CHAPTER-II

Design and Methodology of Study and Review of Literature
Part-I: Design and Methodology of the Study

2.1. The Research Problem

The chapter is divided into two parts. Part-I deals with design and methodology of the study, and Part-II with the review of literature. Despite the multi-pronged approach adopted prior to liberalization till 1991, and a wide range of strategies being pursued in the post-liberalization era to enhance the competitiveness of SMEs, problems continue in the management of SMEs. Problems are different, region-wise and product-group-wise, with some of them being common in many parts of the country. The present study is tailored to meet this research gap in the investigations on the Micro, Small and Medium Enterprises (MSMEs) sector. In the environment of the World Trade Organization’s (WTO), governed trade relations across countries, and liberalization trends in India and in other developing and developed countries, problems of the MSME sector, keep changing and the intensity of the impact also differs from time to time.

2.2. Hypothesis

The hypothesis set for investigation in the study is as follows: Small Enterprise (Small Scale Industrial) sector continues to suffer from a number of problems on several fronts in the process of development. Part of it is due to the competitive environment of recent years.

2.3. Objectives

The study on small scale industries (Small Enterprises) covers the Kurnool District of Andhra Pradesh, which is referred to as a backward district in the region of Rayalaseema. Objectives of the study are as follows:

1. To review the policies and performance of the small scale industries (Small Enterprises) sector at the National level.
2. To critically examine the performance of small scale industries (Small Enterprises) at the State and District level with reference to Andhra Pradesh and Kurnool district.
3. To analyse the structure and performance of Small Scale Industries (Small Enterprises) in Kurnool district.
4. To study the environmental aspects of Small Scale Industries (small enterprises) of Kurnool district, with focus on managerial problems.
such as technology, production, labour, marketing, transportation and finance.

5. Suggest strategies to accelerate the development of Small Scale Industries (small enterprises).

2.4. Data Base

Data collected for the study covers secondary and primary sources. Secondary data gathered in the district are from the DIC, Kurnool, and supplemented with the records of industries, associations, and banks in different parts of the district. From the Syndicate Bank of Kurnool data has been collected on various aspects, as it is the lead bank of Kurnool district. At the State level, data has been collected from the commissionerate of Industries, Hyderabad and has been analysed for the small enterprise sector. State level publications and a few articles have been referred to, for specific aspects.

Collection of primary data is based on the structured questionnaire amenable for computerization, administered among enterprises with focus on entrepreneurial background, progress and performance of the enterprises, and problems faced by the enterprise on specific managerial areas, and future plans of the enterprise. The data has been collected through the schedules. Discussions with entrepreneurs and their functionaries have helped in enabling them to present the responses realistically.

2.5 Methodology

To study the Development of Small Scale Industries, the Kurnool district in Andhra Pradesh has been selected as a case study for investigation.

The study covers a sample of working Micro and Small Enterprises (SSIs) registered with the District Industries Centre (DIC), Kurnool. The period is 2000-2009 (10 years). The current definition of manufacturing and service enterprises which are in vogue, from October 2006 have been taken into account for selecting the enterprises (units). For a manufacturing Micro Enterprise, gross fixed investment in plant and machinery is up to Rs.25 lakh, and for a Small Enterprise (small scale industries) the investment is above Rs.25 lakh and up to Rs.5 crore. For a Service Micro Enterprise, the gross
fixed investment in equipment is upto Rs.10 lakh, and for small enterprises it is above Rs.10 lakh and upto Rs.2 crore. For a manufacturing Medium Enterprise, the gross fixed investment in plant and machinery ranges from Rs.5 crore to Rs.10 crore and for a Service Medium Enterprise, the gross fixed investment in equipment ranges from above Rs.2 crore to Rs.5 crore.

2.5.1. Selection of Sample Small Scale Industries (Small Enterprises)

From the Small Scale Industries (small enterprises) registered with DIC, Kurnool as at the end-March 2009, working units were identified product group-wise and selection of sample units was made in six product groups out of ten groups listed by the DIC. These groups are mineral based units, agro-based units, food-based units, chemical-based units, textile-based units, repair and service units. The total number of working small scale industries (small enterprises) in these groups in Kurnool district worked out to 4094, out of 6164 industries for ten groups of enterprises (66.4%). The fixed investment in six groups is Rs.168.83 crore (81.3%) and employment 34,528 (75.7%) of the total enterprises. Particulars of sample product groups and sample enterprises selected in each group and the total for six groups, along with the total picture of working small enterprises in Kurnool at the end of March 2009 are given in Table 2.1.

Samples selected from 150 enterprises covering manufacturing and industry related service enterprises (industries) constitutes 3.7 per cent of the total 4,094 enterprises for six product-groups. The enterprises selected product-group-wise are as follows: (a) mineral-based units 62 (3.3% of the total for the group), (b) agro-based units 34 (3.6%), (c) Food based units 21 (5.0%), (d) chemical-based units 12 (3.3%), (e) textile-based units 3, (8.3%), (f) repair and serve units 18 (3.8%). The groups selected are based on their prominence among working small enterprises of the district. The growth of enterprises of these six product groups during 1999-2009 in terms of enterprises, the fixed investment, and employment, year-wise and cumulative picture are given in Table 2.2 and Table 2.3.
### TABLE 2.1

REGISTERED WORKING SMALL SCALE INDUSTRIES, SIX PRODUCT GROUPS COVERED IN THE KURNOOL DISTRICT PRODUCT GROUP-WISE (AS ON 31.03.2009)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Category</th>
<th>Number of units</th>
<th>Fixed Investment (Rs.in lakh)</th>
<th>Employment</th>
<th>Sample Enterprises selected</th>
<th>Percentage of sample enterprises to the universe</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mineral-based product</td>
<td>1851 (30.0)</td>
<td>6950.55 (33.5)</td>
<td>17254</td>
<td>62</td>
<td>3.3</td>
</tr>
<tr>
<td>2</td>
<td>Agro-based product</td>
<td>950 (15.4)</td>
<td>2811.75 (13.5)</td>
<td>6320</td>
<td>34</td>
<td>3.6</td>
</tr>
<tr>
<td>3</td>
<td>Food-based product</td>
<td>420 (6.8)</td>
<td>2475.25 (11.9)</td>
<td>3700</td>
<td>21</td>
<td>5.0</td>
</tr>
<tr>
<td>4</td>
<td>Chemical-based product</td>
<td>365 (5.92)</td>
<td>3546.9 (17.1)</td>
<td>3684</td>
<td>12</td>
<td>3.3</td>
</tr>
<tr>
<td>5</td>
<td>Textile-based product</td>
<td>36 (0.6)</td>
<td>109.85 (0.5)</td>
<td>250</td>
<td>3</td>
<td>8.3</td>
</tr>
<tr>
<td>6</td>
<td>Repair &amp; Servicing</td>
<td>472 (7.7)</td>
<td>989.47 (4.8)</td>
<td>3260</td>
<td>18</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>Total six product groups</td>
<td>4094 (66.4)</td>
<td>16883.78 (81.3)</td>
<td>34468</td>
<td>150</td>
<td>3.7</td>
</tr>
<tr>
<td></td>
<td>MSES District Total</td>
<td>6164 (100.0)</td>
<td>20754.77 (100.0)</td>
<td>45539</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Computed.

Note: Figures in parenthesis indicate percentage share of total small enterprises in the district.

---

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TABLE 2.2
YEAR-WISE GROWTH OF REGISTERED WORKING SMALL ENTERPRISES OF SIX PRODUCT GROUPS COVERED IN THE STUDY (2000-2009)

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of units</th>
<th>Fixed investment (Rs.in lakh)</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>March end 1999</td>
<td>3721</td>
<td>8502.77</td>
<td>30268</td>
</tr>
<tr>
<td>2000</td>
<td>69</td>
<td>1012</td>
<td>570</td>
</tr>
<tr>
<td>2001</td>
<td>53</td>
<td>797</td>
<td>480</td>
</tr>
<tr>
<td>2002</td>
<td>33</td>
<td>874</td>
<td>502</td>
</tr>
<tr>
<td>2003</td>
<td>30</td>
<td>825</td>
<td>440</td>
</tr>
<tr>
<td>2004</td>
<td>24</td>
<td>417</td>
<td>370</td>
</tr>
<tr>
<td>2005</td>
<td>21</td>
<td>224</td>
<td>196</td>
</tr>
<tr>
<td>2006</td>
<td>24</td>
<td>650</td>
<td>332</td>
</tr>
<tr>
<td>2007</td>
<td>20</td>
<td>425</td>
<td>220</td>
</tr>
<tr>
<td>2008</td>
<td>38</td>
<td>1397</td>
<td>430</td>
</tr>
<tr>
<td>2009</td>
<td>61</td>
<td>1760</td>
<td>720</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4094</strong></td>
<td><strong>16883.77</strong></td>
<td><strong>34528</strong></td>
</tr>
</tbody>
</table>

Source: Computed.
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Year</th>
<th>No. of Units</th>
<th>Fixed investment (Rs. in Lakhs)</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>1</td>
<td>March end 1999</td>
<td>3721</td>
<td>8502.77</td>
<td>30268</td>
</tr>
<tr>
<td>2</td>
<td>2000</td>
<td>3790 (1.8)</td>
<td>9514.77 (11.9)</td>
<td>30838 (1.8)</td>
</tr>
<tr>
<td>3</td>
<td>2001</td>
<td>3843 (1.4)</td>
<td>10311.77 (9.3)</td>
<td>31318 (1.6)</td>
</tr>
<tr>
<td>4</td>
<td>2002</td>
<td>3876 (0.8)</td>
<td>11185.77 (10.2)</td>
<td>31820 (1.7)</td>
</tr>
<tr>
<td>5</td>
<td>2003</td>
<td>3906 (0.8)</td>
<td>12010.77 (9.7)</td>
<td>32260 (1.5)</td>
</tr>
<tr>
<td>6</td>
<td>2004</td>
<td>3930 (0.6)</td>
<td>12427.77 (4.9)</td>
<td>32630 (1.0)</td>
</tr>
<tr>
<td>7</td>
<td>2005</td>
<td>3951 (0.6)</td>
<td>12651.77 (2.6)</td>
<td>32826 (0.6)</td>
</tr>
<tr>
<td>8</td>
<td>2006</td>
<td>3975 (0.6)</td>
<td>13301.77 (7.6)</td>
<td>33158 (1.1)</td>
</tr>
<tr>
<td>9</td>
<td>2007</td>
<td>3995 (0.5)</td>
<td>13726.77 (4.9)</td>
<td>33378 (0.7)</td>
</tr>
<tr>
<td>10</td>
<td>2008</td>
<td>4033 (1.0)</td>
<td>15123.77 (16.4)</td>
<td>33808 (1.4)</td>
</tr>
<tr>
<td>11</td>
<td>2009</td>
<td>4094 (1.6)</td>
<td>16883.77 (21.6)</td>
<td>34528 (2.3)</td>
</tr>
</tbody>
</table>

Source: Computed

Note: Figures in parenthesis indicate percentage growth over the previous year
The growth of industries was less than one per cent from 2001 to 2007, and 1.0 per cent in 2008, and 1.6 per cent in 2009. The corresponding percentage for fixed investment are 4.9 to 11.6 per cent till 2007, 16.4 per cent in 2008, 21.8 per cent in 2009. The corresponding percentages for employment are 1.0 to 1.7 per cent till 2008, 2.3 per cent in 2009. Criteria adopted for the selection of sample industries are as follows:

1. The enterprise has been in operation for 10 years
2. The enterprises should have employed a minimum of 3 persons.
3. Total investment of the enterprise should be more than Rs.50,000.

Manufacturing and industry-related service enterprises have been selected. Enterprises (industries) promoted under various self-employment schemes with focus on poverty alleviation have not been considered for the purpose of the study, as investment level is generally low for these enterprises. Stratified random sampling method has been adopted for selecting sample enterprises. Distribution of the selected 150 sample small enterprises category-wise, revenue-division-wise and urban-rural distribution-wise are given in Table 2.4.

