to reflect primarily the limited scope of economic opportunities rather than any specific form of social structure. In fact, the career of the cotton textile industry in which competition with Britain was sharpest, political pressures from Manchester were very great and there was virtually no tariff protection, suggests that native capital and entrepreneurship were
aggressive, rational and creative. Their behavior indicates economically rational responsiveness to available technology and to factor-price relationship differing little from that in the West. He also notices inter-Jati cooperation among the Ahmedabad and Bombay enterprises in the modern sector as well as in traditional business activities. He concludes that the Indian society has historically exhibited a reasonably high degree of fluidity and so little can be said definitively about the influence of caste on economic change.

Spodek attempts to demonstrate that the pre industrial heritage of industrial institutions of Ahmedabad has played a significant role in endowing the cotton textile industry with its unique self-contained pattern. The union of family and business structures imposed double and sometimes conflicting values; as a business concern the goal was to maximise profits but as a family it was to maintain stability. This pattern restricted contact with newer channels of information and technology and emphasised tradition. Business, social and civil life intertwined to amplify the concentration on business and the concern for stability. Guilds served as the focus for these various strands. While guilds were not organised solely along caste lines they were predicated on the existence of business and trade groups which were dominated by the specific castes. Guilds functions buttressed instability and conservatism of the bania community. This community entered the textile industry with marked hesitancy.
Outsiders (means outside bania community) promoted the first mills. The industry could not expand without bania financial support, but once the banias did begin to promote their own mills, growth was rapid. As the city of Ahmedabad got industrialised, they adapted for the new conditions many of their pre-industrial institutions, notably the family firm and a modified guild system of organisation vis-a-vis merchant and labour guilds.

Bagchi presents some of the relevant data about the functioning of European and Indian capitalist groups in India roughly from the years of the 'high noon' of the British empire to the beginning of definitely protectionist policies, i.e. 1900-1930. He makes a distinction between the capitalist groups operating in Western, Eastern, Southern and Northern India, and lays bare some features of domination of the Indian economy by European capital otherwise obscured in aggregative analysis. He concentrates mainly on the situations in Bombay and Calcutta. Bagchi dispels some popular notions like the Indian businessmen not being interested in industry for lack of quick return, Bengalis being averse to trade and industry and their preference for the liberal professional etc. responsible for the late emergence of Indian industrial entrepreneurship. There were enterprises started by people with diverse background, but it was the colonial policy which militated against the entrepreneurs in general and the non-Parsi Indian in particular. Nor were the European industrialists in India particularly noted for innovations.
Amlendu Guha traces the growth of the Parsi business community, in particular in its transitional phase over a period of 100 years till 1850. He shows that the Parsi community made a multi dimensional progress including high organisation of finance and by the mid 19th century itself, the Parsi mercantile capital was ripe for industrial transformation. However, despite their cooperation and collaboration, the then ruling power, by discouraging the incipient ship-building and navigation industry, halted and distorted a potential industrialisation process. But he believes that neither religion nor puritanism explains the achievement-orientation of the Parsis. Their success, according to him, has to be largely explained with reference to their greater ability to adjust themselves to the European power under changed political circumstances.

Tripathi questions the scholars of Indian economic history, who, following the lead given by Max Weber, have either stressed sociological factors like caste and religion to explain the economic backwardness of India or blamed the policies of the British government. Apart from business being held in low esteem and the taxation policy of the government, he identifies factors like lack of political unit, effective communication system, property protection, and presence of a network of customs barriers, innumerable systems of currency, arbitrary exchange rates and regional markets etc. responsible for absence of
'climate of enterprise'. So there was no inducement for a major entrepreneurial breakthrough to those who were already in business and not tempting enough for non-commercial classes to give up their traditional professions. But when the material environment changed, the so-called Hindu value system transformed itself even to permit the entry of non-business classes into industrial ventures. The behavior of Hindus changed significantly, despite the opinion that if entrepreneurship is a response to disequilibrium between the perceivable opportunities and their exploitation, a study of constellation of forces which led to the perception of new opportunities may yield more satisfactory results.

(b) **Studies on Emerging Entrepreneurship**: McCrory makes case studies of 17 small-scale firms in a North Indian town (area served by Grand Trunk Road between Kanpur and Amritsar) fictitiously termed as "Chopur" (14 firms) and Moradabad (3 firms) in U.P., with a view to discover whether there are typical patterns of growth in the small machine industries and to isolate, by comparing the case histories of individual enterprises, the factors that seem most commonly associated with growth, decline or stagnation. He focuses his attention on the craftsman-entrepreneur whom he regards as a needed source of "good" industrial entrepreneurs. He analysis the reasons for the high mortality rate and lack of growth of their firms and makes policy recommendations for providing them an opportunity to grow, especially through provisions of capital.
Baldwin attempts to gain understanding of the problems facing medium and large scale manufacturing industries in India. He selects 37 companies for purposes of case studies and includes firms representatives of the principal types of ownership (public as well as private) and of major industries in South India, three-quarters of which are located in erstwhile Mysore State. These case studies range from the comprehensive and lengthy treatment of entire enterprises to some where only a few key problems are sketched briefly. Three broad problems confronting each firm viz., the sources of finance, the managerial structure and the handling of certain universal labour problems receive his major attention. He focuses on the ways in which a particular entrepreneur operates. Most of the negative and uncomplimentary second hand stereotyped images about Indian entrepreneurs and Manager's business behavior are found by him to be misleading and wrong.

Berna conducts a study of 52 medium-scale manufacturing firms engaged in various kinds of light engineering production in and around Madras City and Coimbatore. He investigates the background of a group of entrepreneurs, the way in which they made the transition to industry, and the problems they faced in establishing and building up their enterprises. He also attempts some evaluation of their performance as industrial entrepreneurs on the basis of the growth of firms and technology, and entrepreneurs' mobility in adapting to changing circumstances. Surprisingly, he finds that his firms have mostly grown from small
beginnings and his entrepreneurs have come from a wide range of social and economic backgrounds. Interestingly, the largest single group of entrepreneurs (exceeding 23%) is composed of graduate engineers, most of them young, and nearly half of them possessing foreign engineering degrees. In the face of formidable obstacles, their enterprises have grown, but they show little awareness of the need for closer contact with workers or of the need for improving working conditions. The entrepreneurial mobility is displayed by diversifying production and shifting into new lines of activity, but their performance in the area of technological improvement is much less impressive. He also makes recommendations for policies.

