CHAPTER - I
INTRODUCTION
INTRODUCTION

"The essence of entrepreneurship lies in the perception and exploitation of new opportunities in the realm of business... it always has to do with bringing about a different use of national resources in that they are withdrawn from their traditional employment and subjected to new combinations".

– Schumpeter Joseph

Economic development of a nation and regions is an outcome of purposeful human activity. The developed and developing countries look at the industrialization process as an important strategy for economic development. Most of the social scientists agree that man stands at the centre of economic activity and he assumes various roles in the development process, namely, as an organizer of human and material resources, as a worker, as a consumer and as an exchange agent. Out of these multiple roles, as the organizer of human and material resources is the most important and pivotal for ensuring forward movement of human kind towards progress.

Economic development is a highly dynamic process characterized by ever growing and often rapid changes. As industry grows and income rises, patterns of demand shift, new products are needed, new opportunities arise for the production of goods within the country. Very often as competition grows and markets shift, an established enterprise can be saved from failure or stagnation by timely shifts into new lines of production. A developing economy, accordingly, needs entrepreneurs who are competent to perceive new opportunities and are willing to bear the necessary risks in exploiting them. Entrepreneurs are architects of every conceivable material project and entrepreneurship plays a crucial role in economic development. The entrepreneur is, by definition, the change agent in economic life, and the organizer of society’s productive resources. To some economists the problem of entrepreneurship appears as the most acute problem faced by present day
developing countries, and the shortage of entrepreneurs as possibly the most potent limiting factor on their economic development (Lakhanpal A, 1948)

**Role of Entrepreneurship in Industrialization**

According to Classical and Neo-classical Economists, there is no room for enterprise and initiative. Both the micro and macro theories have assigned only a passive role to entrepreneurship. The maximization models developed recently have propagated the firm's real investment programme as decision variable. It is this decision variable that calls for entrepreneurial skills. These models, however, have failed to recognize the virtues of entrepreneurship. Their calculations are again mechanical and call for no display of entrepreneurial initiative (Bankol W J, 1968).

According to Adam Smith, the rate of capital formation is the fundamental determinant of economic growth. The rate of capital formation in turn depends upon the relationship between minimum expected rate of profit and actual profit. The minimum profit is required for a firm to stay in the industry and the actual profit would ultimately govern the economic development. Ricardo's theory explains the impact of change in wages on profit and capital accumulation. He suggested two policy variables, namely, socio-cultural environments and technological improvements which increase the marginal productivity of capital and labour. In both the analyses, the entrepreneurial role is totally ignored and the economic development takes place automatically.

The Schumpeterian model of economic development postulates that given rate of population growth, the dynamic evolution of capitalist economy is determined by its rate of innovations. This rate of innovation of entrepreneurial activity depends, in turn, upon the distribution of entrepreneurial talents among the population and upon the willingness of credit institutions to finance risky undertakings. Because of the discontinuous nature of innovations, the economic development of a capitalist economy remains cyclical in nature. As there are no diminishing returns to technological progress, continued technological progress will result in an
unbounded increase in National and per capita income. J. A. Schumpeter considered entrepreneurial function as a distinctive function, which yields distinct returns and entrepreneurial gains as monopoly gains, since it occurs due to the fact that competitors only follow at a distance (Schumpeter J. A., 1965).

The Schumpeterian concept of "innovations" is more fundamental than that of "Entrepreneurship." The latter is simply the agent for affecting the former (Dutta A., 1961). However, the role of entrepreneurs in the process of economic development cannot be overlooked. Technological innovations may not be fruitful resulting in development, unless they are put to economic use. In fact, the transformation of laboratory results to commercial production itself is an "innovation." It is the entrepreneur who materializes this vital transformation. The Schumpeterian "innovations" are not only relevant to science and technology but also to exploitation of new markets, creation of new organization and the like. As a matter of fact, Schumpeter has visualized innovative type of entrepreneurship in the process of industrialization. His theory is derived from the experiences of the Western capitalist countries after Industrial Revolution and at a time when economic planning was minimal. May be due to this reason, he over-emphasized the "creative" nature of innovations and creative entrepreneurship in its strict sense. However, if one analyzes the history of economic development of developing countries, he may not come across Schumpeterian innovative entrepreneurs. It is then clear that other types of entrepreneurs along with the innovative-entrepreneurs play an important role in the process of industrialization. Some doubts have already been raised about the relevance of Schumpeterian theory to a developing region (Singh P., 1966). The entrepreneur in a backward country cannot be identified as an innovator since such a country lacks minimum social and economic overheads.