Out of 150 small enterprises 106 (70.7%) are in urban areas and 44 (29.3%) are in rural areas. Revenue division-wise these account for 62 (41.3%) industries in Kurnool, 57 (38%) in Nandyal, 31 (20.7%) in Adoni. Agro-based products are further categorized into rice mills, dall mills, flour mills, turmeric mills, cottonizing industries, oil mills, poultry feed, seed processing. The mineral-based products are limestone, chips, stone crusher, refractory bricks, white cement, granite tiles, stone polish; food-based products are coffee works, ice-candy, nut powder, bakery, popcorn, mineral water and cool drinks, papad-making; chemical products are chemicals, soap, wax and candles. The other groups are textile products, repairs and servicing remain such as without further break-up. Industrial enterprises account for 113 (75.3%) while service enterprises are 37 (24.7%). Majority of the industries (65%) of the industrial and service enterprises are located in industrial estates and auto nagars in the different parts of the district.
TABLE 2.4
SAMPLE SMALL ENTERPRISES (INDUSTRIES) COVERED IN THE FIELD STUDY FROM KURNOOL DISTRICT
Category wise and broad location wise
(a) Manufacturing Units: 113 (b) Industrial Service Units: 37

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>Total Industries covered</th>
<th>Industries covered revenue division wise</th>
<th>Enterprises covered</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Kurnool Nandyal Adoni Urban Rural</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Manufacturing industries</td>
<td></td>
<td>(1) (2) (3) (4) (5) (6) (7)</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Mineral Based units</td>
<td>62 (41.3)</td>
<td>28 24 10 44 18</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Agro Based Units</td>
<td>15 (10.0)</td>
<td>5 6 4 8 7</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Food Based Units</td>
<td>21 (14.0)</td>
<td>9 7 5 16 5</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Chemical Based Units</td>
<td>12 (8.0)</td>
<td>6 5 1 10 2</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Textile Based Units</td>
<td>3 (2.0)</td>
<td>1 1 1 2 1</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Sub Total (a)</td>
<td>113 (75.3)</td>
<td>49 43 21 80 33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Industrial Service Units</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Agro Service Units</td>
<td>19 (12.7)</td>
<td>6 8 5 12 7</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Repair and servicing</td>
<td>18 (12.0)</td>
<td>7 6 5 14 4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub Total (b)</td>
<td>37 (24.7)</td>
<td>13 14 10 26 11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total (a+b)</td>
<td>150</td>
<td>62 57 31 106 44</td>
<td></td>
</tr>
</tbody>
</table>

Source: Field survey
Note: Figures in parentheses indicate percentage to the total column
2.5.2. Statistical Techniques used in the Study

The responses of enterprises have been analysed with the help of computerized data processing using SPSS (Statistical Package for the Social Sciences) package. Results of the analysis are given in Chapter IV and V. Data are tabulated feature-wise through frequency distribution in respect of broad parameters like total gross fixed capital, gross investment in plant and machinery, total gross capital employed, output (value) sale value and employment. For other aspects, frequency distribution is utilized to work out percentage, valid percentage, cumulative percentage, mean, standard deviation, and minimum and maximum values.

For the following five aspects weighted mean has been worked out to arrive at rating in relation to the total, using Likert scale on a three-point gradation with weight assigned in order of importance. These are (a) ambitions while starting the enterprise, (b) factors useful for the development of the enterprise, (c) locational factors, (d) reasons for shortfall in capacity utilization and (e) impact of liberalization. By multiplying the number of responses in each category, for each factor with the respective weights, total weighted score has been arrived at. Taking the sum of the weighted scores for all factors as 100, percentage has been worked out to know the relative importance of each factor in relation to 100. This enables us to rank all the factors based on the rating percentage. In addition, standard deviation has been worked out. This enables us to present mean plus or minus standard deviation (mean ± SD), which indicates the spread of the mean. Based on the extent of deviation of the spread from the central point on the three-point scale (namely, two), one can indicate the grading responses as high, moderate or low. In respect of the impact of liberalization, responses have been graded as highly significant, moderately significant and not significant. The sum of the two deviations from the central point two, taking the negative sign into account, will result in either positive or negative response. This has been used for interpretation as high, moderate or low, or having what level impact positive result tends towards high and negative results tends towards low.
2.6. Structural Characteristics of Small Enterprises (Small scale industries) covered in the study

An analysis in Table 2.5 shows the 150 sample units have been grouped into six categories. 41.3 per cent of them are mineral based units, 22.7 per cent units are agro-based units, 14.0 per cent food-based units, 8.0 per cent chemical-based units, 2.0 per cent textile based units, and 12 per cent repair and service units. The first four categories form 86 per cent, while the other two categories form 14 per cent. The sample units covered in the present study are shown in diagram 2.1.

The table shows per enterprise in different product groups, average, values at present of gross investment in plant and machinery, gross fixed capital, gross total capital employed, employment, annual gross output and gross sale.

In terms of gross investment in plant and machinery at present almost all the units can be considered as micro enterprises, as the investment limit has not crossed Rs.25 lakh each with the exception of seven units in mineral, agro, and chemical, repair and servicing have very low investment in plant and machinery. Four units in mineral at Rs.30 to 60 lakh, two units in chemical at Rs.30-40 lakh, one agro unit at Rs.30 lakh. Gross fixed capital per enterprise is Rs.30-41 lakh in mineral, agro, chemical-based units. Food and textile-based units are in the range of Rs.15 to 20 lakh. Repair and service enterprises have low range fixed capital. Investment in plant and machinery is presented in diagram 2.2.

In respect of annual gross output and gross sale per enterprise in repair and servicing, figures are given as annual income from services Rs.18.15 lakh each respectively. In mineral units the gross output per enterprise per year is Rs.156.35 and gross sale is Rs.190.64 lakh. In agro-based units the output per enterprise is Rs.201.61 lakh and sale value is Rs.239.60 lakh; in textile-based units the output is Rs.146.69 and sale Rs.176.25, in chemical-based units the output is Rs.134.23 and sale value is Rs.158.26 lakh.
### TABLE 2.5

**STRUCTURAL CHARACTERISTICS OF SMALL ENTERPRISES COVERED IN THE STUDY AREA - GROSS VALUE PER UNIT**

(Rs. in Lakhs)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Product Group</th>
<th>Number of Sample Enterprises</th>
<th>Number</th>
<th>Percentage to total sample</th>
<th>Gross investment in plant machinery</th>
<th>Gross fixed capital</th>
<th>Gross total capital employed</th>
<th>Employment</th>
<th>Gross output per annum</th>
<th>Gross sale per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mineral Based units</td>
<td>62.00</td>
<td></td>
<td>41.30</td>
<td>12.44</td>
<td>46.37</td>
<td>58.81</td>
<td>14.00</td>
<td>156.35</td>
<td>190.64</td>
</tr>
<tr>
<td>2</td>
<td>Agro Based Units</td>
<td>34.00</td>
<td></td>
<td>22.70</td>
<td>11.55</td>
<td>45.32</td>
<td>56.88</td>
<td>15.00</td>
<td>201.61</td>
<td>239.30</td>
</tr>
<tr>
<td>3</td>
<td>Food Based Units</td>
<td>21.00</td>
<td></td>
<td>14.00</td>
<td>6.71</td>
<td>15.05</td>
<td>21.76</td>
<td>9.40</td>
<td>89.52</td>
<td>109.62</td>
</tr>
<tr>
<td>4</td>
<td>Chemical Based Units</td>
<td>12.00</td>
<td></td>
<td>8.00</td>
<td>12.81</td>
<td>41.33</td>
<td>54.14</td>
<td>12.00</td>
<td>154.23</td>
<td>178.26</td>
</tr>
<tr>
<td>5</td>
<td>Textile Based Units</td>
<td>3.00</td>
<td></td>
<td>2.00</td>
<td>8.19</td>
<td>20.33</td>
<td>28.52</td>
<td>9.60</td>
<td>146.69</td>
<td>176.25</td>
</tr>
<tr>
<td>6</td>
<td>Repair and Service Units</td>
<td>18.00</td>
<td></td>
<td>12.00</td>
<td>2.77</td>
<td>5.12</td>
<td>7.89</td>
<td>3.50</td>
<td>-</td>
<td>18.15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>150.00</td>
<td>100.00</td>
<td></td>
<td>54.49</td>
<td>173.53</td>
<td>228.02</td>
<td>10.60</td>
<td>748.40</td>
<td>912.22</td>
</tr>
</tbody>
</table>

Source: Computed

Note: In respect of item 6 services enterprises annual income in value are shown under the sales column.
Diagram 2.1: Sample Enterprises covered in the Study

Source: Table 2.5
Diagram 2.2: Investment Plant and Machinery

Investment (Rs. in lakhs)

Categories

- Mineral Based Units
- Agro Based Units
- Food Based Units
- Chemical Based Units
- Textile Based Units
- Repair and Service Units

Investments:
- Mineral Based Units: 12.44
- Agro Based Units: 11.55
- Food Based Units: 6.71
- Chemical Based Units: 12.81
- Textile Based Units: 8.19
- Repair and Service Units: 2.77

Series 1
For all sample enterprises together, the average per enterprise value is Rs.9.08 lakh investment in plant and machinery and Rs.28.92 lakh gross fixed capital, Rs.228.02 lakh gross total capital, Rs.748.40 lakh gross output and Rs.912.22 lakh, gross sale. Gross fixed capital is presented in Diagram 2.3.

Employment per enterprise for agro-based units is 15 persons, mineral units is 14 persons, textile units is 10 persons, chemical-based units is 12 persons, food-based units is 9 persons and repair and servicing units is 3 persons. For all sample units, the average number employed is 11 persons. Employment is presented in diagram 2.4.

The study covers largely categories based on mineral and agro, raw materials and demand in nearby areas. Rural enterprises covered are 44 only. Out of 150, 126 (84%) sample units are proprietary concerns and 24 (16%) based on the partnership. Agro, chemical and mineral units have higher investment limits, compared to other categories. Output and sale is higher in agro, mineral, textile-based units; while chemical-based units output and sale is less than the textile units.
Diagram 2.4: Employment

Source: Table 2.5
PART-II: REVIEW OF LITERATURE

Review of literature presented in Part-II of this chapter presents a wide range of studies in the small and the medium enterprise sector highlighting different dimensions of implementation of various programmes in many parts of the country. The studies reviewed, present some of the problems, along with their performance region-wise, role of organizations, and directions for the future.

The reviews bring out the need for a deeper study on major managerial problems faced by SMEs from the angle of production, technology, labour, personnel, and other managerial aspects. There is also a need to get a feedback on the entrepreneur's perception of the impact of liberalization on the region, and specific product groups.

2.7. Review of Literature in Four Sections

Review of literature attempted in part-II is divided into four sections with continuing serial number for all sections.

2.7.1. Policies and programmes and role of organizations in small enterprise development (Serial number of references 1-25)

2.7.2. Performance and problems of small enterprises (serial number of references 26-57)

2.7.3. Competitive environment for small enterprises (Serial number of references 58-74).

2.7.4. Entrepreneurship development (Serial number of references 75-90).

The 90 references listed at appropriate places as footnotes in this chapter cover a wide variety of publications unpublished doctoral dissertations and articles taken from journals and edited publications. A number of programmes and thrust area of small enterprises sector have been covered to highlight the status in different regions, problems faced, and directions for the future. Apart from the different regions of India, a number of other countries have also been covered briefly. The micro and small enterprises sector's coverage from other countries is from developed and developing countries. These include the USA, the UK, the Australia, the Sweden, the Federal Republic of Germany and the Japan among developed countries and most of the developing countries including Bangladesh, Pakistan, Sri Lanka, Indonesia, Malaysia, Singapore, Philippines, Thailand.
and South East Asian countries as well as African countries. In each reference, the broad coverage of the publication/article, methodology adopted, and highlights of the main conclusions are presented to get a glimpse of the coverage of the study.

2.7.1. Policies and programmes and role of organizations in small enterprises development

Small industries play an important role in the economic development of the country. The contribution of this in India is phenomenal. It is one of the major sectors contributing to GDP, in industrial production, employment generation and exports. Small industries in India account for about 40 per cent of the gross value output in the manufacturing sector and providing employment for over 294 lakh people. In addition, it accounts for 35 per cent of the total exports. Small industries in India produce more than 7500 products of all types and constitute 95 per cent of industrial units.

Limba Goud, S. (2009) in his article in the ‘Southern Economist’ states that Small scale enterprises traditionally lack of institutional finance for start-ups and face higher cost of credit relative to large industries. Indian Banking sector experienced a series of reforms through restructuring and downward adjustments in interest rates, statutory prescriptions etc. While examining the credit disbursement of commercial banks to the SSI sector, it was observed that the share of the SSI sector in total priority sector lending and the total bank credit decreased during period 1995 to 2007. The issue of the falling credit to the SSI sector during post-reform period needs to be seen against the high incidence of NPAs of SSI lending. Since small industries play an important role in the economic development of the country, there is a genuine concern about the falling share of credit to the SSI sector.