Birendra conducts a study of 25 firms of small size—only 6 firms having assets worth Rs.05 million and more, operating in the light engineering industry in Agra. He gives distribution of firms studied into size-groups based on total assets and employment, and observes almost a proportional increase in employment with an increase in the size of assets. The dominance of Agarwal merchants and manufacturers, profit motive as the main force, no relationship between the traditional business and the present manufacturing activity and no firms having borrowed any fund from the financial agencies, private as well as public, or received government aid for their initial financing are some of his other important findings.

Hazlehurst conducts a research in Ram Nagar (pseudonym)
located in the North-West of Delhi in district Ambala (Haryana). He makes a study of the Khatris and Aroras, refugees from Pakistan and Aggarwal Bania and Sud castes settled in Ram Nagar prior to partition and the arrival of the refugees. He draws a distinction between the cultural and structural dimensions of caste and also assesses the significance of the relationship between factors of "modernity" and the functioning of the caste system among merchants. He, first of all, sets forth characteristics of the city of Ram Nagar and cites the significant features which differentiate the two merchant communities. Then, he examines in more detail the make-up of Aggarwal Banias and Suds, and sets forth the relatively unstable points of articulation and discord within the community in specific situations requiring economic and political decisions.

Noboru examines the relationship between the process through which entrepreneurs in India have grown into the powerful combines and the changes which have taken place in the social environment of the country with the two cities of Bombay and Calcutta as the axes. He feels that the persons placed in charge of government enterprises, founded on the basis of modern administrative organisation and technology, would be entrepreneurs different from the traditional ones and emphasise new economic values and motives. Therefore, he directs his attention to the issues involving government enterprises and deals with economic development and human ability by examining the mutual relationships between private enterprises and those owned by the government.
Gaikwad and Tripathy conduct a study of Tanuku region of West Godavari district in Andhra Pradesh. Apart from the Mullapudi family of Harishchandra Prasad and their growing large scale concern—the Andhra Sugars Ltd. The main focus of the study, they select ten other entrepreneurs who had started industries after 1947 and a purposive sample of 15 entrepreneurs in trade. After examining the enterprise of the Mullapudi family, they identify 11 elements essential in entrepreneurs for achieving high level of growth. None of the entrepreneurs possesses all the elements, but this is not indicative of dearth of ambitious persons with high initiative and motivation. The lacunae that they notice are: lack of (i) expert technical advice and guidance; (ii) exposure to modern technology and methods; and (iii) timely financial help. They find that among these other entrepreneurs, none has any technical qualification, any definite idea about the governmental policies or a visit abroad and most of them did not have strong economic base or contacts at higher political and administrative levels. These entrepreneurs have, no doubt, expanded their industries manifold, but none has diversified the product or started new industries or come anywhere near Harishchandra Prasad’s industry. The tradesmen feel that the industrialists enjoy a better status and some of them would like their sons to go for industry.

Patnaik examines 12 units over a period of two years, during 1969-70 and five during 1970-71 with a view to evaluate entrepreneurship. All of these units have been selected from
industrial estates enjoying almost identical overhead facilities and are engaged in different lines of manufacture. He studies their problems at three stages, inception, operational and expansion/diversification and delineates the requirements of entrepreneurial/managerial abilities at different stages. He throws considerable light on how an entrepreneur in the field of small scale industry perceives an opportunity and starts an industrial unit. He finds factors like contacts, education and finance playing an important part. Inevitably, the problem at the remaining two stages. He also indicates some policy implications of his conclusions.

Oommen examines the emerging pattern of entrepreneurship in the small scale sector of Kerala by studying (a) the origin and growth of firms in the light engineering industry, and (b) the impact of government programmes like industrial estates and rural industries projects on entrepreneurship. For this purpose, he chooses forty-five entrepreneurs and studies their social, economic and technical backgrounds. To examine the performance of each entrepreneurial class, he compares employment, investment and annual turnover time by the different categories of entrepreneurs. Some of his interesting findings are that 10 out of 45 units are run by entrepreneurs from outside the State. The single largest group of entrepreneurs consisted of engineers and technicians as in the case of Berna’s study. Most of the merchants who have taken to industry are Muslims. Relating to the number of registered small scale units in Kerala to its population, he finds
that the availability of entrepreneur-managers (0.17) falls considerably short of the normal requirements of industrialisation (5 entrepreneur-managers per 1,000 total population).

Ashis Nandy analyses, on an exploratory basis, some of the psychological and social correlates of entrepreneurship in an urban community of Howrah (West Bengal) and compares two subcultures—actually two caste groups within the community on the magnitude of these correlations. The respondents are 36 small-scale entrepreneurs and 25 non-entrepreneurs from amongst the Mahisyas, and 31 small-scale entrepreneurs and 23 non-entrepreneurs from amongst the upper castes like Brahmins, Baidyas and Kayasthas. Operationally, the entrepreneurs are defined as men who had started factories and had survived in business for five years. Non-entrepreneurs are men who were not in business and had not tried to start a business in the previous five years. The study was conducted during 1967-69. His data support the propositions that the predictors of entrepreneurship differ from situation to situation and the coefficients for all respondents are mainly the contribution of the more enterprising Mahisyas. His study shows that the abilities and characteristics which are pre requisites of entrepreneurship in one subculture can be irrelevant to, or disfunctional for, entrepreneurship in another. On the other hand, some variables can be equally important or unimportant in more than one subculture.

Bhatia investigates into the history and present situation of
fifty manufacturing firms located in Punjab state. The firms are small, having less than 50 workers. He studies the socio-economic background of entrepreneurs, their attitudes towards industry, the ways in which they have made the transition to industry and the problems they have faced in establishing and building up their enterprises. He finds that entrepreneurs belong to all sectors: services, trading, factory workers, students, manufacturers, and farmers in this order. The percentage distribution of entrepreneurs ranges between 22-14 excepting for farmers (8%). The local community of Khatris is found to be predominant (46%) followed by Aggarwals (12%). Brahmins and Jats contribute 8% each. He does not find any relationship between the growth of the firms and the socio-economic background of the entrepreneurs. However, he notes that the firms which continuously expanded, had gradual growth and were started with a relatively favorable capital base and most of them were established by merchant. The entrepreneurs have shown the tendency to diversify instead of expanding after a particular point since they lack vital information about wider markets.

Nafziger conducts a study of 54 entrepreneurs of small-scale manufacturing enterprises in the south eastern port city of Visakhapatnam (Vizag). He compares data on the distribution of entrepreneurs by caste, and class (parental, economic and occupational status) with information of the population at large, and relates to the educational attainment, occupational background, entrepreneurial and managerial experience, initial
capital, access to governmental assistance, and business success of the entrepreneurs. He uses the value added of the firm and the income class of the entrepreneurs as the major indicators for business success. He finds that a highly disproportional number of the entrepreneurs (especially successful ones) are from twice-born castes and from families with a high economic status. His data contradict the Horatio Alger myth of Western business and economic thought, and suggest that the socio-economic class status of businessmen is substantially higher than the general population not only in India, but probably also in a large part of the rest of non-specialist world.