It is McClelland's concept of personality aspects of entrepreneurship which is more comprehensive and relevant for the study of this phenomenon in a
developing country. He emphasizes that people with high achievement motivation are likely to behave in an entrepreneurial way as they would not be satisfied with their present status in the society. Hence, it is clear that the quality of entrepreneurship need not be identified from attributes but from the functions performed by it.

Underdevelopment cannot be identified only with the under-utilization of material resources as it is only a symptom. Under-utilization of human resources including entrepreneurial skills is the surest diagnosis of underdevelopment. It may be pointed out that the quality and quantity of human resources, which include among others, entrepreneurial ability, skilled manpower, the state of administration and national character are the prerequisites in order to change the initial conditions of the economy (Bhagwati J, 1966). While entrepreneurship cannot be considered a sufficient condition for growth activity, it is surely a necessary condition.

Entrepreneurship in nations that are devoid of any significant economic activity has a different connotation. It does not emerge out of industrial background with well developed institutions to support and encourage it but it is characterized by the conditions associated with under-development. Therefore, the entrepreneur in this region may not be an "innovator", but an "imitator", who would copy the organization, technology, products of the innovators from the other developed countries. His role as an imitator is likely to be guided and controlled by the various constraints and conditions peculiar to his area of operation and the factors under which he conducts his minimal modest industrial activity.

In developing countries, only a few men with growth perspective would come forward for changing the stationary inertia and creating preconditions for industrialization, since they are motivated for higher achievements rather than financial gains (Papanek G F, 1962). The industrialization in developing countries can be achieved through two forms of entrepreneurial activities. One is entrepreneurship emerging from individual efforts and another is that
emerging from collective efforts. The first one may be called "individualistic entrepreneurship" which is a peculiar form of leadership where all the functions of management are concentrated in a single hand (Peters R, 1969). Consequently, the entrepreneurs take all decisions in diverse fields of promotional and managerial activities. The second form of entrepreneurship is based on "techno-structure" (Galbraith J R, 1969). It emerges from mechanization, division of labour, large scale production and production in anticipation of demand. This form of entrepreneurship is performed by a group of experts, who are not generally owners of the enterprise. The development of such a techno-structure would definitely accelerate the process of industrialization. However, in a developing country, private techno-structure may not come forward to risk its capital in the absence of necessary infrastructure. Even the public sector techno-structure may also hesitate to penetrate into these regions despite the Government's commitment to the dispersal of industries to the backward areas. Hence, only the first type of entrepreneurship can contribute for industrialization of such regions. In India, since the public and co-operative techno-structure has its own limitations, it is the local entrepreneurship that must get involved in the process of industrialization. It should be realized that industrialization would not gather momentum if much reliance is placed on the factors beyond local control. Therefore, it is absolutely necessary to break the vicious circle and initiate the process of industrialization which may include, to start with small scale entrepreneurship as the most desirable factors.

**Entrepreneurship and Economic Development**

Human development and the development of mankind in whatsoever form is caused by the spirit of enterprise or entrepreneurship in general. The association between the attributes of the entrepreneurship and economic development is much closer, which is similar to the relationship between the cause and effect. One's interest in entrepreneurship essentially springs out of the interest in the economic development of a region or a nation or a group of nations. Despite
stupendous advancement of man in science and technology in some pockets of the globe, man is primarily concerned with the poverty of the nations still even during the last quarter of the twentieth century. Problems of poverty appear to be much worse during the centuries ahead compared to those of the twentieth century.