Benjamin, C.T. (2007) in his article “Policies, Performance and Evaluation of SME Export Experience of India” reviews the role of the small and medium enterprises (SME) sector in the Indian economy. He evaluated the performance of the SME sector in exports, and critically looked at the constraints and challenges faced by the sector in making greater contribution to exports. The term 'Small and Medium Enterprise' is used in a broad sense to include the traditional and modern manufacturing and service enterprises.
India's membership of the World Trade Organization (WTO) and the resultant commitments to the rule-based International trading system have led to many challenges and opportunities for the industrial sector and particularly to the SME sector. Enlightened and prospective entrepreneurs can benefit from the greater opportunities available from the comparative advantages possessed by them. Domestic markets will be subjected to increased threats because of lowering of tariff leading to free entry of foreign goods and because of foreign companies establishing manufacturing bases locally, whereas the developing countries will have greater opportunity in the sector in which they have cost based comparative advantages. The developed countries will benefit from the opening up of the service sector; and tightening of the intellectual property regime. Export markets will become tougher because of competition among developing countries with similar comparative advantages.

Dr. Rana Zehra Masood (2009)³ states that the objectives of the small scale industries is to create immediate and permanent employment on a large scale at a relatively small cost to meet a substantial part of the increased demand for consumer goods; and simple producer goods to facilitate the mobilization of resources of capital and skill which might otherwise remain inadequately utilized, and to bring about an integration of the development of these industries with the rural economy. The SSI sector constitutes the backbone of a developing country like India. The phenomenal expansion of these reflects the potentialities of such industries. Small scale industries occupy a commanding position in the strategy of development and these industries have become an valuable weapon in bringing to fruition a balanced integrated, socio-economic order in our country.

Ghosal, S.N (2008)⁴ in his article “Small and medium enterprises need innovative financing model” has examined the strategies pursued in India for financing small and medium enterprises (SMEs) compared it with the measures followed in a few other countries, including Europe and USA and suggested an innovative strategy model for India. An in-depth study of SMEs brings out the need for revision in approaches. The most effective model for giving SMEs a boost is by creating private-public partnership between the entrepreneurs and the funding and guaranteeing agencies, so
that the talented technologies get an opportunity to have a full view of the market cycle. In the process, they will also learn about the process of market strategy in order to withstand all types of risks. The risks in financing could be shared on 'pari-passu' basis between the banks and the entrepreneurs, even on payment of a fee for this purpose.

Goodbole's (1978) study on the "Effectiveness of Industrial Dispersal Policies in Maharashtra" examined industrial estates and industrial areas, as one of the tools for dispersal. Cost benefit analysis of six industrial areas was attempted to assess their impact on developing areas as contrasted from developed areas. The study evaluated the impact of package of incentives provided by the Central and State governments and analysed the influence of location on various items of investment, finance, costs and profitability. Comparative efficiency of units in developed and developing areas was assessed and the influence of various items of cost analysed. The study showed that incentives had started yielding results at least in selected growth centres. They had not resulted in any distortion of investment priorities of entrepreneurs. However, incentives showed inadequate impact on employment generation. Cost-benefit analysis of areas revealed that investment in the creation of infrastructure in backward areas in particular, no doubt showed greater social benefit content, but looked at from the point of view of the executing agencies, infrastructure investment was not found to be attractive, and hence, the need felt for governmental investment in the form of soft loans and subsidies on certain cost such as land. The author suggested certain policy recommendations for further intensification of efforts for balanced industries.

Gupta Rajesh Kumar (1994), in his abstract of doctoral dissertation, "The Role of Development Banks in the Industrial Development of Himachal Pradesh," critically examines the role played by development banks in the industrialization of Himachal Pradesh during the period 1981-82 to 1988-89. Extent and causes of sickness and steps taken for revival of industrial units were also reviewed. The time series data available from all Indian and State level development financial institutions were analysed with the help of statistical techniques, such as (a) growth rate, using simple growth rate, compound annual growth rate and exponential annual growth rate (b)
locational quotients, and (c) coefficient of specialization. Some of the main findings of the study are as follows: (1) The development banks have failed to pay adequate attention to backward area development and removal of intra-regional disparities, (2) Himachal Pradesh recorded significant growth in industrial development over years, (3) The sanctioning powers of the branch offices of the State Financial Corporation were found to be inadequate. The respondents were not satisfied with the effectiveness of the branch offices of all India development banks in the State, (4) A significant concentration of financial assistance was observed only in a few developed pockets of the state. Solan and Sirmaur districts benefited to a greater extent. The study suggest greater decentralization of efforts for balanced regional development in the State and greater role and sanctioning powers at branch offices of State level institutions and all India institution.

Syed Reza Mousaviaden and H.Rajasekhar (2008), in their article, “The Electronic commerce offers SMEs potentially an approach to figure out where the gains may be and how to achieve them properly” have given two factors why focus on small and medium enterprises. Two facts cover the reason why we narrow our study on small and medium enterprises. Initially, as is noticeable to every one these are significant to the economic development of developing countries. AS per the United Nations Conference on Trade and development SMEs account for 60-70 per cent of all employment in developing countries. Obviously it is critical for such business to be prepared for, and take full advantage of any benefits offered by electronic commerce. The second reason lies in the fact that SMEs show a good capability to be adapted to a new technology in comparing with large industries.

Jaya Sing, M. (2003) explained that the SSI has proven its mettle by registering growth even in the midst of the recent global economic recession, though the scale of the individual industrial units is small, the collective strength of the sector is tremendous, triggering employment generation and providing a vast space for those entrepreneurs who prefer to stand on their own. At current prices, the value of production by the SSI in 2001-02, has been a whopping Rs.7,42,021 crore up by 7.5 per cent compared to the previous one. Thereby it contributes 7 per cent of the GDP to the nation and
is growing. In the Tenth Plan, the target for SSI contribution to the GDP is 12 per cent compared to the previous year. Exports by SSI units remarkably went up in 2000-01 by 28.78 per cent to Rs.69,797 crore. The center is protective in facilitating growth in the sector by way of addressing all the issues being faced by the players of the industry.

S.Vaidehi, S.Nirmala Mary, Dr.K.Raja Mohan Rao (2003), in their article stated that despite many upheals in the world economy, global trade has continued to grow steadily. Between 1990 and 1999, world market (by size of imports) increased from $5072 billion to $5729 billion. Global trade and output growth in 2000 were the largest in more than a decade, with all regions benefiting from the stronger world economy, according to the WTO Annual Report, 2001. The far-reaching impact of the various WTO norms are now threatening to further effect the fortunes of small and medium enterprises. Unfortunately, despite sufficient notice and the growing awareness of the impending threat, the small industries do not appear to be adequately prepared for the new challenges while a number of units in the sector have been striving to obtain ISO or BIS certification and compete against cheaper imports, and the overall picture appears gloomy for want of proper policy support.

Jethra, B.D. (2000) in his article on “Export orientation to small and medium enterprises (SMEs)” examines the performance of SMEs in the liberalization era from 1991 upto 1988-89, and the growth of exports from micro and small enterprises in relation to the growth of the total merchandise exports of the country from 1971 to product group-wise exports are given during 1990s to 1997-98, indicating the share of SSI sector to total exports in each product group. The author points out that while the SSI sector contributes about 40 per cent of the gross value of production of the manufacturing sector, exports from the sector account for less than 10 per cent of its production. Another revealing factor is that only five product-groups account for the bulk of exports from the SSI sector. There are ready made garments, engineering goods, basic chemicals and chemicals and allied products, leather products and processed foods. The author suggest that diversification of the export base and acceleration in exports are very
necessary to enhance the contribution of the SSI sector to the national economy.

Nagayya, D. (1984)\textsuperscript{11} in his doctoral dissertation on “effectiveness of industrial estates, a location comparison”, made a study of industrial estates and industrial areas in the less developed region of Marathwada in Maharashtra. Apart from secondary data gathered from co-operative industrial estates and industrial areas promoted by the Maharashtra Industrial Development Corporation (MIDC), field study was carried out in 64 sample small enterprises in estates and areas, and 9 outside this locations. These units have served as control units for the purpose of comparison with sample enterprises. Performance of enterprises was measured through relevant indicators, based on primary data collected from enterprises.

Nagayya, D. (2005d)\textsuperscript{12} in his article “Venture capital-recent trends in the liberalization context,” reviews the development of venture capital funds (VCFs) and venture capital investment (VCI) in the country. Concept evaluation, characteristics and scope of venture capital as an equity mechanism are discussed. This is also referred to as private equity (PE) an investment in a company with equity securities that are generally not publicly traded. Private equity focuses on active private equity investments that enable them to acquire a large or controlling interest in a firm with solid growth potential. As a result PE firms can oversee assist, and if necessary redirect the company’s activities or its management.

N.Umarani (2007)\textsuperscript{13} in her article states that the SSI sector plays a vital role for the growth of the Nation. It is estimated that one lakh rupees of investment in fixed assets in SSI, produces 4.62 lakh worth of goods and services. SSIs lie in their wide-spread dispersal in rural and urban areas foster entrepreneurial base, less gestation period and equitable distribution of wealth and income. Multiplications of SSI units form the backbone of the Indian manufacturing sector. Its share in the GDP of the country (6.75%) and industrial value (40%) is significant. Next to agriculture, SSI created the largest employment to the tune of 294.90 lakh in the year 2005-06 as against 12.61 lakh in 1995-96. The number of items produced under the SSIs have crossed 7500, with 326 as reserved items.
Nagayya, D. B. Shoba Rani (2008) in their article on “Financing Small and Medium Enterprise in the Emerging Scenario”, present the recent trends in credit flow to Micro and Small Enterprises (MSEs) in particular, and medium enterprises in a limited way, from commercial banks and Small Industries Development Bank of India (SIDBI) and outline the recommendations of A.S. Ganguly Working Group and internal group chaired by E.S. Murthy. It also refers to the Union Finance Ministry’s directive to the public sector banks to double the credit flow to SMEs during the Five Year period 2005-10. Two years, 2005-07 have shown good progress in this direction. The task is to be pursued vigorously in the next three years. Innovative approaches and directions for the future are covered in the second part of the article. SMEs need special treatment through devising special instruments of credit for strengthening their competitiveness.

NISET - North-Eastern Regional Centre, Gauhati (1974) has conducted a market survey in Assam and Meghalaya by selecting 358 SSI units. This study was conducted at the request of the NSIC. Actually the NSIC proposed to take up the marketing assistance programmes in Assam and Meghalaya for carrying out meaningful marketing programmes. It needs to study the existing marketing problems, the primary objective of the survey is to identify the products along with adequate production base and identification of consortia that may be covered under NSIC marketing assistance programme. From this study, it was found that around 38 per cent of the units are facing different types of marketing problems.

NISET’s study on marketing assistance to Small Scale Industries (1974) dealt with the role of different types of organizations, which are helping small scale units in their marketing activities. It has evaluated and made recommendations in strengthening their organizational activities in marketing assistance.

Padachi, K. (2008) in his article, “An analysis of working capital structure and financing pattern of Mauritian small manufacturing firms”, analyses the components of gross working capital of a sample of 58 small manufacturing companies in Mauritius to examine whether there have been any structural changes over the period of study in working capital and financing patterns. The role of short-term funds as a source of working
capital is also investigated. This is achieved by analyzing the components of working capital and the pattern of working capital financing for the sample units over a six-year period (1998-2003). The study also assesses the liquidity of the sample firms. The study is based on data collected from the financial statements of the firm. The range of industries covered by the firms includes the following: Food and beverages, leather and garments, paper products and printing, pre-fabricated metal products and wood furniture. It reveals that short-term bank credit plays a significant and dominating role as a major source of financing working capital requirements. It ranges from 25 per cent to 32 per cent of the total working capital requirement. This is evidenced by the low level of short term borrowings of about 8 per cent. Thus to bridge the short fall in working capital requirements, the sample units have necessarily to rely on banks for overdraft facilities.

Saini, Debi, S. and Pawan, S. Budhwar (2008) in their article "Managing the Human Resources in Indian SMEs, the role of indigenous Realities" discuss how issues of people management are addressed in Indian Small and Medium Enterprises (SMEs). They also highlight the indigenous approaches to human resource management (HRM) that have surfaced in the Indian SME context. The research formulation has been built on the mapping of people-management practices in two SME case studies, one of which is also family-based organization. The study was conducted in 2006. Both the firms were producing handloom goods of the 100 per cent export category and are among the top performers in the sector. They are located at Panipat in Haryana (Flaxo Exports) and Delhi (Dakines India Pvt Ltd). The analysis shows that indigenous realities in HRM in Indian SMEs are related mainly to the promotion of financial, emotional, and social support to the work force: employee involvement practices, recruitment, skill development, majority employee relations and managing vis-à-vis labour law framework.