Zoe Mars surveys 70 heterogeneous enterprises drawn from two city estates and two medium towns estates, and from two non-estate areas, one being the central area of Ernakulam city, and the other a small town at a distance of 50 miles from Ernakulam. The author regards the small industries programme an amalgam of share-out and incentive distributionary processes. One of the most interesting questions in this regard is the nature of the rules of qualification and how these are arrived at. The case of Kerala is regarded by the author as one of structural ambivalence in gateway rules. The survey shows the distributional effects of this programme to have been somewhat narrow and concentrated. The medium town estates are recruiting entrepreneurs quite heavily from among the landed families and plantation owners, whereas the urban estates recruit much more heavily from among the cosmopolitan group. It seems that few mobility channels are being
created more significantly at the higher rather than the lower levels of the class structure. There is some mobility on the part of low-caste Hindus from non-professional and non-landed parental background to ownership of workshop-type units through educational enrichment, as engineering courses have expanded rapidly. But the prominence of plantation interests among successful entrepreneurs represents a reinforcing of the economic power of an agrarian capitalist class. The cosmopolitans are drawn almost exclusively from the high caste groups who might also be landowners, but who previously went mostly into the professionals, government service or extra-state managerial jobs, and who will now become small capitalists rather than high salaried employees, in greater numbers.

Krishna has examined entrepreneurial performance in Up through ‘role’ frame of analysis. His sample includes 100 small scale units of Kanpur, Agra, Firozabad, Varanasi and Meerut. The role the behavior and value pattern of the entrepreneurs in a manufacturing unit as prescribed by the society or significant individuals or groups of individuals is treated as the criteria for evaluation of entrepreneurial performance. He considers those role expectations which are supposed by the role partners to lead the focal persons to the achievement of the core goals. The entrepreneurs, the government officials concerned with entrepreneurial activities, the trade union leaders and the secretaries of employers’ associations have been considered as the prescribers of the entrepreneurial roles also terms as the members
of entrepreneurial role-set. Only those roles which are really effective in increasing the margin of profit, in expanding the units in various terms, and in overcoming various problems are selected as the standards of evaluation. Evaluation of entrepreneurial performance in terms of selected roles of evaluative standards has been done at three levels, i.e., value orientation, behavioral commitment and achievement of entrepreneurial growth, viz. entry to manufacturing, efforts to establish markets, establishment of business and sustained growth of unit after the proper establishment of business. For identifying the effective role definers, 10 entrepreneurs and to explicate the interests of the entrepreneurial role partners, the core goals and the other role expectations instrumental to the achievement of entrepreneurial core goals, 20 entrepreneurial role partners have been interviewed. Sharma also analysed the effect of the socio-economic background of entrepreneurs on their performance in the theoretical frames provided by Weber, McClelland and other scholars.

Ramakrishnan surveys 94 small-scale units employing five or more persons in 11 important industry groups, mostly covering non-traditional items of manufacture, in urban Delhi. The study is confined to those units which came into operation in 1965 or after and those who operate them have been designated as 'new' entrepreneurs. Apart from statistical details regarding the units, a good deal of information concerning entrepreneurs themselves, their social, educational and occupational
backgrounds, their motivations, expectations and reactions to governmental schemes of assistance has been presented. Ramakrishnan has also collected data relating to the entrepreneurs who failed to commence production and those who dropped out after production began.

(c) **General Studies on Entrepreneurship**: Shetty emphasises the role of "imitative", as opposed to "innovative", entrepreneur-managers in the newly industrialising countries. According to him, the small enterprises constitute the predominant form of private industrial endeavour in most of the these countries and such enterprises serve as the feedback for spotting and nurturing much needed entrepreneurial talent. To explain his point, he draws examples from India.

Ghosal and Sharma suggests that till adequate and right type of entrepreneurship develops, it is desirable to formalise and standardise some of the functions of the entrepreneurs so that less experienced hand and trainee entrepreneurs may undertake the job of development. A project to be undertaken should be thoroughly appraised in regard to economic, technical managerial, organisational, commercial and financial factors, so that even marginal or half backed entrepreneurs could assume the role of promotion without hesitation.

Rao and Sumithra discuss some of the factors which induce and others which impede the growth of entrepreneurship. The government can affect entrepreneurship adversely as well as favorably and so, they examine, the role of the government action in the growth of industrial entrepreneurship in India, indicators being the growth of industrial assets of value added, changes in
the industrial origin of national product, introduction of new products, and opening of new markets. They attribute these developments to government planning and policies and so, government action, though a hindrance in some cases, has contributed directly and indirectly to the growth of industrial entrepreneurship.

Sharma traces the growth of entrepreneurship in the period up to the first World War, to Independence and thereafter, and blames the Indian entrepreneurs for not having taken the advantage of opportunities available. He discusses the emergence of State as an entrepreneur and the institutions it has created for fostering new entrepreneurship. He feels that the small entrepreneurship has grown and suggests that these entrepreneurs should have new socialist outlook.

Sharma's emphasis is on the social recognition of entrepreneurial services just as the society appreciates a scholar or a jawan. He is of the view that more and more investment in human capital is needed to create entrepreneurial competence. Mishra draws attention to some of the public policies affecting the growth of entrepreneurship in the private sector of Indian economy, with special emphasis on setting the infrastructure, providing finance and implementing an incentive-oriented tax policy.

In order to examine the impact of The Companies Act, 1956, on what Farooque call entrepreneurial growth of the corporate sector he describes the position of company registrations, companies at work, size pattern of new companies, coverage of joint stock companies by managing agents and managerial pattern of new companies.
In order to examine the findings of the studies on Indian entrepreneurship, Nafziger presents introductory sections that deal with the Indian economy, historical sketch of Indian entrepreneurship and a synoptic view of the leading Indian business communities. After a short exposition on a few of the studies on Indian entrepreneurship, he discusses entrepreneurship, caste and social community, entrepreneurship and the family; Entrepreneurship and government; the organisation of large-scale enterprises; the small entrepreneur; and approach to future studies. Apart from the need for studies on the socio-economic explanations of differential rates of entrepreneurial participation among social communities and the dynamics which influence the caste system, he suggests a few more areas that might be explored-achievement motivation in India, determinants of entrepreneurial success, and the market for entrepreneurs.