The world we live presents a picture of appalling contrasts. While some countries are immensely prosperous, nearly two-thirds of the population of the world lives on sub-standard incomes, malnutrition, bad housing, lack of medical care and illiteracy in most of the Asian, African and Latin American countries. Such problems can no longer be ignored. Indeed they have come to dominate intellectual thought and political action. The poor nations are variously described as 'backward', 'under-developed' and 'developing'. The choice of word depends largely on the sensitivity of the audience and sensibility of the analyst. Ironically, 'backward' is the most emotive word that gets closest to the essence of their problems (Jagadish B, 1966).

The words “development” and “developing” are used in many ways that their precise connotations are often baffling. Economic development essentially means a process of change. But, at the same time, it is very difficult to define precisely the phrase “economic development”. Perhaps it is easier to say what is not economic development. However, the term economic development does not convey the idea of total development of the society. It focuses itself on only one aspect and one dimension of general development. “Economic development can be defined as a move towards even more efficient and differential methods of supplying people with the requirements for survival and improvement” (Bearwald F, 1969).

Buchanan and Ellis took the level of consumption as the basic characteristic for differentiation of development from underdevelopment (Buchanan N S & Ellis H S, 1955). In the same way Staley has stressed the characteristic of mass poverty which is chronic and not the result of some temporary misfortune (Staley E, 1954). He also stressed that lack of resources, the obsolete methods
of production and social constraints are the root causes of poverty. Another definition of underdeveloped area was presented by Jacob Viner who suggested the per capita income level as the basis to identify underdeveloped regions and the potentials to support its present population on higher level of living (Viner J, 1962).

Industrialization is being viewed by developing regions as a superior way of life and is interpreted as synonymous with economic development. But economic development cannot be equated with industrialization. When economic development is equated with industrialization, it implicitly undermines the importance of primary sector like agriculture. However, economic development can be equated with entrepreneurship development, since entrepreneurship is not restricted to industry only and it is applied to agricultural, commercial, educational and other economic, social and political activities. The high dependency ratio of people on the primary sector is not the cause of underdevelopment but the consequence of it. Thus agriculture and industry are complementary to each other in the development process. Moreover, economic development is much more than industrialization. It is an "upward movement of the entire social system" (Myrdal G, 1968).

Economic development includes increase in productivity, social and economic equalization, improved institutions and attitudes, and a rationally coordinated system of policy measures and removal of undesirable conditions and systems that perpetuated a state of underdevelopment (Black C E, 1966).

It appears that economic development involved something more than economic growth and it includes both 'growth' and 'change' (Bearwald F, 1969). Moreover, economic development is not only a quantitative phenomenon but has qualitative dimensions too. Economic development is not to be considered as an end in itself, but a means to an end. Economic development is concerned ultimately, with the achievement of better nourishment, better education, better health, better living conditions, an expanded range of opportunities in work and leisure for the people. Therefore, a rise in real per capita income is a relevant criterion to judge the
extent of development in a region as it is a means for the attainment of desired standards in nourishment, education, health and living conditions. Thus economic development is the outcome of planned and purposeful human activity.

Social scientists have contended that entrepreneurship is the leverage which activates the rate of economic development. Economists, over the years, have shifted the emphasis from the rate of capital formation to the growth of entrepreneurship as the major catalyst influencing the rate of economic growth.

**Religious Minorities and Entrepreneurship**

Religion depicts the main socio-cultural characteristics of a person. Different communities and people perceive religion differently. India is a unique country where some religions like Hinduism, Buddhism, Jainism, and Sikhism have originated and other religions of foreign origin flourished bringing 'unity in diversity'. A minority is a sociological group that does not constitute a politically dominant voting majority of the total population of a given society. A sociological minority is not necessarily a numerical minority — it may include any group that is subnormal with respect to a dominant group in terms of social status, education, employment, wealth, and political power. To avoid confusion, some writers prefer the terms "subordinate group" and "dominant group" rather than "minority" and "majority", respectively. In socio-economics, the term "minority" typically refers to a socially subordinated ethnic group (understood in terms of language, nationality, religion, and/or culture). Other minority groups include people with disabilities, "economic minorities" (working poor or unemployed), "age minorities" (who are younger or older than a typical working age) and sexual minorities. The term "minority group" often occurs alongside a discourse of civil rights and collective rights which gained prominence in the 20th century. Members of minority groups are prone to different treatment in the countries and societies in which they live. This discrimination may be directly based on an individual's perceived membership of a minority group, without
consideration of that individual's personal achievement. It may also occur indirectly, due to social structures that are not equally accessible to all (Basil Poulose 2009).