Sardana, G.D and S.W.S.B.Dasanayaka (2007) in their study on "SMEs, a comparative analysis of India, Pakistan and Sri Lanka", present the profile of small and medium enterprises in the three countries of the South Asian region, their study indicates the constraints faced by the sector in its growth because of the problems relating to both product and factor markets,
and reviews the initiatives taken by the respective governments. The review points out that inspite of various policy reforms, incentives, and assistance offered by the successive Governments in the three countries, with the involvement of the private, non-governmental organizations and donor agencies, the SME sector continues to suffer from many handicaps and problems, while competing against large scale enterprises. Lack of institutional support and policy inertia has further reduced the potential contribution of the sector to the National economy.

Srivastav, Nirankar and Rickey Syngkon (2007a) in their article "Economic Behaviour of Small Scale Industries in Meghalaya: An Econometric Analysis", have analysed the contribution of small scale industries to the economy of the Meghalaya State. The article makes an in-depth analysis of the major characteristics and development of SSI in Meghalaya. In the process, size distribution, classification characteristics of different categories of labour, firm size and organization have been dealt with to study the role of labour capital and technology as productive resources for the SSI sector. Efforts have also been made to identify the determining of output and to evaluate its relationship with inputs like labour and capital. As a policy measure, the article suggests that additional manufacturing industries are to be developed in the State of a fast pace, as that would lead to the full exploitation of economies of scale, and technological advantages to put the state economy on a rapid growth trajectory.

Storey, David, J. (1983) in his edited publication “The Small Firm - an international survey,” presents a comparative picture of the role of small scale firms in a number of developed countries and groups of developing countries during the 1960s and 1970s. The developed countries covered are six: the USA, the UK, the Australia, the Sweden, the Federal Republic of Germany, and the Japan. In two chapters devoted to the newly developed and less developed areas, the coverage is of a number of countries in South East Asia and Africa. One chapter covers small firms in five countries, namely, Indonesia, Malaysia, Singapore, Philippines and Thailand, and another deals with small firms in the whole of the African continent. In case of South East Asia whilst the Philippines and Thailand are not developed,
Singapore is a highly developed economy with 'over full' employment. Indeed the main problem of small firms in Singapore, is that of coping with the high wage policy introduced by the Government in 1979, which makes it difficult for them to recruit workers in this tight labour market. In many respects, the small firms in Singapore have more in common with the small firms of developed countries covered in the early part of the volume. Problems of shortage of raw materials, of being land lacked or being politically unstable have prevented many central African countries from taking more than the first tottering step towards industrialization. The difference between modern small industries as in the case of Singapore, and traditional industries as in the case of other countries is brought out vividly. Stark contrast is also presented in terms of finance, but also with respect to managerial trail training, counseling services, and a host of other support measures. In both developed and developing countries a viewpoint brought out is the complementary role played by small businesses as part of the industrialization programme.

Subahsing Yadav (2005)\textsuperscript{22} says the small scale sector has been playing a prominent role in the socio-economic development of the country for the past five decades. It has direct impact on the growth of the national economy through the establishment of a more flexible, innovative and competitive structure. In the context of liberalization as experienced through integration with the global economy in a phased manner and National and International competitive environment, perspectives and strategies for small industry development have undergone a sea change. One of the striking features of planned economic development in India, has been based on the development of small scale village and tiny enterprises. The country accorded high priority to this sector on account of its employment-generation-potential, short gestation period, useful links with medium and large sectors, promotion of balanced regional development, utilization of local resources, production of exportable products etc. In this context small is really beautiful, efficient, innovative and creative, where the pursuit for progress is endless and growth is the way of life; and the small enterprises sector is being accepted as a key to sustainable economic growth.
Tambi, J.M.L. (1978)\textsuperscript{23} emphasised that Large Scale Units had an edge over small scale ones in the matter of marketing because of the economies of scale, financial strength to face setbacks and the competence to hire specialized professional managers.

Papola (1979)\textsuperscript{24} in a study "A Spatial Diversification of Manufacturing Industries in UP", while furnishing evidence of a continued spatial concentration has noted a decline in the share of factory employment in five most industrialized districts from 57 per cent in 1960 to 55 per cent in 1975 and also to industrially least developed areas from 1.10 per cent, 0.56 per cent. He has concluded that there is a need for a small degree of dispersal of manufacturing activity in favour of backward areas with some degree of industrialization.

Upadhyaya, N (1980)\textsuperscript{25} reviewed the progress achieved by the DICs in Rajasthan and came to the conclusion that with greater co-ordination among the various functionaries, the DICs shall be able to play a still more effective role towards building a sound industrial network based on local resources, skill and entrepreneurship. The DICs hold a promise for ushering a new economic order and balancing the regional imbalances.

2.7.2. Performance and Problems of Small Enterprises

The Andhra Pradesh Industrial Technical Consultancy Organization (APITCO), and the Kerala Industrial Technical Consultancy Organization (KITCO) (1980)\textsuperscript{26} conducted a study of the various problems faced by the industries in three States, viz., Kerala, Karnataka, and Andhra Pradesh. The study revealed that the serious problem faced by the units was the inadequacy of working capital. 69 per cent of units in Kerala, 44 per cent of units in Karnataka and 52 per cent of units in Andhra Pradesh were facing the same problem. The next serious problem was marketing, as 30 per cent of the units in Kerala felt it as another setback, non-availability of raw material has affected the productivity of several units in all the States, especially in industry groups such as metal products in Kerala, Chemicals, Rubber and Plastics and Metal Products, Karnataka, Machinery and Parts, Metal Products and Chemicals in Andhra Pradesh. It was observed that the delay in getting finance also hampered the productivity of the units and this led to high cost of production as observed in a few cases in all the States.
Anbalagan, D. (2008)\textsuperscript{27} in his article “Pollution Control in Small Scale Industries”, covers the importance of pollution control measures for small scale industries and suggests strategies to control pollution. The key Acts governing pollution control are: (1) The Water Pollution (Prevention and Control) Act, 1974, (ii) The Air Pollution (Prevention and Control) Act, 1981, and (iii) The Environmental Protection Act, 1986. Pollution Control Boards established at National and State level enforce these acts in medium and large industries as well as in small industries. Common effluent treatment plants (CETPs) are suggested for one or more clusters of small scale units to treat the liquid pollutants, after they emerge from small scale units after primary treatment. Treating pollutants of all categories should become an integral part of the establishment of the enterprises, at the early stage itself. Preserving the environment is part of the social responsibility of industrial enterprises.

Aravind I. Kobra’s (1979)\textsuperscript{28} study is on marketing practices and problems of small scale units located within the industrial estates of Andhra Pradesh. In this study, it is observed that many units are either functioning critically or are closed down. A number of small scale units have been set up by technocrats and the educated-unemployed. These entrepreneur are critically in need of support for marketing these products as they lack marketing know-how and resources to organize their sales promotion.

Battacharya, Subir (2008)\textsuperscript{29} in his article “Pattern of India’s industrial growth in the Nineties, impact of economic reforms, and some policy issues”, presents an analytical framework of industrial growth in the country before and after the reforms. The paper examines the impact of reformation of the industrial growth pattern of the country. The study reveals that there is a significant deceleration of industrial growth. Unlike the 1970s, when chemical and allied industries were the prime movers of industrial growth, the 1990s were marked by a different trend when beverage and tobacco recorded a significant improvement by achieving the highest growth followed by non-metallic minerals. A sharp decline in the manufacturing sector is observed with the decline being largely in mining and quarrying and electricity sectors. This shift in industrial growth pattern has crucial implications for the long-term growth and development of the country. At the end of the 1990s, the
manufacturing sector was suffering from demand recession, while the power sector was facing the problem of lack of investment. Appropriate policy measures used for reviving industrial growth at the end of 1990s were: to give priority and greater thrust to industry and massive public investment, especially in the infrastructure sector which have multiplier effects on the overall economy.

Brij Bhusan (1997) explained that development of the small scale industries sector assumes great significance in strengthening economic reforms to solve the chronic problems of unemployment, and poverty through industrial development over a period. In about five decades of planning, it has exhibited noticeable achievements in many areas, but it has not been able to absorb a considerable proportion of the urban unemployed youth, nor could it minimize the pressure of less and unproductive manpower on agricultural land. The miseries and social tension of a huge army of employed rural and urban youth remain a cause of great concern in the context of the new era of economic liberalization. In this situation, only small scale industries with low capital and high labour intensive technology of production are of great importance from five major angles namely (i) employment generation, (ii) reduction of disparity in the income distribution, (iii) prevention of abuses of the monopoly of large industrial houses, (iv) regional development and (v) prevention of rural migration.

Brinda Kalyani, P.R. (2008) in her article, “Problems faced by Small Scale Entrepreneurs of the Industrial Estates of Madurai Region (Tamilnadu)” deals with the problems faced by entrepreneurs of the industrial estates of Madurai region (Tamilnadu). The estates are referred to as SIDCO industrial estates as they have been developed by the Small Industry Development Corporation of Tamilnadu (SIDCO). The sample covered in the study is of 160 small manufacturing enterprises from five industrial estates. The study reveals that educational qualifications, and years of experience, have not influenced the level of satisfaction significantly. Capacity utilization, and average annual net profit have influenced the level of satisfaction significantly. The technique used to find this out is chi-square test. Problems experienced by the sample units relate to raw material availability, storage, capacity utilization, financial, labour and
infrastructure. Marketing does not pose a serious problem as most of the units are opening on job orders.

Chennappa, D. (2004)\textsuperscript{32} in his study on “Impact of Prime Minister’s Rozgar Yojana (PMRY) Scheme in Andhra Pradesh”, covers the impact of PMRY in three districts of Andhra Pradesh – viz., Rangareddy, Nalgonda, Mahaboobnagar in Telangana region, from the inception of the scheme in 1993-94 to 2001-02. The statistical tools used in the study through Foxpro and Excel software packages are coefficient of correlation, co-efficient of regression, chi-square test, t-test and ANOVA. 150 beneficiaries were selected from each of the three selected districts on the basis of the stratified random sampling method. The sample thus covered were 450 enterprises in industry, service and business. The strata were selected by giving equal importance to variables like rural and urban male and female, new and old units, and industry, service and business enterprises. The study was carried out in select location of six mandals from each district. The impact was analysed on income and employment generation, asset creation and entrepreneurship development. An analysis of income generated by the beneficiaries through self employment under PMRY revealed that a large proportion of beneficiaries who had no income before starting the enterprises, had substantially improved their economic position. The same trend was observed in asset creation. A relatively better developed district like Rangareddy could create daily employment, while the developing Nalgonda district could provide part time jobs and a backward district like Mahaboobnagar provided Jobs on a permanent basis. A new class of entrepreneurship has been promoted in respect of beneficiaries with agriculture as family background.

Chennappa, D. (2006)\textsuperscript{33} in his edited publication titled “Self Employment and Government Policies: Future Challenges” covers a number of areas of employment generation with focus in self-employment. The task force on employment opportunities set up by the Planning Commission, Government of India, suggests appropriate strategies to generate 100 million jobs over a ten year period. The task force advocated the need for evolving effective policies on education as well as skill development and, thus, upgrade, the quality of labour force, and make the persons capable of
supporting the process of creating high quality jobs for the unemployed youth. 31 articles covered in the volume refer to four aspects: (i) self employment and Government policy, (ii) business process outsourcing, (iii) evaluation of self-employment schemes, and (iv) women empowerment, through self Help Groups and SHG bank linkage.

Hanumantha Rao, P. and Vijaya, Kr. Mishra (2008) in their article on “Industrial growth in India: A Key factor sustaining growth”, present the importance of industry and service sectors in the Indian economy, over various plan periods, and stress that greater weightage is to be given to these sectors, along with agriculture, to ensure higher growth of GDP beyond 9 per cent per annum. During the last few years, performance of the industrial sector has really been note-worthy. If India has to sustain the growth momentum, performance of the industrial sector is very crucial. Manufacturing sector being a vital segment of industry, it has done well in helping India register a growth rate above 8 per cent. Government in the context of liberalization, highlights the growing importance of industry in the Indian economy's growth process in the coming years, and more specifically in the 11th Plan period. The article urges the early enactment of the limited liability partnership Act which is on the anvil, to enable SMEs to access credit venture capital liberally. SMEs should be promoted through creation of 'growth poles and business hubs', removal of credit barriers, upgradation of technology, and provision of marketing support. Innovative approaches also need to be adopted to ensure liberal credit flow to SMEs.

Jageh, W. (1968) in his study pointed out that both capital output ratio and wage capital ratio show an inverse relationship with capital intensity. He recommends the setting up of SSI in countries having large unemployment.