Aggarwal attempts to show that in India viable patterns of entrepreneurship exist and have produced economic growth and that these patterns of entrepreneurship are sector-specific rather than national in character. He contends that many of the emerging nations, which in fact are composed of many ethnic groups cannot be properly studied in terms of motivation for achievement without regard to subcultural patterns of aspiration. He also suggests that individual choices and motivations behind these choices, in the initial developmental phase, are bound to be the patterns of existing socio-cultural systems. His hypothesis is that in the
so-called economically developing societies, patterns of entrepreneurship are determined by the dominant psycho-cultural themes underlying the patterns of social structure. In India, these psycho-cultural themes have perennially been identified with certain geographical regions due to reasons of physical environment and historical accident. He has evidenced growth in entrepreneurship through rise in GNP and rate of investment over a period of time. The urban milk supply, pharmaceutical and bus transport industries have been used to explain the ability of people to incorporate new technology, new business patterns and to renovate old traditional methods. The rate of investment and risk taking in personal development through education show that viable patterns of entrepreneurship exist in India and have exhibited growth. His evidence in support of the hypothesis of sector specifically includes patterns of career choices in the four projected sectors and among Indian migrants overseas. The four sectors are the north-west comprising Punjab, Haryana, Himachal Pradesh, Kashmir, Uttar Pradesh Bihar and Madhya Pradesh; the north-east comprising West Bengal, Assam and Orissa; the South-West comprising Rajasthan, Gujarat, Maharashtra and the Konkan Coast; and the south-east including Kerala, Andhra Pradesh, Tamil Nadu and Karnataka. The difference in culture, society and personality in these regions throw light on regionally distinctive goals, modes of achievement and types of enterprise.

Koppal and Peterson apply formal statistical hypothesis
testing procedures to the data yielded by the studies of James J. Berna, R.A. Sharma, and E. Wayne Nafziger, on the relationships between entrepreneurial activity and social community identification. Their objectives are to: clarify certain methodological problems in each of the studies which, according to them, undermine substantive interpretation; reanalyse the data to focus more directly on the question of individual versus group explanations of entrepreneurship. The evidence presented in their paper strongly suggests that there is no abiding and generalised relationship between entrepreneurial success and groups of individuals distributed over regions and over time.

Veen focuses on small scale industrial entrepreneurs and describes two major types; those adopting commercial and those adopting a production-orientation. He discusses the economic factors which favour the emergence of the less appropriate, commercially oriented, industrial entrepreneurs and also delineates some of the ways in which the 'quantitative restrictions' method of implementing an import substitution strategy reinforces these economic factors. This strategy ultimately degenerates into a system of unintended incentives encouraging a commercial orientation on the part of small scale industrial entrepreneurs. This is more true of politically well connected ones. In order to foster production orientation, the goal should be to increase the size of the expected stream of small but steady profits relative to the size of the expected
stream of infrequent but large profits. For this purpose, the
government should review, carefully and continuously, the
implications for entrepreneurial behavior not only of its
strategic decision but also of the means it chooses to implement
these decisions.

Gangadhar concluded that though the impact of Industrial
estates on the emergence of entrepreneurship in coastal Andhra is
found to be marginal the process of generation of entrepreneurship
is certainly accelerated. However, the spread of entrepreneurship
could cover only a few socio-economic classes and the estates have
become mostly, the nestles of local entrepreneurs. It is
heartening that a new sense of awareness about the virtues of
self-employment through industrial entrepreneurship is dawning
among the traditionally agricultural communities, the ranks of
white-collar workmen and un-employed yet, the artisans and factory
workers are to be awakened, activised and brought into the fold of
entrepreneurship. The study emphasises that the time has come to
instill the spirit of enterprise in every one and to take the
mantle of industrialisation to every corner of the country to meet
the twin challenges of unemployment and under utilisation of
resources.

His study was aimed in evaluating the impact of the programme
of industrial estates on the emergence of entrepreneurship and
growth of small units in coastal Andhra. According to him,
educational and income levels are important factors in motivating
entrepreneurship. Of all, money making is the major ambition of
entrepreneurs.

Murthy quoted Thomas Timberg who analysed the nature of
entrepreneurship in Marvari community. He analysed the theory of entrepreneurship with respect to the Marwari’s success in the business and their late entry into the industry. He concluded that entrepreneurial Marwaris performed crucial roles in the development of the industrial and commercial economy of the Northern India.

Tondon argued that the rate of entrepreneurial change is a function of human factor and one can bring about a change in the effectiveness of an enterprise by improving the human factor.

Akhouri enumerated four basic features of entrepreneurship:

- Propensity to take risk, strong need for achievement,
- Economic insight and management skill.

Kameshwar pointed out that favourable economic environment has positive impact on entrepreneurship. Change in the social structure as a result of education and not profit motive as James Berna maintained compelled young entrepreneurs from trading community to change from traditional occupation and remain independent from family ties.

Sharma opines that respect for an individual, continued opportunity for advancement and open door policy by Rounaq Singh were the factors that helped the development of entrepreneurship in that group.

Sharma (1980) noticed two streams in the entrepreneurial growth. In the familiar spheres the entrepreneurship was dispersed among various communities and in other spheres it was thinly spread among socially well known communities. Strong desire to do something independent in life, technical knowledge manufacturing experience, financial assistance from institutional sources, business experience in the same or related lines,
accommodation in industrial estates and heavy demand are the factors that induced the new and small entrepreneurial class. The emerging new entrepreneurial class was more open than old.

Upadhy found that success of entrepreneur was due to incentives offered by development agencies, family upbringing from particular cast and craft, providing attention to the financial function and formal education.

Sharma (1985) investigated the relationship between entrepreneurial background and entrepreneurial performance. He found his study on the following points: 1. To identify the entrepreneurial class that came forward to launch its enterprises during 1961-63 and bring out its economic social and geographic origin. 2. To measure performance of the entrepreneurial class and ascertain whether there exist a relationship between their background and performance. 3. To scrutinise environmental factors which empeds a vigorous display of entrepreneurship.

The study has very vividly brought out the following conclusions: 1. Entrepreneurs who launched their business during 1961-63 pre-dominantly came from the mercantile and allied background. Traditionally trading casts of Hindu i.e., Jain, Bania and Chettiares from Gujarat Rajasthan and Tamil Nadu respectively have been the main springs of entrepreneurship. 2. The similar old families due to number and size to their companies enjoy by and large the highest share in all aspects of corporate life. 3. The merchant entrepreneurs had a substantial share in all
aspects of corporate life. 4. The established industrial houses of Indian origin practiced expansion and diversification more than others. 5. Unfavourable investment climate and poor market conditions affected adversely the all categories of entrepreneurs.