The word 'minority religion' has not been defined anywhere in the Indian Constitution but it finds mention in various Articles in Part III of the Constitution. The U.N. Sub-Commission on Prevention of Discrimination and Protection of Minorities has defined 'minority' as one including only those non-dominant groups in a population which possess and wish to preserve stable ethnic, religious or linguistic traditions or characteristics markedly different from those of the population. In exercise of the powers conferred by Clause (c) of Section 2 of the National Commission for Minorities Act 1992 (19 of 1992), the Central Government in 1993 notified the following communities as “the Minority communities” for the purposes of the said Act, namely: Muslims, Christians, Sikhs, Buddhists, and Zoroastrians (Parsis). However, minorities are not limited to these five religions and States are free to declare/recognize other religions. Jains have been recognized as one of the religious minorities in nine States, Karnataka State is also one among them.

Minority entrepreneurship continues to be an important facet of the small business mainstream. Minority businesses have been the subject of growing interest from a variety of sources in recent years for a number of reasons. Entrepreneurship in minority communities can also contribute to reducing social exclusion and to raising living standards in groups that can be often among the more disadvantaged in society. Moreover, because of a tendency for minorities to concentrate in particular localities, the development of some local economies, and the standard of living within them, may be heavily influenced by the nature and extent of minority business development.

Minorities are under-represented in terms of self employment and small business ownership. The point to stress is that there are variations in the levels of entrepreneurship among minorities suggesting that there may be unfulfilled potential for business ownership when viewed at the macro level. Previous research on minority enterprises has drawn attention to the
similarities and differences with other types of small firm, as well as to certain conceptual issues concerning what constitutes a minority business. Whilst the convention is to define a minority business on the basis of the religion of the main owner, the extent to which a firm demonstrates distinctive behavioral attitudes and experiences distinctive support needs' is likely to vary according to the family traits

Since most minority businesses are small firms, they share many of the characteristics and problems faced by small firms. These include frequent problems in raising finance to start a business and/or expand (particularly in the early stages) and deficiencies in certain core management competencies, such as marketing and financial management skills. One of the distinctive characteristics of small firms in comparison with their large counterparts is a more limited internal resource base (particularly in terms of finance and management) and many minority businesses share the constraints that stem from this.

Many are also characterized by the combination of ownership and management that is associated with distinctive patterns of organizational behaviour in small enterprises (including attitudes to risk), which in minority businesses can often be associated with family ownership. Some previous research has also drawn attention to the tendency of minority businesses to focus, initially at least, on co-ethnic customers and markets, either because of the intrinsically ethnic nature of the product or service being offered for sale, or because of a reliance on informal sales and marketing methods based largely on word of mouth. Finally, the informality that is commonly found in the recruitment practices of small, and particularly very small enterprises, can be associated with a reliance on co-ethnic labour in small minority businesses.

At the same time, it is important to recognize the diversity of minority businesses between different minority groups and in some cases between generations within the same group, which can affect the distinctiveness of this type of enterprise compared with other small firms. This distinctiveness is reflected in the types of business activity chosen by members of different
minority groups and in the strategies they use to mobilize resources. Cultural factors can also affect the value placed on entrepreneurship and the motives for starting a business, although it is important to recognize the role of 'opportunity structures' presented by the social and economic context, as a contributory factor, as well as cultural influences. Clearly, there are many inter-relationships between religion, culture, and enterprise, which mean that minority enterprises are heterogeneous groups whilst sharing many of the underlying characteristics of the small business population more generally.

Karnataka Minorities Development Corporation (KMDC) and Schemes for Encouragement of Entrepreneurship

The Karnataka Minorities Development Corporation Limited was established on 7th February, 1986 by the Government of Karnataka for the upliftment of religious minorities, i.e., Muslims, Christians, Sikhs, Parsis, Jains, and Buddhists, which has an Authorized Share Capital of Rs 65.00 Crores.