Kumar, Nomita, P. (2007) in the article "Small Scale Industry Performance in Uttar Pradesh: Pre and Post-Reform Scenario", examines the growth performance of small scale units in Uttar Pradesh, and the recent policy shifts in the state economy, in order to identify the steps that need to be taken to strengthen the sector. The industrial economy of the State is dominated by small scale industries, of which about 0.28 per cent are already sick, largely due to lack of professional management, and rapid
technological obsolescence. However, new vistas are opening up for the SSI sector as it would now have greater access to world markets, state-of-the-art technologies, and liberal credit flow.

National Council of Educational Research and Training (1971)\textsuperscript{37} suggested that marketing was probably the least developed aspect of the Indian economy and that there had been very few systematic attempts to study its problems in India.

Little, I.M.D, Dipak Mazumdar and John M. Page, Jr. (1998)\textsuperscript{38} in their World Bank Research Publication, "Small manufacturing enterprises: A comparative study of India and other Developing Economies," examine the Indian small enterprise development and policy in detail in an International context, and draw lessons for industrial policy in developing economies. To provide comparison the authors assess experience with the development of small enterprises in several other economies, including Colombia, Indonesia, the Republic of Korea, Malaysia, Singapore, Taiwan, the United Kingdom and the United States. The core of the book is an investigation of the claim that promotion of small enterprises has a special role in industrial policy, for example in facilitating the efficient use of labour and other factors of production. In addition to analyzing aggregate data from national sources the authors make use of detailed surveys of the Indian shoe, soap, painting, machine tool, and metal casting industries. They analyse such issues as the relative factor intensity, productivity and economic efficiency of small enterprises.

Mathew, P.M. (2006)\textsuperscript{39} explained that the discussion on small and medium enterprises is rather ritualistic in India. Two critical areas however standout - SSI credit and Micro finance. Both areas have significance not simply by their strategic importance but in practice, from their indirect relationship. There has been significant debate on the contribution of the Micro finance movement. This movement in India despite its social relevance, is yet to build up an economic rational. The band wagon effect of Micro finance is such that targeted lending by commercial banks has got with micro finance. The general perception in official circles is that credit is the single largest issue, which makes or marks SMEs in the country. Several initiatives have been taken by the Government and the Reserve Bank of
India to deal with the problem of credit. The annual policy statement of the RBI for 2005-06 has given a specific thrust to SME credit in the cluster focused lending approach. The old grounds for SME promotion obviously are employment promotion and balanced regional development. But these objectives need to be reinterpreted in the context of the 'new economy.'

Malgavkar (1973)\textsuperscript{40} in his study of "Problems of small industry in Andhra Pradesh," has found the lack of infrastructure as a general problem. The industrial estates alone cannot overcome the location disadvantages. The infrastructural facilities were either very weak or non-existent in rural areas. In urban areas, with necessary industrial climate and infrastructural facilities, the growth of industries was relatively faster. The scarcity of indigenous raw materials, has been a serious bottleneck. Scarce raw material supplied through quotas were not sufficient to meet the demands of the units. There were delays in the disbursement of loans due to the existence of procedural delays and insistence of tangible securities.

Md Saiful Islam (2008)\textsuperscript{41} in his article, "Role of Bangladesh Small Industries and Commerce Bank (BASIC) in Promoting Small Scale Enterprises: A Critical Assessment," examines the role played by the Bank in the promotion of Small Scale Enterprises (SSEs) in Bangladesh. The Government of Bangladesh, like other developing countries introduced special support programmes to encourage the growth and development of the SSEs that resulted in the establishment of the BASIC Bank to ensure, timely credit to these at concessionary rates. The study finds that access of the SSEs to institutional credit remained limited and highly competitive even when credit programmes are designed specifically for them. The BASIC Bank even failed to extend its stipulated minimum percentage of loan to the SSEs. The interest remained quite high in spite of the fact that the SSEs are supposed to receive credit at concessionary rates. In addition to financial services, there are a myriad other factors of business environment in which the SSEs operate, and financial services alone cannot be expected to induce the type and level of responses desired for healthy promotion of the SSEs. The Bank again failed to launch any comprehensive support services other than financial services to these operating in Khulna region. Thus we find that, although, the BASIC Bank has a number of promotional activities to
accelerate industrial development in the country, its contribution has not been found to be significant at all; and it is yet to start working on a number of arenas. Thus, it has played only a limited role in the development of the SSEs in Khulna region, and as a result, the small enterprise development in the region still remains unsatisfactory. The study suggests a number of areas, where the Bank can influence the development of small enterprises through a wide range of functions that fall within its scope. These include provision of subsidy towards consultancy fee and interest, gathering market information, organizing market fairs, opening more branches in places other than bigger cities to ensure better outreach, entrepreneurship development programmes etc.

Mishra, S.K. (2008) in his article on “Potentials of Village and Small Enterprise Sector in the North Eastern Region of India” points out that the village and small enterprise (VCE) sector has not only tremendous potential for development in the North Eastern Region (NER) of India but also suits most to this region’s natural resources, endowments, human resources, and sociological environment. The sector also provides great scope for women empowerment, and thus reduction in gender-based inequalities in the society. The article examines the prospects and constraints of development of the VSE sector in the NER with special reference to social, technological and infrastructural aspects. The NER of India comprises eight States, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim. Among these eight States, five are mainly hilly and sparsely populated. These are Arunachal Pradesh, Meghalaya, Mizoram, Nagaland and Sikkim. The other three States are only partially hilly, in varying proportions in relation to the plain land, and relatively more thickly populated. Among them, Assam and Tripura have more arable land in proportion to the hilly areas, and Manipur stands next to them. Economic activities in the secondary and tertiary sectors have developed with linkages to the primary sector in different States. Manipur, with a long tradition in weaving, sericulture, handicrafts, etc., has a larger proportion of workers engaged in the secondary sector, followed by Assam that vies closely with the national average. The tertiary sector in the NER is largely based on
activities generated through external assistance, and not by primary and secondary activities within the respective States.

Mohd Mohsin Khan (1996)\textsuperscript{43} in his research abstract of the doctoral dissertation on “Entrepreneurial problems and performance in Agro-based industries of Uttar Pradesh”, has critically examined the performance of agro-industrial units (those engaged in processing, as well as those engaged in production of a number of agro-inputs) in different parts of the State. While comparing the performance of the private sector and public sector enterprises, the author points out that in view of the fact that there are more private sector units compared to the public sector enterprises, improvement in entrepreneurial performance in the small scale sector is of great importance. As Uttar Pradesh is still one of the relatively backward States of the country, the entrepreneurial performance in the State should be given greater support, to improve the performance of enterprises as compared to the relatively more advanced States. Among the problems faced by agro-industrial units in the State, the following are cited: insufficient capital, inadequate infrastructure, poor management, scarcity of skilled workers, non-use of modern and sophisticated advanced technologies, and inadequacy of training facilities, inadequate support and guidance on marketing of products. The public sector enterprises should act as role models of performance and guide the private sector enterprises.

Nagayya, D. (2004)\textsuperscript{44} in his article, “Export performance, EXIM policy, and export promotion Parks” which reviews the export performance of the country; covers exports-import policy of recent years, and makes an in-depth presentation on export promotion, industrial parks in different parts of the country. The article also presents the action strategy performance of total exports of the country and of the SSI sector during the post-liberalization period (1991-2003) has been analysed. Commodity composition and structural changes have been highlighted. Key aspects of the EXIM policy of 2002-2007, known as medium-term export strategy have been presented. The thrust of the paper is on infrastructure development for exports through various types of export promotion, industrial parks, cluster development and technology upgradation/modernization has been highlighted as an important direction to boost exports.
Nagayya, D. (2005a) in his article, “Changing Role of District Industries Centres,” reviews the structure and policies of District Industries Centre (DICs) introduced at the District level all over the country between 1978 and 1981 in a phased manner, and critically examines its effectiveness in dispersing industrialization to smaller towns and rural areas, and facilitating single window services to micro and small entrepreneurs. The article also refers to various recommendations made by different committees to strengthen DICs for ensuring / facilitating decentralized industrial development with focus on micro enterprises in particular, apart from small enterprises. The DIC is expected to provide the 'critical mass' of capabilities at the District level, which may provide under a single roof various facilities and information, and obtain necessary clearances from the concerned authorities through the DIC. The intention is that an entrepreneur does not have to run from pillar to post for these time consuming tasks and may obtain the requisite information and counseling at one place. As a centrally sponsored programme upto 1992-93, the Centre was meeting 50 per cent of financial assistance for DICs in terms of staffing at functional manager and general manager levels, apart from meeting the capital expenditure in full. From 1993-94, the scheme has been transferred to the States, and the States have been meeting the entire expenditure. The Centre contributes to provide the DICs support in certain specified areas, such as development of information centres and computerization, evaluation studies, preparation of project profiles, technical literature etc., apart from promotional schemes. Implementation of the self-employment scheme is under the purview of the DIC. From 1993-94, it is called the Prime Minister’s Rozgar Yojana (PMRY) and from October 2008, this has been replaced by Prime Minister’s Employment Generation Programme (PMEGP). PMEGP is coordinated by Khadi and Village Industries Commission (KVIC) at the National level, District Industries Centre and Khadi and Village Industries Board (KVIB) are involved at the district level in the implementation of the scheme.

Nagayya, D. (2006a) in his article “Development of Small and Medium Enterprises in Andhra Pradesh”, presents the small and medium enterprise scenario at the national level, reviews the progress of the sector in Andhra Pradesh District-wise, presents incentives for industry in the State,
and indicates the directions for the future with reference to Andhra Pradesh from an All India perspective. District-wise data presented are in terms of number of units, fixed investment, and employment for five regions, Hyderabad region, rest of Telangana, Rayalaseema, North Coastal Andhra and South Coastal Andhra. The typical feature noticed in the regional analysis is that except the Hyderabad and the North Coastal Andhra regions, growth in the other three regions, is low, compared to the State average. Majority of the growth centres have grown faster. Growth in Rayalaseema and the rest of Telangana is slow, compared to the advanced districts of the State. Greater encouragement is needed to accelerate the process of dispersal of industries. Cluster development needs to be pursued vigorously. The 2005-10 industrial policy of the State focuses on creating quality infrastructure, incentivising investments, building competency among different groups of entrepreneurs including women, quality competitiveness, export promotion, environment-friendly climate, etc. Emerging and high value added product lines need to be energised. These include drugs, pharmaceuticals, Information Technology (IT) and IT enabled services and business process out-sourcing, bio-technology, nano technology, leather, textiles, garments, electronic hardware, and tele-communication, equipment, agro and food processing, and mineral based product lines, germs and jewellery, apparel parks etc. Innovations, research and development, quality upgradation, and aggressive creative marketing strategies reflect the demands of future periods.

Nagayya, D. et al., (1990) in their publication, "Industrial Development in Madhya Pradesh: Status and Opportunities", present the findings of the study on reviewing the utilization of processes / technologies developed by the National Research and Development Organizations, and identify the scope for further utilization of such know-how in the integrated State of Madhya Pradesh which has since been bifurcated into Madhya Pradesh and Chattisgarh. The investigation identifies projects for the benefit of entrepreneurs with backgrounds to set up resource based industries in small and decentralized industrial sectors. In the light of these investigations, an action strategy is presented for accelerating industrialization in the State with focus on transfer of technology. The study suggests prospective
industries after a careful assessment of the resources endowment, present utilization and potential.

Rajula Devi (1984)\textsuperscript{48} in her study on the evaluation of rural industries project programme found the following serious deficiencies: (i) some part of the assistance provided to the relatively large amongst small scale units, (ii) assistance was diverted to towns which were excluded from the purview of the scheme, (iii) rural artisans did not receive adequate credit.

Ratnam, N.V. (1984)\textsuperscript{49} opines that infrastructure development for industrialization in the rural areas and investment in basic services designed to realize the full potential of the human resources in the rural areas should receive high priority.

Rastogi, K.M. (1980)\textsuperscript{50} has also made a careful study of Madhya Pradesh, which he calls a unique care of growing unemployment and poverty in midst of plenty. He is in favour of only Small Scale and Village Industries, which make optimum use of indigenous resources and techniques. According to him, there are hundreds of items which can be produced in rural and Small Scale Industrial units more economically than in a larger sector.

Sarma (1982)\textsuperscript{51} who made a study on growth and problems of small scale sector in Andhra Pradesh has observed that the backward districts of the State improved their relative positions in terms of the units employment and capital during 1966-75. Majority of the small units are confronted with the problems of Raw material and finance.

SIET (1972)\textsuperscript{52} in a study has observed that the growth in the number of units and the expansion of capital intensity alone may not create the necessary impacts to the growth unless considerable productivity changes have also been effected through fuller capacity utilization. Most of the units utilizing full capacity have been either big export-oriented industries or local need based activities. The reasons for this under-utilization were mostly insufficient demand or inadequate financial resources for working capital.