Sosokin's (1966) analysis of change from families to contractual relations and Riesman's classification of personality types can be cited for illustration. More recently the works of Elton Mayo, Smelser and W. Moore have contributed to an understanding of the relationship between industrialisation and social order. Marx in his interpretation of historical materialism not only proves that history of society is a history of class struggle, but beyond of society is a history of class struggle, but beyond that formulates a theoretical framework in which he describes how the mode of production determines the relations of social relationship. Few others who have studied the casual factors of social change are Vebless and Obgurn who emphasised the crucial role of technology in the process of social change. Since technological development is both the cause and effect of industrialisation, occurrence of change in the wake of industrialisation is an admitted fact.

Small Industries Extension Training Institute Hyderabad (SIET) in (1974) conducted a survey of 61 small scale entrepreneurs in Hyderabad and Secunderabad. The study reveals the following facts: 1. The factors like economic gain, ambition, social prestige and social responsibility have been the reasons
for starting small industrial units. 2. Capital shortage and Govt. red tape have been the most discouraging factors. 3. Younger age, formal education, urban background experience in industry, risk taking and adopting propensity were some of the characteristics of the entrepreneurs.

Timberg (1978) has studied Marwaries entrepreneurs success and entry into industry. He observed in his study that Marwaries entrepreneurs have performed a crucial role in the development of the economy of northern India.

Deshpandey (1982) has conducted a survey of 90 small entrepreneurs in Marathwada region i.e. Aurangabad, Jalna and Bhir, to study the socio-economic background of entrepreneurs, difficulties faced by entrepreneurs and to evaluate the entrepreneurial role and performance of entrepreneurship. The findings of his study are as follows: 1. The active participation of social people is very evident; 2. Upper castes entrepreneurs received various incentives and facilities extended by the Govt. agencies; 3. Most of the businessmen who are the sons of the business owners established their units at an early stage; 4. Large number of entrepreneurs have received their family help in building up their occupational career as entrepreneurs; 5. Family ownership is the characteristics of entrepreneurship; 6. Heavy reliance of the entrepreneur on institutional finances; 7. Project reports are mostly prepared by the entrepreneurs themselves who have little competence to conceptualise the proposed industrial project; 8. Most of the entrepreneurs completed the promotion procedure on their own; 9. Most of the entrepreneurs utilised
their installed capacity; and 10. Most of the entrepreneurs have copied the products and technology already established in the market.

Shoebhal (1985) has conducted a survey of 100 carpet manufacturing firms in Bhadoi. He studied the social composition of entrepreneurs and the role of entrepreneurs in the development and modernisation of the town. The findings of his study are as follows: 1. 65 per cent of the entrepreneurs belong to the joint families; 2. 30 per cent of the entrepreneurs are Muslims and 56 per cent are Hindus. Religion has played a very insignificant role in determining the entrepreneurial involvement; 3. A case wise analysis of the entrepreneurs shows that majority of the entrepreneurs belonging to two communities. Banias in Hindues and Ansari in Muslims. The upper castes such as Brahmin and Rajput show a sense of hesitation plunging into carpet trade. 4. Carpet industry has made a very big contribution to the economic growth of the town but it has failed to promote urbanisation in the same measures;

The findings of the studies of some of the leading researchers on the subject Gadgil, Lamb, Medhara, Kling and Hezlehurst are as follows: 1. Caste system and its obligations tend to reduce the occupational mobility, technical changes and innovation which go against the social and religious prescriptions. It is necessary to mention in this connection that the studies are related to an earlier period of the industrialisation of the country. 2. Hezlehurst in his study notes that refugee entrepreneurs tend to be more innovative than local
entrepreneurs. 3. Economic factors such as access to capital, possession of business experience and technical knowledge are more important than sociological factors such as caste, attachment to the traditional activities and approval or disapproval of the social group to which potential entrepreneurs belong. 4. Extended family is the limit of entrepreneurship, supplying managerial and financial resources needed for business and industrial opportunities. 5. Public enterprises are characterised by the low profit and saving rates which may be partly due to the lack of entrepreneurial skills in the public sector. 6. Technocrats may constitute a major source of entrepreneurship. 7. The political and socio-economic changes that are taking place in the country during the post independence period might have reduced the rigidity of the caste system helping occupational mobility. During the decade of 1970's some studies of empirical nature on entrepreneurship in Andhra Pradesh were conducted. A few of the important studies are reviewed below.

Servesvarao and Associates studied entrepreneurship in small industry in Vishakhapatnam city in Andhra Pradesh. They conducted a survey of small scale units employing 5 or more workers. The information and the date were collected from 57 firms, some of which were located in the Vishakhapatnam Industrial Estate. In the case of the partnership and joint stock companies, the authors used the concept of major entrepreneur. The 'major entrepreneur' is the person with the principal responsibility for making the
decisions about the level of the capital stock or the assets of the firms etc. The major purpose of the study was to investigate the factors determining the supply and the success of industrial entrepreneurship in Vishakhapatnam was based on the data collected by the authors pertaining to the following variables viz. caste, socio-economic class, family structure, other politico-cultural attachments, education, training and work experience of the entrepreneurs, the nature of labour, capital market and governmental policies.

The following are the major conclusions arrived at by the authors: 1. The analysis clearly established that the socio-cultural features of the traditional Indian society are no longer standing in the way of the development of modern entrepreneurship even in a comparatively backward areas, like Vishakhapatnam. 2. The development of Andhra entrepreneurship is no longer in question and may be expected to play an important role in the coming decades when plentiful opportunities will arise for the development of large scale and ancillary industries in Vishakhapatnam. 3. The study underlines the crucial importance of education, training and work experience for successful development of modern entrepreneurship.

Sarvesvasao, Lakshamana and Prasad conducted a study with the help of the list of commercial enterprises. The list of commercial enterprises was prepared on the basis of the research to the commercial tax departments and a sample of 46 enterprises was selected after excluding the hotels, cold-drink stalls Cinema-
theatre, Commission-Agents and banks from the Universe. The turnover of the sample enterprises ranged between less than Rs.40,000 (The lowest turn over class) and Rs. 3 lakhs and above (The highest turn over class). The following are the major conclusions of the study: 1. There is no evidence in the sample supporting the existence of innovative entrepreneurship in the trading sector. 2. Statistical analysis has revealed that caste and selected success indicators are systematically related to each other. 3. There exist wide scope for local entrepreneurial talent to develop further. 4. Information gathered on management decisions and practices shows that entrepreneurs are mostly conservative in their business conduct. 5. In case of the majority of sample enterprises including large enterprises, the data available are not adequate to conduct the detailed productivity analysis. 6. The financing aspect reveals little utilisation of the institutional credit facilities.