1 (a) Organization Structure of KMDC

Karnataka Minorities Development Corporation Limited (Bangalore)
The Corporation sanctions loans to the members of minorities or a co-operative society under 132 industrial schemes, 69 services and 74 types of business activities.

A few schemes of the Corporation are discussed below

1. **‘Swavalambana’ Margin Money Loan Scheme**: Loan facilities are provided through various Nationalized Banks/Financial Institutions for business, services, industries and agriculture based activities for the maximum project cost up to Rs 1,00,000. 20% of the project cost will be sanctioned by the Corporation as Margin Money Loan at 7% interest. Balance is provided by the Banks/Financial Institutions. A Subsidy up to Rs 5,000 is also provided by the Corporation. The Corporation is allocating the physical and financial target based on allocation made in the budget, minority population wise. The District Manager of the concerned district invites the applications through newspapers. The received applications will be scrutinized and forwarded to the concerned bank for sanction of loan. The concerned bank will verify the feasibility and viability of the project for sanctioning the loan and send the proposal for the release of Margin Money Loan to the District office. The District Manager will place the proposal before the District Level Committee headed by Chief Executive Officer of Zilla Panchayath, who is also the Chairman of the Committee. The Committee will approve the list of beneficiaries and the same will be forwarded to the Head Office for release of Margin Money Loan and Subsidy to the Bank, for further release of Margin Money Loan and Subsidy along with Bank portion of loan to the beneficiary.

2. **Subsidy Scheme**: Under this Scheme, a subsidy element of 50% of the unit cost or maximum amount of Rs 5,000 will be released to the beneficiaries. For who wish to avail loan for Business, Services, and Industries, for the unit cost up to Rs 25,000, only subsidy of Rs 5,000 (maximum) will be released and for unit cost above Rs 25,000 to Rs 1,00,000 Subsidy and Margin Money will be released. The Corporation is allocating the physical and financial target based on allocation made in the budget and minority population.
3. **Shramashakthi Scheme**: Under this scheme, the minority artisans will be trained to upgrade their Artistic and Technical skill and also loan upto Rs 25,000 (maximum) will be provided at lower rate of interest to improve their business The Corporation is allocating the physical and financial target based on allocation made in the budget and minority population

4. **National Minorities Development and Finance Corporation's Direct Loan Scheme (NMDFC)**: The National Minorities Development and Finance Corporation, New Delhi was established at Central level during 1994. The main object of this Corporation is to uplift the poor religious minorities financially throughout India. NMDFC is extending loan to the religious minorities throughout its State Channelizing Agencies (SCAs). In Karnataka, Karnataka Minorities Development Corporation is the SCA of the National Minorities Development and Finance Corporation. The NMDFC releases the loan at 3.5% of interest to the SCAs as against the Government Guarantee provided by the State Government. The loan will be released for the schemes approved by NMDFC. The Corporation is releasing 85% of the project cost as NMDFC share, 10% of the project cost from KMDC and balance 5% of the project cost has to be borne by the beneficiary. 6% interest per annum is being charged by the Corporation for the loan released.

**Research Design**

**Statement of the Problem**

The development of any region is reflected in the socio-economic development of its inhabitants. Today entrepreneurship is widely recognized as a contributing factor for the development of industries and in turn for the socio-economic development of any region. With the growing importance of the Micro, Small and Medium Enterprises in view of their contribution to employment generation, balanced regional development and economic growth, the Government of India has been making serious efforts towards Entrepreneurship Development in Micro, Small and Medium Sector Enterprises through its various schemes. It should be noted that small scale entrepreneur is the product of several influences such as family background,
education and community influence The people from minority communities are not encouraged to come forward and to take up entrepreneurship because of social and financial problems. Besides there is no support and encouragement to people coming from minority community with entrepreneurial skill and hard work from their own community people. They are excluded and suspected by the society. They have to sail in adverse weather where everything is against them.

An effort to promote entrepreneurship among the members of minority communities should include steps to encourage them to take up new ventures. In this direction the present study on “Entrepreneurship Development Among Minorities in Small Scale Sector- A Study with reference to Dakshina Kannada and Udupi Districts in Karnataka” makes an attempt to highlight the profile of minority entrepreneurs, entrepreneurship development programmes for minorities and the related support for entrepreneurship development in Dakshina Kannada and Udupi Districts.