Shambhu Ghatak (2007)\textsuperscript{53} in his article, “Overview of SMEs in India,” reviews the change in the definitions of Micro, Small and Medium Enterprises (MSMEs) over the years, and highlights the contribution of Micro and Small enterprises to the National economy in terms of number of units,
investment in fixed assets, gross output, and employment. He also presents the definitions of MSMEs in a few South Asian countries, discusses the role of industrial clusters and pinpoints the changing role of the sector in the global economic scenario. After the Micro, Small and Medium Enterprises Development (MSMED) Act was passed in June 2006, and became operational from October 2006, the current definitions of the sector have come into vogue. These are as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Micro Enterprises</th>
<th>Small Enterprises</th>
<th>Medium Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing enterprises in terms of gross investment in plant and machinery</td>
<td>Not exceeding Rs.25 lakh.</td>
<td>Above Rs.25 lakh and upto Rs.5 crore</td>
<td>Above Rs.5 crore and upto Rs.10 crore</td>
</tr>
<tr>
<td>Services enterprises in terms of gross investment in equipment</td>
<td>Not exceeding Rs.10 lakh</td>
<td>Above Rs.10 lakh and upto Rs.2 crore</td>
<td>Above Rs.2 crore and upto Rs.5 crore</td>
</tr>
</tbody>
</table>

The definitions given above are also applicable for ancillary and export-oriented enterprises, along with the fulfillment of other criteria specified earlier for these categories. Micro and Small enterprises account for 95 per cent of industrial units, 39 per cent of gross manufacturing output and nearly 6 per cent of gross domestic product in 2006-07, the sector covers 12.84 million enterprises (registered and unregistered), Rs.4,717 billion gross output at 2001-02 prices, and 31.3 million employments. Exports from the sector in 2005-06 account for 33 per cent of the total exports of the country, and are valued at Rs.1502.42 billion (US $ 33.94 billion). Cluster approach is being followed at present to strengthen the sector in terms of competitiveness. SMEs in India and other developing countries, should adopt information and communication technologies (ICT), get integrated into the global supply chain, bid for outsourcing businesses and increase productivity to remain competitive in the global scenario.

Sudip Chowdary (2002)\textsuperscript{54} examined the impact of India’s economic reforms on industrial structure and productivity. The study reveals a disappointing overall performance in both output growth and employment. This however is not the result of exogenous factors, but the consequences of
the type of policies being followed under economic reforms. If mistakes were made in the past they need to be corrected. But efforts should be made to ensure that demand is high enough for more output to be produced, more people to be employed, poverty to be reduced.

Uvaneswaran, S.M. et al (2007)\textsuperscript{55} in their article, “Problems of Leather Entrepreneurs,” have studied the problems faced by leather entrepreneurs in Erode district of Tamilnadu. Leather industry that provides employment opportunities to the backward communities is a well known foreign exchange earner through exports. The industry has been facing a number of problems in various functional areas due to the banning of slaughtering of animals in the name of sacrifice, and safeguarding the poor, which has resulted in the closure of many units in Tamilnadu, especially in Erode district. The goat skins available in Erode are considered to be of the best quality in the world. There are 62 tannery units in Erode district, out of which only 42 are functioning, and the rest have been closed by the Pollution Control Board of Tamilnadu due to environmental problems. Besides, leather entrepreneurs are facing a lot of problems in the areas of production, processing, marketing, finance and personnel. For the purpose of the survey, data were collected through a questionnaire and analysed using the Henry Garret technique. The study has identified the crucial problems faced by the industry in each functional area, such as inadequate funds to construct liquid waste effluent treatment plants, delay in payment by the buyers, slow process of sanctioning funds by the bankers, unauthorized labour absenteeism, poor quality of equipment and Government restrictions.

Narasaiah, M.L. (1999)\textsuperscript{56} stated that most of the developing countries are now passing through a process of industrial growth and their economies have to face certain difficulties. Small industry it is stated plays a vital role in overcoming many of these transitional obstacles, such as scarcity of capital, a low rate of saving, a high rate of unemployment or underemployment; Lack of supervisory skills and shortage of trained labour. Under-employment, unemployment and poverty are the usual features of the developing economies. A large part of the labour force in the agriculture sector is unemployed but in disguise. The problem of unemployment is further accentuated by the increasing pressure of population in the developing
countries. In such cases, “the development of the Small Scale sector has been important in India because of the following reasons. First the small scale unit requires less capital outlay and at the same time it provides more employment. Second, a small scale unit does not require highly sophisticated technology. It can be useful in backward areas where the people have to be trained to meet the challenge of sophisticated technology.

Venugopal Reddy, L. et al., (2005) in their study, “Impact of District Industries Centres on Rural Industrialization – A Case Study of Anantapur District (Andhra Pradesh)”, traces the working of District Industries Centres (DICs) and critically reviews the performance of the Anantapur DIC in Andhra Pradesh for the period 1988-1998, and brings out findings and suggestions. Performance of the DIC is measured through five indicators: (a) number of Micro, Small Enterprises established, (b) employment generated, (c) financial assistance provided, (d) number of rural artisans assisted with credit and, (e) number of rural artisans trained. Progress on each of the indicators was collected from the DIC records annually, and the data were processed. These indicators cover the progress in urban and rural areas of the district. The thrust of DICs activities is on the development of Micro and Small enterprises and employment generation in rural and semi-urban areas, and provision of single window services of various inputs required for industrial development. Analysis was attempted for the year-wise data on progress of the number of units set up, fixed investment mobilised, and employment generated for all the new units (year-wise total) and industry group-wise for eight product groups, namely agro-based, chemical-based, engineering, forest-based, livestock-based, mineral-based, textile, and miscellaneous industries. For each of these tables, the co-efficient of correlation between rural and urban areas and linear growth rate and co-efficients for rural and urban enterprises were worked out, and significance established through the t-test. Performance of Anantapur DIC was found to be quite satisfactory as per this analysis. Among the various indicators, the achievement exceeded the targets in a number of years.

2.7.3. Competitive Environment for Small Enterprises

Abraham, R.K. and G.Omkaranath (2006) in their study on “Industrial Sickness: Trends and Patterns,” trace the trends and pattern in
industrial sickness during the pre and post-reform periods, especially in the large and medium scale manufacture sector. The study shows that while the first period (the 1980s) was dominated by an ailing small scale sector; the post-reform period, the (1990s) was one of sickness in the large and medium sector. The onset of recession in 1997 had an apparent immediate effect on the non-SSI sickness, but its effects on the small sector were visible only after a two-year lag, indicating perhaps the greater resilience of small enterprises. The study positions the large and medium sector against the small scale sector over a two decade period and analyses the composition of sickness – state-wise and industry-wise for sick and weak units in the large and medium sector and for sickness in the small scale sector.

The Bhagavathi Committee (1973)59 opposes fast introduction of mechanization designed to replace human labour but at the same time recommends the introduction of sophisticated technology in certain areas. The committee recommends reduction to the maximum extent possible in the installed capacity in various industries in order to generate employment in the industrial field. The committee virtually favours creation of employment at any cost without going into the economies of the scheme.

Jayakrishna, M. (2004)60 in his study of “World Trade Organization and its implications for Small Scale Industries in Karnataka” examines the awareness and impact of World Trade Organization (WTO) agreements with reference to the industrial sector with focus on small enterprises, and their implications. Policy suggestions are brought out by the author. The study was carried out among 30 sample enterprises in and around Bangalore rural and urban districts of Karnataka in 2002. WTO is a regulatory body of world trade to ensure free, transparent, and predictable trade regimes in the world. WTO also monitors compliance of member countries with a number of agreements, which collectively govern multiple dimensions of trade relationship among member countries. It also act as a dispute settlement mechanism over conflicts arising from actions taken by countries in violation of the agreements. The crucial question relating to WTO is what sort of trade regime it seeks to promote, and to what extent, the new discipline can safeguard the export interest of member countries. The study has found the awareness about WTO agreements and its implications to be poor among
small enterprises. Indian enterprises are facing dumping of goods by manufacturers from the other countries, and they are also facing competition from large and medium enterprises from within the State and other States. Suggestions brought out by the study can be summarized as follows: (1) The Government should periodically review the policies relating to small enterprises, make entrepreneurs become aware of the implications of WTO agreements, and also motivate them to face the new challenges, (2) give proper orientation to them to overcome sanitary, phyto sanitary and pre-shipment inspection barriers, (3) provide necessary technical and financial support to strengthen small enterprises vis-à-vis medium and large enterprises.

Kondaiah, C. and G.V.K. Rao N (2007)\(^\text{61}\) in their article, “Indian SMEs in Global Value Chain – New Initiatives,” review the new policy initiatives focusing on integration of small and medium enterprises with global value chain, and appraise the strategies being pursued in recent years to accelerate the growth of SMEs, and enhance their competitiveness. The growth of SMEs depends on formulating the right policies and taking the right initiatives that are need based, and making their presence felt in the global value chain. SMEs should continue to strengthen their competitive character by creating opportunities afresh for sustained growth in the changing business environment. Despite competition from large firms, SMEs certainly have the possibility to enter the global value chains, provided they adapt to the market shifts. SMEs can gain entry into larger avenues, expand their markets and find new niche markets for their products, and become strongly visible in the global arena. Gainful participation in the global value chain can be used as a strategic measure for SME development.

Kulkarni, P.R. (2008)\(^\text{62}\) in his article “A New Deal for Small and Medium Enterprises in India”, presents a thought provoking strategy for extending a helping hand to accelerate the pace of development of small and medium enterprises, particularly in the context of the international economic scenario of high level of competition. The author visualizes a bright future for the sector after the enactment of the Micro, Small and Medium Enterprises Development (MSMED) Act in June 2006. The author questions the rationale of repeatedly redefining SMEs on the same age-old
investment parameter, and suggests branded horizons of thinking as well as actions from the public and private sectors. The protective shield provided by the government to SMEs in the country is no longer there, and this sector has been preparing to sail into uncharted waters at the International level. When automation, technological upgradation, and modernization are the new sustainability norms, Indian SMEs should be redrafted with new policies to face the present day challenges. One of them is to revise the existing definition from investment criterion to work force criterion.

Mahendra Dev, S. et al., (2008), in their study on "Economies of Handloom Weaving: A Field Study in Andhra Pradesh" examine the problems and prospects of the handloom sector in the state. The study was based on a sample of handloom weavers from all regions of the state. The sample enterprises were drawn from clusters from Vijayanagaram, Visakhapatnam, Prakasam, Guntur, Krishna, Chittoor, Kadapa, Karimnagar, Medak and Nalgonda districts (10 out of 23 districts). One major finding of the study is that the growth performance of co-operatives determines the growth of other institutions, the master weavers, middlemen, and independent weavers. Well performing co-operatives are the best safeguard for the handloom sector, as they protect the weaver and also provide a counter balance to the master weaver. Competition from power looms is an obvious threat, but this can be countered if the sector produces high value, unique (brand value) products or medium value products which can be marketed locally or abroad, as distinct from power loom products.

Nagayya, D. (2005b) in his article, "Enhancing competitiveness among Small and Medium Enterprises", reviews the progress of SMEs in the post-liberalization period (1991-2005), and outlines the strategies to be pursued for enhancing competitiveness among MSMEs (Micro, Small and Medium Enterprises). SMEs have been steadily reorienting themselves to face the challenges posed by increased competition, domestically and internationally. SMEs with their dynamism, flexibility and innovative spirit will have to adapt themselves to the fast changing needs of the market-driven economy, where the Government acts as a facilitator and promoter, and no longer as a regulator. The strategies covered are: partnership between large and small enterprises, cluster approach, creative marketing, technological
upgradation / modernization, export promotion and export competitiveness, improving the credit flow to micro and small enterprises, and rehabilitation of sick SMEs. The thrust of the paper is on challenges faced by the sector, strategies being pursued, and the potential and outlook for the sector in the competitive environment. Special attention needs to be paid to promotion of research and development, quality assurance, innovation and incubation. A strong surge of export-led growth in labour intensive manufacturing activities can come about if appropriate policies are pursued. Over a period of ten years (2002-12) over ten million employment opportunities are to be created in this sector. The annual growth of employment is envisaged as 4.2 per cent in the Tenth Plan, and 4.4 per cent in the Eleventh Plan. Output of this sector at 1993-94 prices is projected to grow by 12 per cent and number of enterprises at 4.5 per cent in the Tenth Plan.