Directorate of Industries, Government of Andhra Pradesh in collaboration with the Administrative Staff College of India (ASCI), Hyderabad conducted a study on emerging investors in East Godawari Dist. The following were the major objectives of the survey covering a sample of 200 persons of which 35 were the industrial entrepreneurs: 1. To examine the profile of the individuals who are the potential investors in the manufacturing; 2. To find the motives, attitudes and influence of the individuals; 3. To examine the industrial potential of the
district; 4. To suggest the steps that Government should take to attract capital from non-industrial sectors in the district, to small scale industries. The analysis of the study throws interesting light on all the above objectives of the study.

The Economic Department of the Andhra University conducted a massive study of commercial and industrial entrepreneurship in the coastal region of Andhra Pradesh during the period 1973-75. The study was financed by the Indian Council of Social Science and Research. The factors relating to industrial entrepreneurship alongwith the objectives of the study are given below: 1. To study the growth of entrepreneurship in the selected region of coastal Andhra Pradesh; 2. To study the structural aspects of the small scale sector in the selected regions; 3. To identify and analyse the socio-cultural and economic factors influencing the supply of entrepreneurship and to test some major hypothesis relating to it. 4. To analyse the performance of the sample entrepreneurs on the basis of the selected efficiency and performance indicators and to analyse the problems faced by the entrepreneurs; and 5. To suggest policy measures on the basis of the results of the inquiry for accelerating and promoting the industrial, and commercial entrepreneurship in coastal Andhra Pradesh.

**SUMMARY OF MAJOR STUDIES / FINDINGS REGARDING ENTREPRENEURSHIP:**

During the period 1961-71 there was a considerable growth of small industry sector in both the selected regions (Vishakhapatnam-Ankapally and Vijaiwada-Guntur) as measured by number of units,
employment, and capital. The growth rates of a number of units, employment and fixed capital in the Vijaiwada Guntur Regions (VZA-GNT) were 10.8%, 7.2% and 26.0% respectively. The corresponding percentages in respect of Vishakhapatnam-Ankapalli (VSP-ANK) regions were 11.54, 9.652 and 6.73).

Predominance of proprietary concerns in the two regions while most of the units in the industrial estates are organised on the partnership lines, was noticed. The units in VSP-ANK region are smaller in size than those in VZA-GNT region. Further, the average size of the enterprise in the industrial estates is larger than that of the enterprises outside the industrial estates.

As far as the socio-cultural profiles of industrial entrepreneurs in the two selected regions, the middle level caste predominate the field of industrial enterprise in both the regions. It is, however, significant to note that in the VZA-GNT region, the forward middle level castes (Kapu, Reddy and Kamma) accounted for nearly 80 per cent of the total number of entrepreneurs whereas they account for only 40 per cent in the VSP-ANK region. In the Vijaiwada Industrial Estate. The upper castes and the middle level castes each account for 45 per cent of the enterprises with forward elements dominating in the middle level castes.

The parental economic status of the majority of entrepreneurs outside the industrial estates was either low or middle while the majority of entrepreneurs in the industrial estates had high economic status. Most of the entrepreneurs in the two regions
belong to the middle aged group and to the local areas.

As regards the level of education of the entrepreneurs, a majority of them in the industrial estates had college education, while in the case of the others in the two regions, about 50 per cent and secondary education and 30 per cent had primary education.

Most of the entrepreneurs started their enterprises on their own initiative, and were motivated by their familiarity with the industry and expectation of high profits which guided them in choosing the lines of manufacture.

From the above discussed findings, it can easily be concluded that: 1. A high proportion of entrepreneurs in the two regions may be regarded as efficient, particularly when they are judged according to the criteria of growth rates; 2. The proportion of efficient entrepreneurs declines considerably, as we move from growth rates in the value added and profits to labour and material productivities. 3. There is a high proportion of entrepreneurs earning more than 100 per cent return on fixed capital which means that a high proportion of enterprises are having more capital productivity. It reflects the fact that in the small size group, we find low capital commitment, employment of family labour and operation of the units as subsistence enterprises. 4. The study also brings out clearly that the enterprises in the industrial estates consistently show better performance as evaluated in terms of the several criteria except raw materials productivity.

Further, as between the two regions, the VZA-GNT comes out better
than the VSP-ANK region. The regional variations in the structure and performance of the enterprises has clearly come out of the analysis, placing the relatively backward VSP-ANK region, the relatively advanced VZA-GNT region and the Vijaiwada industrial estate in a hierarchical set up.

Coolings, Moore and others (1964) have examined a sub-category of business leaders. Their study of innovating entrepreneurs revealed that many of their subjects had experience childhood, poverty and disrupted family life which stimulated strong motivation for personal achievement in various fields in general and business in particular.

Schumpeter (1967) has pointed out in his study that economic development depends to a large extent on the active and enthusiastic participation of intelligent entrepreneurs in economic process. Schumpeter's entrepreneurs and economic leaders, motivated by a strong will power, who occur, randomly in any ethnically homogeneous population. Their special characteristics are an institutional capacity to see things in a way which afterwards prove correct, energy of will and mind to overcome fixed habits of thought and the capacity to withstand social opposition. These attributes would seem closely related to the 19th century experience. Thus, one can say that Schumpeter's entrepreneurs are contrary to Webber's entrepreneur.

Gunnar Myrdal has critically evaluated various theories of entrepreneurial phenomenon and reached the conclusion that there
has always been an unsuccessful search for the source of dynamic entrepreneurial performance. He has suggested some principles on which future traps might be designed.

We have so far discussed the various studies, under different categories e.g. studies on Indian entrepreneurial history, studies on emerging entrepreneurship and general studies on entrepreneurship carried out by different authorities on the subject. Now we intend to produce some of the work done so far by various authors on leather goods in different areas. Although a lot of work has been undertaken in various areas namely modernisation, finance/accounting, labour relations, raw material, pollution control, marketing/sales and export-import etc. The summary of review of literature on leather goods in the field of marketing/sales and export-import is as follows:

**FINDINGS OF MAJOR RESEARCHES/STUDIES ON LEATHER GOODS**: Vivek Dealankar in his article has analysed the export challenges to the leather industry in India and has stated that the strong point of Indian leather industry is that it is quite rich in the matter of its principal raw material, namely, hides and skins. He has further stated that Indian leather industry is characterized by a large number of small units, suffering from various problems such as meager financial resources, lack of managerial skills, short supply of hides and skins to tanning units, inadequate skilled manpower and lack of availability of tanning and finishing material etc. All these constraints are hampering the growth of leather industry in India.
Dealanker has also discussed various types of assistances provided by the government and has suggested that there is a need of an umbrella type of organisation for improving the quality and in marketing the products manufactured by small units. The idea is to introduce big exporters to take under their umbrella 15-20 such small manufacturers, feed them adequate finance, raw material, know-how techniques and market their goods. All in all, the end of 20th century and beginning of the 21st century the leather industry will have to face prove many export challenges in the World leather market.