Research Gap and Need Justification

Increased interest in the small sector led to an associated growth of research into small business and nature of entrepreneurship (London Business School, 1983, Curran, 1986, Cannon, 1989). Many significant studies have been undertaken looking at small firms from economic, business and sociological perspectives.

Most of the studies mentioned in the review of literature concentrate on entrepreneurship in small industry with respect to a particular region including studies on women entrepreneurship. While a fair amount has been written on the subject of Entrepreneurship, so far, Christian Entrepreneurship has not been the subject of notable academic investigations. The notion of Islam and entrepreneurship remains relatively under-researched in the world of academic entrepreneurship literature, although a number of recent studies have begun to address the particular challenges faced by Muslim entrepreneurs. These studies have frequently addressed the issue of the
difficulties in obtaining finance under Sha'riah Law that would enable a person to fund a business start-up, while other researchers have sought to analyze the specific obstacles of female entrepreneurship within the Islamic world. But a study on minority entrepreneurship in small industry has not been undertaken in Dakshina Kannada and Udupi Districts of Karnataka State. Therefore, the researcher considers this research study on “Entrepreneurship Development Among Minorities in Small Scale Sector: A Study with reference to Dakshina Kannada and Udupi Districts in Karnataka” to be an exploratory cum descriptive research, with a view to conduct major investigations in this area.

Research Questions
RQ1 What are the socio-economic factors influencing the minority entrepreneurs to start their units?
RQ2 What are the principal factors encouraging minority entrepreneurs to start their ventures?
RQ3 What are the major operational problems faced by the minority entrepreneurs in establishing and running their units?
RQ4 What is the effectiveness of Entrepreneurship Development Programmes (EDPs) on minority entrepreneurs?

Objectives
The present research study purports to fulfill the following objectives:
   a) To study the socio-economic background of minority entrepreneurs,
   b) To identify the extent to which success in entrepreneurship is associated with education and family background of minority entrepreneurs,
   c) To determine the factors that motivated the present incumbents to start their ventures;
   d) To examine the operational problems faced by the minorities in running their units,
   e) To study the effectiveness of Entrepreneurship Development Programmes among minority entrepreneurs,
f) To suggest measures to overcome the problems faced by minority entrepreneurs based on the findings of the study

Hypotheses

Hypothesis is a presumption that provides direction to any research study. Research Hypothesis is an unproven statement, which helps the researcher to draw inferences on his hypothetical assumption, whether it is true or false based on some specific statistical tests (Alam & Negar, 2009). The review of existing literature and the objectives of the study resulted in the formulation of the following hypotheses for the present study:

1. There exists a significant association between socio-economic background of minority entrepreneurs and their performance.

2. Entrepreneurship Development Programmes (EDPs) provided by the various agencies have been beneficial for the minority entrepreneurs to set up their units and thereby to choose self-employment career.

3. It is not only the formal education of the minority entrepreneurs that determines entrepreneurial development but other motivational and facilitating factors do influence the same.

4. The growth and development of the minority entrepreneurs is curtailed by the various problems.

5. The number of inherited minority entrepreneurs (entrepreneurship by succession) is insignificant.

Research Methodology

This study is partly an exploratory and partly descriptive in nature. Since the study is basically of descriptive nature, a descriptive research design (Sample Survey) has been used in carrying out the present study as the study aimed at finding out the profile of Minority Entrepreneurs with respect to personal characteristics, family background, perception regarding the business opportunities, problems and constraints faced by them and the contribution of Entrepreneurship Development Programmes (EDPs) in running and managing the business units. Thesis is developed mainly by depending upon
primary data and secondary data. However, secondary sources of data such as books, periodicals, research publications, the documents and reports maintained in District Industries Centre’s of Dakshina Kannada and Udupi Districts were used for the purpose of understanding the basic concepts and reviewing the literature pertaining to the current field of study and incorporated wherever needed. This empirical study is conducted with the help of structured questionnaire. The questionnaire used for conducting the empirical study consisted of five parts (Appendix-I). The first part was aimed to collect the profile of minority entrepreneurs, the second part of the questionnaire focused on the data relating to profile of minority units, third part of the questionnaire was aimed at eliciting the views and perceptions of the minority entrepreneurs about the EDPs. The fourth part intended to study the motivating factors for the establishment of the units by the minority entrepreneurs. The last part of the questionnaire included the problems encountered by the minority entrepreneurs while establishing and running their units.