Padmanand, V. & Mukesh Gulati (2006) in their publication, “Inventory Instruments for Cluster Development – A Handbook,” present the modalities of implementing the cluster development programme for Micro and Small Enterprises (MSEs) in the Indian economy. A large number of initiatives for development of cluster manufacturing micro and small enterprises are currently in progress in the country. These are being pursued through a catalyst Cluster Development Agent (CDA). The CDA tries to encourage and develop a co-operative approach to doing business, perhaps among small networks of these MSEs at first, and then across the cluster as confidence levels grow. The process is expected to evolve leading to mutually beneficial interface between the cluster and the market. This interface may take many forms. Loose consortia of the MSEs to pool procurements, more formally structured special purpose vehicles (SPVs) to source, technology machinery, business development services (BDS) like design, packing, better management practices, skill upgradation of workers and artisans, etc.

Satyajit Majumdar (2005) in his article, "Strategic Leadership in Small Manufacturing Organizations: An Empirical Study of Madhya Pradesh and Maharashtra", establishes through the analysis that strategic practices in small manufacturing organizations take a short-term view of the market and the customers. Small organizations have developed competence to work on
uncertain conditions, largely to meet the demand fluctuations of their customers. The author observes that while maintaining their skill, small enterprises should gradually create market focus, to enhance their capability, and preparedness to deal with changes.

Shambhu Singh (2007)\(^6\) in his article, “SMEs in Competitive Markets” presents the results of an empirical study on the role and adaptation of SMEs under the changing industrial structure in India based on a survey conducted by the Small Industries Development Organization, by interviewing selected enterprises as well as through mailed questionnaires to 570 SMEs from all over the country. The survey was carried out in 1999 and 2000. In line with the objectives of the study, SSIs did not conform to the general trend of investment observed in the SSI sector, since the tilt had to be towards units with higher investment and turnover, and to that extent the results are slightly skewed. Ninety five per cent of SSIs operate at the lower end of the investment spectrum while the majority of exporting units are in higher investment category. Even micro units export, some directly, and others through merchant exporters. Some produce for other brands for direct exports by the brand owning units and nearly 33 per cent of these are electric and electronic industries. Global over-capacity and reduced demand appear to have had a significant impact on the automobile component, mechanical, rubber and plastic, fibre, metallurgy, leather, chemical and jute industries. The full impact of trade liberalization was not revealed in the survey, mainly because quantitative restrictions on imports had not yet been fully removed in the country. Simultaneously, it also appears that in anticipation, some progressive SSIs had started preparing for such liberalization through the introduction of advanced technology, and by forming alliances. Changing consumer behaviour had some effect on SSIs which was more apparent in sectors with fewer reserved items and conversely in sectors such as electric and electronic products in which majority of the items were reserved for small manufacturers. Nearly one-third of the surveyed enterprises reported that they have been severely affected by contraction in market demand. Severe impact of foreign and imported products was felt on one-quarter of the SSIs surveyed. However, sectors that discounted such threats were mainly auto components, mechanical
industries, fibre industries and leather industries. The high cost of borrowings was a problem for nearly one third of SSIs.

Singh, B.K. and V.S. Singh (2008) in their study “Indian Entrepreneurs in Global Setting: Identifying threat” present the outstanding achievements of Indian entrepreneurs under the global setting of business, and indicate certain threats posed to them in new contours and horizons of business in the global setting. Broadly, the achievements of the Indian entrepreneurs and of the economy in the post-globalization period are listed as follows: The Indian entrepreneurs have given a new resilience and boost to the economy. The share of the Indian economy in the world GDP has increased significantly from 4.3 per cent in 1991 to about 6 per cent in the post-globalization period. The Indian entrepreneurs have helped the economy to attain the overall GDP growth rate of 7.5 per cent in 2004-05, 9.4 per cent in 2005-06, 9.6 per cent in 2006-07 and 9.0 per cent in 2007-08. The merchandise exports from India have also gone up significantly in the post-globalization period, with an annual increase in recent years of beyond 20 per cent. The threats of globalization in the country can be summed up as follows. Transfer of technology by technological advanced MNCs has benefited some Indian entrepreneurs. However, many others who are not able to absorb the benefit stand to lose because of competition. MNCs, after entering the Indian market are increasing their stake in Indian business with while they have collaborated earlier. This poses the danger of swallowing business concerns promoted by Indian entrepreneurs.

Singh, R.K. et al (2005) in their article, “Diagnosis and Initiatives for Improving Competitiveness : A Case of SME”, analyse the market conditions for Small and Medium Enterprises (SMEs) as well as initiatives that need to be taken by them to become competitive in the globalized economy. The situation is illustrated with the help of a case study of an SME firm. On the basis of various inputs, the firms initiatives for product design and development, six sigma projects, TQM, and for defining key indicators of performance measurement, are shown to have improved its competitiveness in the domestic as well as global markets. SAP (Situation, Actors and Processes) analysis has been carried out to analyse the present external and internal environment (situation) actors involved in decision-making,
policies, methods and processes being practised by the organization. TQM techniques such as 5S, 3M, 3G, Kaizen, quality circles, etc have been practiced. SWOT analysis is carried out regularly every two years. The case study reveals that awareness among SMEs to enhance competitiveness has improved. They are taking the initiative to improve quality, product-developing capability, IT applications, and finally, human capital, in order to improve their performance.

Satyanarayana, C. and V. Krishna Mohan (2005)\textsuperscript{70} in their article “WTO Scenario: Strategies for Small Industry Development”, review the WTO agreements with reference to the industrial sector, and emphasize a few strategies that need to be pursued by the Small Enterprise Sector to withstand global competition and gain access to new markets in developed and developing countries. Strengths, weaknesses, opportunities, and threats (SWOT analysis) for Small Enterprise development have been examined, and suggestions, offered to enhance competitiveness of the enterprise. In the post-reform period, change in investment limits facilitating foreign collaboration and equity participation, establishment of growth centres, export promotion, marketing assistance and incentives for total quality management etc., have been taken by the Government to strengthen the sector. The SME sector has proved its mettle in the changed liberalized economic environment. Along with challenges posed to the sector, the new environment has also opened up new opportunities, suitable measures need to be devised to sustain the growth to withstand competition domestically and internationally, and convert the challenges into opportunities for scaling new heights.

Tirupati, P.S. (2007)\textsuperscript{71} in his article, “Handloom Cluster of Varanasi: Interventions for Rejuvenating Entrepreneurship” has studied the problems faced by handloom weavers of the Varanasi Cluster, and has brought out suggestions to overcome the critical problems facing the industry. The article suggests that if the critical issues are taken care of and the credit institutions, other support agencies and the Government work in tandem, a positive ambience for rejuvenating the spirit of entrepreneurship among weavers may be created. These interventions will not only improve the fate of weavers but also generate new jobs in weaving and allied areas, and bring back the lost
glory of Varanasi handlooms, specializing in producing silk fabrics, including the famous silk sarees. It is noticed that the budget allocation for handlooms has declined steadily over the years. This needs to be improved. The schemes being implemented by the Centre and the State need to be implemented more effectively to bring about sustained development.

Vaidehi, S. Nirmala Mary and K.Rajamohan Rao (2003)\textsuperscript{72} explained that despite many upheavals in the world economy, global trade has continued to grow steadily. Between 1990 and 1999, the world market (by size of imports) increased from $5072 billion to $5729 billion. Global trade and output growth in 2000 was the largest in more than a decade, with all regions benefiting from the stronger World Economy. According to the WTO Annual Report, 2001, net gains to world trade since the establishment of WTO in 1995 has been $1230 billion of additional trade in goods (between 1995 and 2000) and 162.5 million additional trade in commercial services between 1995 and 1999. WTO world trade increased by over $1200 billion, in sharp contrast to the growth of $300 billion in between 1990-95 and $800 billion in the preceding 15 years (1980-95). Exports increased marginally from $30.63 billion (1995) to $44.02 billion (2000), though share in the global trade increased marginally from 0.6 per cent to 0.65 per cent. Growth in India's exports has been marginally above the growth in the world exports. This shows that WTO has made significant contribution to the expansion of world trade.

Vikram Chada (1995)\textsuperscript{73} in his article, "Technological Modernization of Small Scale Sector in India," highlights the Government's policy and programmes towards uplifting the technological levels of the small industry sector. The Small industry sector is seriously afflicted with low productivity, which has been mainly due to their technological backwardness, besides other factors such as poor financial resources, and lack of professional management. The major conclusions brought out in the article are that, in the face of liberalization and economic reforms, in the country, the small manufacturing sector has to modernize the production techniques to withstand competition; it has to diversify into more technology intensive areas of production. There has to be meticulous monitoring of the activities
concerning the transfer of benefits of technical support programmes to the small scale sector.

Yerram Raju, B. (2004)\textsuperscript{74} in his publication titled, "Small Industries in India – Policies and Perspectives in the Emerging Context," presents the changing scenario of the small and medium enterprise sector in India and a few other countries, and in a few states including Andhra Pradesh. He examines the implications of liberalization on the small scale sector from a number of angles, and suggests directions for the future. The book makes an attempt to elaborate on some of the key concerns of small enterprises forming part of the recently redefined Small and Medium Enterprise (SME) Sector in the intertwined areas of policy, regulations, institutional framework and finance. The most daunting problem of sickness in small enterprises receives fair treatment from the author with practical solutions to overcome the difficulties. Discussions on the growth performance of small enterprises in Andhra Pradesh, and a few of the southern and western states, with interstate comparison and impact of World Trade Organization (WTO) focus on directions for the future. Case studies presented in the concluding part of the volume highlight the pitfalls that small enterprises need to avoid. In order to become globally competitive, the SME sector has to invest in modernizing and upgrading technologies, collaborate with research institutions in setting up technology exchanges, and ensure the use of technology development and allocate funds for modernization, and human resource development. Accessing credit continues to be a crucial issue for many SSIs either at the stages of entry or at different stages of growth.

\textbf{2.7.4. Entrepreneurship Development}

Anil Kumar (2007)\textsuperscript{75} in his monumental study on "Women Entrepreneurship in India," who has covered 450 sample small enterprises promoted by women entrepreneurs in Northern India, analyses the attributes of entrepreneurs and enterprises promoted by them. He examines the problems faced by women in promoting enterprises, and suggests action strategies. Major areas covered in relation to women entrepreneurship are socio-economic profile of entrepreneurs, entrepreneurial process, management of the enterprises, and problems faced by women in business. Approaches for overcoming the obstacles indicated the enterprises covered
are 191 in the manufacturing category (42.4%), 72 in trading (16%), 145 in services (32.2%) and 42 in other categories (9.4%).

Bhide, Amar, V. (2007)\textsuperscript{76} in his interview to “The Indian Management Journal”, on “Typical Features of the Indian Entrepreneurs as contrasted from the US Entrepreneurs”, brings out the findings of his research work on entrepreneurship with reference to the fast growing enterprises in particular. In the US, many firms start small and stay small, with roughly five per cent growth quite dramatically. In any metropolitan area, five per cent firms can be expected to grow at a compound rate of about 15 per cent per annum over a period of five years. However, in Bangalore the researcher found that the rate of growing firms is just one per cent rather than five per cent. Another difference is that in the US, the expansion of existing firms accounts for roughly 75 per cent more jobs than the birth of new firms. In Bangalore, the jobs created through the birth of new firms are 11 times, the jobs created through expansions. Research in Bangalore also covered firms other than IT as well as IT firms have recorded exceptional performance. In IT firms, firm growth outpaces firm births and businesses are operating on a significant scale.

Dass, Mallika (1999)\textsuperscript{77} conducted a study in two South Indian States, viz., Kerala and Tamilnadu, “to explore a few aspects of women entrepreneurship”. The study focuses on the various aspects such as : Reasons for starting a business, start-up and operational problems faced by women entrepreneurs, work, family conflicts faced by women entrepreneurs etc. Based on the responses of women entrepreneurs, the study identified twelve major reasons for starting a business as (1) had time / to keep busy, (2) hobby / special interest, (3) family / spouse had business, (4) to earn income, (5) to help family financially, (6) control over time, (7) challenge, try something on one’s own, (8) show others that I could do it, (9) to be independent, (10) to derive self satisfaction, (11) set an example to children, (12) provide employment to others / do something worth-while. The study mentions the six success factors. They are: hard work / perseverance, quality / variety of products, uniqueness of design management, marketing skills, spousal support and other factors.
Dhameja, S.K. (2004) undertook a study on "Women Entrepreneurs in North-West India". As many as 175 entrepreneurs who had established their enterprises during the time frame of 1982 to 1996, employing five or more persons in their respective enterprises were interviewed personally. The study was undertaken with a view to find out the entrepreneurial performance and problems of women in business in North Western India.