Samson Maharana in his article has emphasised upon the importance of leather industry for Indian economy as this industry is earning precious foreign exchange. The quantum of export is increasing rapidly year by year and this increase over the years is due to the government policies which discourage export of semi-tanned leathers and encourage export of finished leather and leather products in order to earn more foreign exchange.

He has further pointed out that in recent years there has been a great increase in the demand for leather and leather goods in the international market, especially in some developed countries where the tanning operations are being discouraged due to growing pollution problems and increased labour charges. These countries are looking more and more to the hides and skins producing countries. India is in a good position to take advantage of this situation and increase its export of finished leather alongwith leather goods. In this regard Maharana put-
forward certain basic steps which are as follows:-

Better procurement of raw materials, expansion of production bases, use of latest and modern designs, strict quality control and standardisation and more financial incentives to exporters. When all these steps will be taken, it will raise the export earnings of leather industry considerably. They may not be adequate to achieve ambitious targets. A bold approach to the entire problem and adoption of a dynamic policy by the government would certainly enable the leather goods industry to face the new challenges in the late nineties. The answer lies in adopting a genuine export strategy and implementing it with a firm determination.

Ananthnaraya in his article, has highlighted about the phenomenal growth of Indian leather industry and then revealed the challenges of its growth. He describes that the phenomenal growth of Indian leather industry during the last few decades and especially during the last 10-12 years is evident from the fact that its exports have jumped to Rs.41,393.34 million in 1993-94 from Rs. 4360.48 million in 1983-84. It is expected that during the current financial year (1997-98) these may be even around Rs.70,000 million. The physical mix of leather and leather products during 1995-96 showed a significant value addition, exports of semi-finished leather came down sharply while finished leather, leather garments and leather goods recorded a spurt in exports compared to the previous year.

He further states that this achievement has however, brought to the surface certain weaknesses and threats which need to be
addressed immediately otherwise those would seriously affect the export growth of leather industry. The weak areas identified by him are, the status of technology in tanning industry, paucity of funds for upgradation of technology, pollution control, inadequate infrastructure for value added products and the like. The major threats are scarcity of raw material namely, hides and skins and the increasing cost of leather and leather products leading to substitution by synthetic materials.

Meerabai in her article states the leather industry is one of the oldest and traditional industry, concentrated mainly in small scale and village sector, providing employment to thousands of people both directly and indirectly and has all along remained export oriented. The world market for Indian leather and leather products is expanding similarly the domestic market for leather goods is also expanding fastly.

Meerabai further states that the leather industry in India from the very beginning is export oriented. India exports her leather products to different parts of the world, about it is worth mentioning that a major portion of Indian leather products goes to eight countries, namely, Germany, U.S.A, U.K, C.I.S., Japan, France and Italy. But comparing the import of leather products by these countries, the share of Indian exports is very negligible.

Meerabai also highlights about the problems of Indian leather industry. She states that at present Indian leather industry is facing various problems. Firstly, there is shortage of indigenous supply of new materials for the leather products industry, affecting the industry severely. Secondly, low quality of
finished leather is another problem which stands in the way of rapid progress of this industry. Thirdly, there is lack of adequate financial resources for modernisation of industry. Other problems include lack of modern and sophisticated production infrastructure, lack of proper training, shortage of space for tanners and anti air pollutioners.

She concludes that if India wants to increase its share in the International leather market then these problems should be dealt with immediately.

A hand book prepared by Trade Development Authority, explains the export prospects for leather goods to certain countries, the hand book also tries to judge the relative strengths and weaknesses of some of India's competitors, such as, Italy, Taiwan, South Korea, Portugal, Spain, Cyprus and Turkey etc.

Apart from these, the hand book also indicates some critical areas, namely, modernisation, import of raw-material, growth of ancillaries and skilled manpower etc. These critical areas are hampering the growth of Indian leather industry and required immediate attention.

A report prepared by Council for Leather Exports, indicates that India's export of leather and leather goods to various countries, namely, U.S.A, Germany, France, U.K., Japan, Hong Kong, Netherland, Switzerland, Belgium, Luxemburg, Canada and C.I.S.

The report further reveals, the total import of leather and leather products from World over into these countries and the India's share there of. The report also indicates the features of the above mentioned countries leather markets and provide suggestions how to boost the export of Indian leather products in these markets.
Sahasranaman prepared a report which presents in detail World leather industry scene, Indian leather industry scene, likely trends in World market for various leather articles, strengths and weaknesses of countries which are likely to be the major suppliers of leather and leather products to the World in the next decade and strengths and weaknesses of Indian leather industry etc.

Apart from these the report also suggests strategy for augmenting exports of leather and leather products from Indian. The suggested strategy include joint ventures, counter trade, professionalised management, market promotion measures etc.

Council for Leather Exports published a detailed statistical digest of Export of Leather and Leather products for a period of ten years, i.e. (1974-84). Digest discussed the Indian Leather Industry at a length and analysed various sectors of Indian leather industry, viz. Tanning and Finishing industry; Footwear components; Leather garments; Saddlery and Harness articles; Bags; Wallets; other leather goods and industrial manufactures.

Digest also states that the Indian leather industry is indeed vibrant. The existing production facilities are being modernised continuously. New modern production facilities are coming up all over the country. The industry is poised for further modernisation and technological upgradation.

A comprehensive study has been conducted by M/S. A.F. Ferguson & Co. which analyses the potential of Indian leather industry.

The study concludes the major constraints for growth in leather industry, especially in export sector are lack of
availability of hides and skins, lack of trained manpower, in adequate indigenous base for leather machinery and auxiliaries and components, lack of modernisation and increasing pollution problems. The industry at present is predominantly in small scale sector, but if industry wishes to achieve better quality, higher productivity and to increase its share in the intensive competitive world leather market then it is imperative for the industry to move from the small sector to the organised sector.

A similar type of study shows that India is one of the largest producer of leather. However, in order to have a quantum jump in export to the tune of Rs.6000 cores by the end of the century, a structural change is required on multiple fronts, viz. raw materials, technology, manufacture of leather products and designs. India should seriously consider the import of leather against committed exports. Comprehensive planning is required to augment production, eliminate constraints and provide an export promotion environment.

The study also indicates various constraints faced by leather exporters in the changing international environment. High costs of input like leather chemicals have caused a hike in the cost of production of leather products which is a disadvantage to the leather units. Similarly, prices of raw leather have gone up and at the same time their supplies have become limited for a number of reasons.