The District Industries Centre Directory of Small Scale Industries 2008-2009 of Dakshina Kannada and Udupi Districts consisting 2454 registered small scale minority units formed the sampling frame for choosing minority entrepreneurs. Accordingly 600 units (24.45% of the total registered units) were randomly selected based on the random number table from Micro and Small Enterprises engaged in manufacturing and service operation, geographically spread over Dakshina Kannada and Udupi Districts. The questionnaire was personally administered and mailed to 600 Minority Entrepreneurs of Dakshina Kannada and Udupi districts who could furnish the information on behalf of their units. During the first six months 119 (19.83% initial response rate) filled questionnaires were received. A further request was made to the non-respondents (481) either by sending a reminder letter or by telephone. This follow up resulted in collection of an additional 146 (30.35% additional response rate) completed questionnaires during the next six months thereby yielding the total gross response rate of 44.16%.
carefully going through the filled in questionnaires the researcher eliminated 19 incomplete questionnaires and thereby rendering only 248 usable filled in questionnaires for further analysis. Hence, the effective response rate was 41.33% (248x100/600) of the total sample. These respondent Minority Entrepreneurs comprised of 85 Christian and 70 Muslim entrepreneurs in Dakshina Kannada and 50 Christian and 43 Muslim entrepreneurs in Udupi. In Dakshina Kannada out of the 85 Christian minority entrepreneurs, 68 were running manufacturing units and the rest 17 were running service units. Similarly, in Udupi district out of the 50 Christian minority entrepreneurs 38 were running manufacturing units and the rest 12 were running service units. In Dakshina Kannada out of the 70 Muslim minority entrepreneurs 57 were running manufacturing units and the rest 13 were running service units. Similarly, in Udupi district out of the 43 Muslim minority entrepreneurs 32 were running manufacturing units and the rest 11 were running service units. For the purpose of the analysis of data descriptive statistics such as frequencies, percentages and averages have been calculated for various variables used in the study. Relevant tests like Chi square test, Fishers Exact Test, Mann-Whitney Test, Factor Analysis have been used to test the hypotheses and to draw inferences.

**Sampling Frame**

For identifying the Minority Entrepreneurs and units a comprehensive list of the small scale units maintained in the District Industries Centres (DICs) of Mangalore and Udupi Districts has been considered.

**Table 1.1: Data regarding the Total Units and Units set up by the Minorities from 1984-2000**

<table>
<thead>
<tr>
<th>Years</th>
<th>Total Units established in Dakshina Kannada &amp; Udupi Districts</th>
<th>Total Minority Units established in Dakshina Kannada &amp; Udupi Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984-2000</td>
<td>10421</td>
<td>1242</td>
</tr>
</tbody>
</table>

**Source:** District Industries Centre, Mangalore & Udupi
Table 1.2: Data regarding the Total Units & Units set up by the Minorities from 2000-2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Units established in Dakshina Kannada District</th>
<th>Minority Units in Dakshina Kannada District</th>
<th>Units established in Udupi District</th>
<th>Minority Units in Udupi District</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2001</td>
<td>763</td>
<td>155</td>
<td>424</td>
<td>41</td>
</tr>
<tr>
<td>2001-2002</td>
<td>822</td>
<td>141</td>
<td>363</td>
<td>35</td>
</tr>
<tr>
<td>2002-2003</td>
<td>620</td>
<td>88</td>
<td>271</td>
<td>30</td>
</tr>
<tr>
<td>2003-2004</td>
<td>728</td>
<td>99</td>
<td>299</td>
<td>25</td>
</tr>
<tr>
<td>2004-2005</td>
<td>693</td>
<td>49</td>
<td>306</td>
<td>28</td>
</tr>
<tr>
<td>2005-2006</td>
<td>800</td>
<td>95</td>
<td>315</td>
<td>30</td>
</tr>
<tr>
<td>2006-2007</td>
<td>800</td>
<td>71</td>
<td>312</td>
<td>36</td>
</tr>
<tr>
<td>2007-2008</td>
<td>804</td>
<td>111</td>
<td>343</td>
<td>32</td>
</tr>
<tr>
<td>2008-2009</td>
<td>960</td>
<td>100</td>
<td>372</td>
<td>46</td>
</tr>
<tr>
<td>Total</td>
<td>6990</td>
<td>909</td>
<td>3005</td>
<td>303</td>
</tr>
</tbody>
</table>