Joshi, Rajiv and B.Ganapathi (2008), in their article on "Current Status of SMEs and Entrepreneurship Education and Training intervention in select South and South-East Asian Countries" explore the current status of entrepreneurship development process in select South and South-East Asian countries. Small and medium enterprises (SMEs) are of great importance to the region due to socio-economic and political reasons. The paper focuses on various Government interventions and also the role played by the National and International agencies. Entrepreneurship education and training are the major focus areas of the paper. The paper attempts to present a framework based on the experience of Indian Entrepreneurship Development movement and a model which can be replicated considering certain socio-economic and political similarities of India at various stages of economic development with other countries of the Indian sub-continent as well as other South and South-East Asian countries. The authors are of the firm resolve that the future of entrepreneurship in these countries, and implications for further development is full of opportunities and risks. The shift in attitudes and outlook towards development of the region are going to create a scenario where innovation and entrepreneurship is the solution to a number of problems. It is also the key driver of socio-economic development and economic growth of the region.

Laxmana, P. and P.lswara (2008) in their case study on "Entrepreneurial Promotion through Entrepreneurship Development Programmes (EDPs)" present the impact of EDPs on trained prospective entrepreneurs in Davanagere and Chitradurga districts of Karnataka. The study covers 234 EDP trained candidates of batches who underwent training during 1999-2002 from the two districts. The start-up rate among sample respondents was as high as 77 per cent. Among 23 per cent non-starters, the highest number gave up the idea of starting the units. The lowest number
of trainees was actively pursuing the idea of starting enterprises, and the remaining were blocked at various stages in the process of setting up the enterprises.

Mali, D.D. and Gautam Dutta (2000) in their publication, “Promoting new Entrepreneurs Efforts and Results” present the findings of an evaluation study conducted by the Indian Institute of Entrepreneurship (IIE), Gauhati (Assam) of candidates trained in Entrepreneurship Development Programmes (EDPs) in the seven States of North Eastern India. The study covering 5,375 trained candidates of 212 EDPs conducted by four institutions during 1990-96 brings out valuable feedback on the directions for the future. The overall conclusion is that EDPs could produce a moderate success rate of 25.2 per cent in the entire region in terms of enterprises established by trained candidates. Success rate was relatively better in the states of Manipur, Assam, Meghalaya, and Arunachal Pradesh. The three states which had recorded the lowest success rate were Mizoram, Nagaland, and Tripura. However, from a liberal interpretation of the effectiveness of EDPs, the impact on respondents in terms of confidence building for self employment through the programme has been quite substantial. It is hoped that more enterprises would be established in the near future by the trained candidates who were still in the process of setting up the enterprise at the time of the field survey carried out for the study. Improving the credit flow to micro and small enterprises from banks and specialized institution is necessary to improve the success rate of trained candidates.

Meera Lal (2002) in her article, “Women Entrepreneurs in Information Technology Hub of Andhra Pradesh”, reviews the emergence of information technology as the leader among enterprises in select cities in the country including Hyderabad, deals with the developments in the software sector in and around Hyderabad, and presents case studies of select women entrepreneurs who have made a mark in the development of the industry in Hyderabad. The author compliments the role played by Software Technology Parks in India (STPI), Association of Lady Entrepreneurs of Andhra Pradesh (ALEAP), and Government of Andhra Pradesh in providing the necessary logistics and support to women entrepreneurs to shine in the software sector. ALEAP has set up a centre for Entrepreneurship Development of
Andhra Pradesh in the ALEAP industrial estate of Pragatinagar, close to Kukatpally near Hyderabad, and an incubation centre to support prospective entrepreneurs in a few product lines including the software sector. Some of the women entrepreneurs had the advantage of the benign influence and support of female mentors in promoting their ventures. The article advocates a holistic approach to encourage women to enter business as promoters, with a friendly and conducive environment, which ensures safety, dignity, and performance efficiency. Vocational training from school level and at higher stages of education is essential, to attract talent towards the IT. IT enabled and business outsourcing services will encourage women in many ways to settle in business ventures. Exclusive industrial training institutes for women candidates to pursue IT career will be beneficial for the future development of IT and women upliftment.

Nagayya, D. (2005c) in his article, "Perspectives Entrepreneurship Development: Role of STEPS and Innovation and Business Incubation Centres", stresses the importance of technology and specialized managerial input as well as quality assurance and environmental impact assessment norms for bigger, small and medium enterprises, in particular. It is neither technology alone nor management specialization alone that is relevant. Both have to be provided simultaneously in the required dosage to ensure the success of an enterprise. The article reviews two programmes dealing with technology, absorption, adoption, and adoption for promoting small enterprises. These are Science and Technology Entrepreneurs Parks (STEPS) and Technology Business Incubators (TBEs) / Innovation and Business Incubators (IBIs). Multi-faceted support by a wide variety of educational institutions is advocated through business incubator services. The illustration cited in the article, it is hoped, will enthuse many educational institutions and industry associations to follow the lead shown by premier organizations in the country in establishing innovation and incubation centres in various contexts.

Nagayya, D. (2006b) in his article on "Development of Technical Entrepreneurship" reviews (a) the major findings and recommendations of select research studies covering technical entrepreneurship, (b) the activities of the National Science and Technology Entrepreneurship Development
Board of the Union Department of Science and Technology (DST), (c) progress of Science and Technology Entrepreneurs Parks (STEPs) and (d) strategic alliance of National Small Industries Corporation (NSIC), Council of Scientific and Industrial Research (CSIR), and Asia-Pacific Centre for Transfer of Technology (APCTT) for technological transfer and technological upgradation. In the concluding part, it presents the challenges of the present and future scenarios of the small scale sector in the context of liberalization, privatization and globalization, and the role of various agencies associated with the promotion of small enterprises including technology intensive firms.

It is also important to take a critical look at the strategies adopted so far, and devise new approaches to suit the needs of the changing times.

Sobha Rani, B. and D.Koteswara Rao (2007) in their “Review of Perspectives of Women Entrepreneurship”, based on five empirical studies carried out in Andhra Pradesh, Haryana, Maharashtra, and North Western India, and macro review of the initiatives taken by the Central and State Governments and non-governmental organizations present the multidimensional task of accelerating entrepreneurship among women and point out directions for the future. The article consists of two parts: (i) initiatives taken by the governments at National, and State level, and the role of women – specific associations and (ii) analysis of three main aspects of women entrepreneurship based on the findings of five empirical studies. The aspects covered are (i) socio-demographic attributes of women entrepreneurs, (ii) factors influencing the motivation of women to become entrepreneurs and (iii) selection of enterprises in industry, service and business. The proposition to accelerate the pace of women entrepreneurship is essential for broad-based entrepreneurship in various sectors of the economy. For facilitating this, the evidence from empirical studies presented in the article can serve as the basis for formulating strategies for the future and supporting entrepreneurship among women in a sustained manner.

Srivastav, N. and R.A.J.Syngkon (2007b) in their article on “Marketing Management and Entrepreneurship Development in a Tribal Dominated Economy: A Case Study of Small Scale Industries in East Khasi Hills District of Meghalaya” analyse various emerging trends of Small Scale Industries (SSIs) in the East Khasi Hills district of Meghalaya State located in
the North Eastern region of India. The demography of the district is such that it is dominated by Khasi tribes. This district which includes the State capital has the highest number of SSIs, and is the most economically active district among all the seven districts of Meghalaya. The study is based on the primary field survey conducted during 2004-05. It reveals that most of the SSIs are adopting direct selling marketing strategy rather than indirect selling strategy, and produce products mainly to cater to the local market demand, as they are largely micro enterprises. A majority of entrepreneurs are educated first generation tribal entrepreneurs. More than one fourth of them are women entrepreneurs. Yet the SSIs are at the preliminary developing stage in the district and are yet to make a significant contribution to the growth of the State economy. The nature and type of entrepreneurship present in the State has been studied to bring out suggestions to enable it to act as a catalytic agent of multi-dimensional change. The study highlights various factors needed for an effective and efficient policy formulation suitable for the development of small scale industries and the State economy.

Venkataramana, Chivukula (2008) in his unpublished doctoral dissertation, “Success in small and medium enterprises in India: A Study of Entrepreneurial Attributes” on Entrepreneurial Success among New Business in the SME category and Entrepreneurial propensity among new business in the SME category and entrepreneurial propensity among individuals. A sample of 200 SME categories of entrepreneurs from five States was taken for getting responses of entrepreneurs. The enterprises covered are 98 in manufacturing, 82 in services, and 20 in trading. The States covered are Andhra Pradesh (80 enterprises), Delhi (30), Gujarat (30), Maharashtra (30) and Tamilnadu (30). Statistical tools used in the study are: mean, median and standard deviation, correlation, coefficient, ANOVA, regression and cluster analysis (using K-means method). For exploring entrepreneurial propensity, and self gain the ratings of 250 students taken from MBA, B.Tech, and poly-technical courses in Andhra Pradesh were considered.

Venkataramana, C. et al., (2006) in their article, "How Start-up Success varies with Indian Culture", make an extensive comparison of the
findings of two phenomenal publications of celebrated authors on entrepreneurship from USA; Amar, V. Bhide and Mark, H. McCormack, bring out the contrasting picture and examine the relevance of their findings in the Indian context. The article highlights that start-up entrepreneurs need not focus only on two formulae for start up success namely, SSI and ST (Street Smart, Sales Skills – industry knowledge and sales skills – tolerance of ambiguity) they should make self assessment of the strengths and weaknesses of their personality and work on relationship with others and seek the guidance of consultants if necessary. Start up entrepreneurs could establish new businesses by forming teams with complementing skills and attributes. Mentoring is a concept relevant for entrepreneurial success being pursued in recent years in a few places. An experienced industrialist or expert, who specializes in certain product lines guides and provides counseling services cover a period of the initial few years to the youth interested in those product lines. The article suggests a plan for research on a number of aspects related to entrepreneurial attributes and measurement of entrepreneurial success.

M.R.Chandrasekhar, and P.K.Kulakarni (2006) in their article, “Small Scale Industries: A glance”, states that SSIs play an important role in the industrialization of our country, because they provide immediate large scale employment, need shorter gestation period, need lower investments and facilitate an active mobilization of resources of capital and skill which may be otherwise unutilized. They encourage entrepreneurship and are considered harbingers of economic growth and development.

Venkataramana, C. et al (2008) in their article on “Entrepreneurial Success in SMEs based on Financial and Non-Financial Parameters” evolve a methodology for qualifying to entrepreneurial success of small and medium enterprises. Entrepreneurial success among start ups is one of the topics on which very few in-depth studies have been made. Further more, these studies are exploratory in nature and adequate empirical evidence has not been provided, especially in measuring entrepreneurial success. Current literature on entrepreneurial success emphasizes the role of entrepreneurial attributes as the primary factor for the success of start-ups. There are few researchers who have proposed that the individual competence of the
entrepreneur and regulatory support are also important factors for the success of start-ups. This study was conducted in four districts of Andhra Pradesh with a sample size of 200 SMEs, covering industry, service and business enterprises. All the entrepreneurs were measured on four entrepreneurial attributes, viz., industry knowledge (IK), Street Smarts (SS), tolerance for ambiguity (TFA), and impact of personal selling on Start-up success (IPSS). The entrepreneurial success has been measured using financial data and non-financial parameters. The financial parameters used are total sales, and growth in employment. The non-financial parameters used are support received by the entrepreneurs, work experience of the entrepreneur, and involvement of the entrepreneur.

2.8. Limitation of the Study

Conclusions emerging from the study of 150 sample units can be generated to be applicable for micro and relatively low investment limits in the small enterprise sector, among units registered with the District Industries Centre. Very often problems are specific to the industry group, and to some extent to specified regions. To be able to generalize for a wider range of small enterprises larger samples and wide area coverage will be needed in the small enterprise sector.

Typical product range, investment, employment and output range have to be more broad-based to capture the recent trends in the context of liberalization, and also to pinpoint specific issues for further progress of the sector.

High technology adoption for modernization and export orientation, small, medium and large industry tie up arrangements have not been dealt with in this study. The study is thus limited to a relatively small sample to examine the field level conditions of a few categories of industries. Generalisation of conclusion for the sector as a whole has its limitation.

The present study is concerned only with small scale industries. The setting and problems of large and medium scale units are quite different from those of small scale units. Therefore, a comparison is not feasible between small and large units.
2.9. Summary

Part I of the chapter deals with objectives, hypothesis, sources of data, design and methodology of the study. 150 sample small units have been selected for field investigation in the study of the structure, growth and problems of the enterprises, and background of the entrepreneurs. Statistical techniques used in the study are also outlined.

Part II of the chapter covers 90 publications / unpublished doctoral dissertation and articles from journals and edited publications. These cover a wide range of programmes of the SME sector, thrust areas being pursued in the recent years and direction for the future. Apart from the different regions of India, a number of developing and developed countries have also been covered briefly to highlight the situation in these countries. The limitations of the study are also presented in this chapter.
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