Anand Viswanathan in his article discloses that more and more people are entering into leather business, especially in the areas like shoes, leather garments and other leather products. In just
three years, the number of companies dealing in leather has doubled to 4,382. The exports increased considerably in last six years and in future it is expected that it will increase at a much faster rate.

Viswanathan further discloses the smell of good money, cheap labour force and easy availability of inputs have made the export of leather products an extremely lucrative proposition with traditional exporters and even industrial big wigs such as, Hindustan Lever, Pond’s, M.R.F., Larsen & Toubro, Wipro, Tata etc. are getting into the business.

In the end Viswanathan states in 1990-91, CLE expects to hit Rs.2,800 crores in exports and in the year 2,000 A.D. Rs.10,000 crores. In this regard he quoted M.M.Hashim*, "I do not want to sound ambitious, but with the demand for Indian Shoes growing we should be able to reach that figure by 1995-96 itself".

Hashim M.M. in his study founds that since the establishment of Council for Leather Exports, there is a sharp increase in leather and leather products exports. Side by side there is also a change in the composition of export, the share of value added products such as shoes, leather garments and hand bags etc. has increased substantially.

He has proposed (agenda) a scheme through which the export can be geared up.

The agenda consists of many tasks, viz. import of raw material, modernisation, generation of more technical manpower, creation of indigenous designs, creation of facilities with in the country for the manufacture of machineries and various inputs which are necessary for the production of leather and leather products.

In the agenda of Hashim, marketing is the last and most
important point. He states, at present we are not so much concerned with the marketing because quite a lot of export takes place to a handful of importers in few selected countries. As our production capabilities grow there is every likelihood of our facing resistance. It is, therefore, time that each individual chalks out a careful marketing strategy spread over a period of time in selected markets and relentlessly pursues such a strategy. Hapazard marketing and adhoc approaches can be dangerous. In the years to come marketing is going to be of very crucial importance in our efforts to gain a better share in the world market.

Usha Sivaraman & Shetty in their articles have focussed on marketing aspects. They state, to realise the ambitious export target of Rs.6000 crores by the turn of the century, the leather industry will have to drastically tune up its marketing strategy to an aggressive pitch.

At present Indian leather, marketed abroad can be broadly classified into five categories, e.g. finished leather, semi-finished leather, leather footwear, footwear components, leather goods and manufactures.

Sivaraman and Shetty further states, there is a persistent demand for finished leather and footwear components because of the shortage of good low-priced leather around the world. Footwear as is well known, an items of mass consumption all over the world. If entrepreneurs export leather footwear rather than merely the raw material, India will stand to gain substantially. Therefore, action plan for revitalising this sector should be drawn up immediately.

A major portion of leather export, flows in a few European
countries, namely Germany, C.I.S., Italy, U.K., and France, etc. Surprisingly Indian exporters have no visible presence in the West-Asian market. The brand conscious Gulf consumers prefer well known, high priced western brand to the lesser known Indian goods.

In each of these markets Indian leather products have managed to stay mainly because of the 'Price factor'. Indian exporters basically cater to the price conscious, middle-of-road consumer, who cannot afford the famous brands but needs a durable, serviceable product. Leather and leather products from India fill this gap.

To meet the requirements of customers in the European and American markets, careful attention to product development and diligent understanding of market opportunities and variables have to be made. The product should not only have an attractive design but must also be able to fulfill their functional role.

In the last they have stated that no industry can survive or maintain its position in today's competitive international market merely on the basis of salable products, especially if the products are from India. The long perceived notions of sub-standard quality of leather from Indian have made customers apprehensive of buying product from the sub-continent. Today the quality of leather and leather products have greatly improved but perception die-hard. Therefore, the crux of the issue lies in enhancing the general awareness about Indian leather products with a long term view of increasing India's market share.

Lakshminarayan, in his article analyses the India's export of
leather and leather products during the plan period. He states the Indian leather industry has experienced substantial growth during the plan periods thanks to the enterprise exhibited by the tanners and product manufacturers coupled with the helpful policy measures, incentives an institutional support provided by the state.

He further states that the leather industry is perhaps the only segment where the plan targets have been exceeded and hence often revised upward in mid term. In seventh plan period as against the original export target of Rs.1,070 crores in 1989-90, the actual export value was Rs.2,030 crores. In the last seven plan period value of exports have grown by 6000%, With an annual average of 150%. A significant feature disclosed by him is that the import content is always lesser than 10% for leather industry compared to more than 70% in the case of gems and Jewelry and 50% in the chemical industry.

He highlighted the sixth and seventh plan periods that marked the eighties is the most remarkable period in the growth of Indian exports of leather products. The industry got restructured and the policy measures taken in seventies such as restricting the export of semi-tanned leather, providing cash and other incentives to the export of finished leather and products, increased institutional support through council for Leather Exports etc. bore fruit in the eighties.)

Research Gap: After going through the various studies and researches mentioned in this chapter undertaken by different authors in the field of entrepreneurship and leather goods industry, it is evident that though many types of works have been
done in the areas like Production, Finance, Human Resource and Marketing etc. Some studies are concentrated on the constraints faced by entrepreneurs in particulars and industry in general while some researches are confined to forecasting the foreign exchange by export of leather and leather goods. In fact, some authors have really dared to study entrepreneurship in small scale industries other than leather goods in Utter Pradesh and other states of India. But unfortunately no sincere effort is made so far to study entrepreneurship development/performance in leather goods industry of Utter Pradesh. (Leather and leather goods industry has got the highest potential in U.P. as it has the largest number of animals and their skins and hides as compared to other states of India. Leather goods industry occupies a prominent position among all the industries because of its actual earnings of the precious foreign exchange as well as its high growth potential for exports. India today earns 7 to 8 per cent of the total foreign exchange earnings from leather goods industry and Utter Pradesh has highest share in it. Utter Pradesh does not only have the largest live stock population in the country but at the same time its strength in terms of labour force is quite significant. Apart from this there is strong technological support and ever encouraging government policies.

Despite having these advantages, India’s share in the World leather goods market, however, remains as low as 2.7%. Although we are in the export market since 1960s.) Therefore, there is an urgent, severe and two folded need to study entrepreneurial process in leather goods industry of Utter
Pradesh so that the problems and difficulties in the smooth and effective flow of entrepreneurship are eliminated. Moreover, this study is aimed at ascertaining the different sorts of backgrounds of entrepreneurs and measuring their performances besides suggesting the government and state to formulate such policies so as to produce the enable and competent entrepreneurs in this particular industry.
REFERENCES


45. Tondon B.C. "Environment and Entrepreneurs" Church Publication, Allahabad, 1975, P. IX.


53. Small Industries extension Traning Institute Hyderated (SIET)


59. Emerging Investors: A rural profile (Hyderabad: A.S.C.I.)