Source: District Industries Centre, Mangalore & Udupi

Selection of Sample

A sample of 600 Minority Entrepreneurs has been selected by following Simple Random Sampling Technique (SRS) for identifying the respondents Random Number Table is used

Scope and Limitations

The present study mainly concentrated on Entrepreneurship Development Among Minorities in Dakshina Kannada and Udupi Districts. It is worth mentioning that this study was confined only to the selected Christian and Muslim minority units in both the districts and the research conclusions and inferences drawn based on the findings of this micro study cannot be generalized as they are to other parts of the country or other nations of the world due to cross-regional and cross-cultural differences. This study concentrated only on the units established by Minority Entrepreneurs and other units were kept outside the purview of this study. Nevertheless, this study throws sufficient light on the Profile of the Minority Entrepreneurs, Entrepreneurship Development Programmes (EDPs) for Minorities,
Motivating and Facilitating factors for Minority Entrepreneurs and the Problems faced by the Minority Units in Dakshina Kannada and Udupi Districts

Chapter Classification

The present study on "Entrepreneurship Development Among Minorities in Small Scale Sector -A Study with reference to Dakshina Kannada and Udupi Districts in Karnataka" is coordinated in 7 chapters as shown below

Chapter 1 Introduction This chapter presents an overview of the subject matter of the research study by detailing the importance of entrepreneurship in industrialization and economic development and other technical aspects like objectives of the study, research questions, hypotheses and research methodology guiding the present study. In addition, the scope and limitations of the present study and chapter classification are also mentioned in this chapter.

Chapter 2: Review of Literature: This chapter is intended to provide a brief understanding of previous research studies carried out in the domain of Entrepreneurship and Minority Entrepreneurship. Besides several reference books in the area of Entrepreneurship, the researcher reviewed 79 Indian studies and 18 foreign studies on Entrepreneurship and Minority Entrepreneurship published in various journals from 1956 to 2009. The review of literature pertaining to the current field of investigation is presented in two sections: Indian Studies and Foreign Studies. This chapter aims at identifying and defining the research gap currently existing in the field.

Chapter 3: Entrepreneurship- A Conceptual Framework: This chapter includes the various concepts relating to Entrepreneurship and Minority Entrepreneurship. It also explains the influence of religion on entrepreneurs with special reference to Christians and Muslims.

Chapter 4: Profile of Minority Units: This chapter describes a brief profile of study regions, minority units and the socio-economic background of minority
entrepreneurs as perceived and reported by the respondent entrepreneurs in Dakshina Kannada and Udupi Districts

Chapter 5: Minority Entrepreneurs and Entrepreneurship Development Programmes: This chapter discusses the various Entrepreneurship Development Programmes available to Minority Entrepreneurs and their perceptions regarding the training programmes

Chapter 6: Minority Entrepreneurs - Motivating Factors and Problems encountered by them: This Chapter identifies the key motivational factors that encouraged the Minority Entrepreneurs to start and establish their business units and also highlights the major problems faced by the respondents

Chapter 7: Summary of findings, Suggestions and Conclusion: It gives a capsule summary of the major discussions and findings presented in earlier chapters and offers suggestions to overcome the problems in promoting and developing Minority Entrepreneurship based on the findings of the study

References
Bhagwati, J (1966) The Economics of Underdeveloped Countries London World Unversity Library
Buchanan, N S, & Ellis, H S (1955) Approaches to Economic Development New York The Twentieth Century Fund


