CHAPTER I

INTRODUCTION

1.1. Introduction

The important contribution of vibrant small and medium enterprises (SMEs) sector in the national economic and social development of a country has been widely recognized. In view of its increasing importance, the success of small and medium enterprises (SMEs) has been of interest to researchers, international organizations, and policy makers, at least since the Bolton report (1971).

Attention to the SME sector has heightened because of the globalizing economy and the increasingly severe competition that is inherent in this development. In the light of this, the following research study seeks to understand and explore the factors that influence the success of SMEs in the city of Tangier in Morocco. This chapter aims to provide an overview of the research study by initially describing the research background and problem. Secondly, it briefly introduces the theoretical framework underpinning the present study. Next, the research objectives and questions are outlined followed by an explanation of the scope and justification of the study. Following that, the research methodology to be used in the research is briefly clarified, along with the significance of the study. Finally, the chapter provides an outline of the structure of the thesis.
The term “entrepreneurship” has been discussed by several notable scholars and practitioners in the fields of business and social sciences at large. Therefore, there are many schools of thought in entrepreneurship (Bruyant and Julien, 2001; Hisrich, Peters and Shepherd, 2005; Low and MacMillan, 1988). Economic school of thought defines entrepreneurship as founding and operating a business for the purpose of making profit while psychology school of thought describes it as having certain personality or traits that enable a person to own and run a business successfully (Lumpkin and Gregory, 1996).

Small and Micro enterprises (SMEs) have been measured as the engine of economic growth and pillar for promoting impartial development. The major gain of the sector is its employment budding at stumpy capital cost. The labour absorption of the SME sector is much higher than that of the large enterprises. The role of small and Micro enterprises in the economic and social development of the country is well established. The sector is a nursery of entrepreneurship, often driven by individual creativity and innovation. The development of small and Micro scale enterprises (SMEs) is significant because of their pivotal role for the economic development. Generally, The SME sector is important for the creation of employment, facilitation of broad based on development, and the distribution of income. Its income generation activities contribute to both resource accumulation and poverty reduction. More generally the development of SMEs is seen as
accelerating the accomplishment of wider economic and socio-economic objectives, including poverty alleviation.

1.2. Concepts of Entrepreneurship

1.2.1. Entrepreneurship

Entrepreneurship is defined from two perspectives—venture creation and utilization of opportunity. Hence, entrepreneurship is a creation of businesses and such creation makes entrepreneurs differ from non-entrepreneurs because non-entrepreneurs do not establish companies (Gartner, 1988). In the same view, it is described as establishment of new businesses and the main goal of entrepreneurship is to create something new to either solve a problem or satisfy a need as well as to promote an economy (Low and MacMillan, 1988). Lumpkin and Gregory (1996) contribute to the definition by stating that it is a “new entry”; the new entry can be attained by going to a new market or create a market with new or existing offerings. It is further explained by Lumpkin and Gregory (1996) that a new entry also denotes that a new business is launched as a start-up or as a subsidiary (branch) of existing company. Bruyant and Julien (2001) add that entrepreneurship is a process or activity of establishing new ventures by changing business resources such as materials and know-how. It is noted by Bruyant and Julien (2001) that such new firms are supposed to be value added to the satisfaction of needs or solution to certain problems.
For utilization of opportunity perspective, entrepreneurship is described as an activity to identify an opportunity, to initiate an action to utilize it, and to create a business to implement the actions purposely to make profit (Peverelli and Song, 2012). Similarly, entrepreneurship is alertness to an opportunity and action to make use of the opportunity. Alertness in the sense that entrepreneur sees something new which might not be noted by many people; so, such activity is known as “discovery”. Action is when entrepreneur pool together his or her resources to utilize the opportunity.

Therefore, combination of alertness and action is known as “entrepreneurship” (Acs and Audretsch, 2010). In this perspective, entrepreneurship is also described as a process or activity of combining resources that can have value or create impact in a market purposely to utilize an identified opportunity. Furthermore, it is a process of pursing an opportunity by the people in an organization or outside their organization by controlling their little available resources (Wiklund, 1998 in Peverelli and Song 2012).

However, the principles, terms and practices of entrepreneurship have been changed these days due to different school of thoughts and perspectives. These changes are redefined by business, management and personal points of view (Hisrich et al., 2005). Nonetheless, the most common and recognized view is “personal view” because the entrepreneurs successfully
identify an opportunity, initiate ideas to utilize, take an action to implement the idea and at end, establish a new business or product or service; therefore, it is important to concentrate on personal view. Meanwhile, it is worth noting that focusing on entrepreneurs should include environmental influences because these entrepreneurs operate in a society (Bruyant and Julien, 2001). To support this view, Carsrud and Brännback (2007) explain that it is reasonable to focus on the motivating factors of people that want to be entrepreneurs or those who do not want.

From a study, it was found that the most common motivating factors for entrepreneurial oriented people are: personal growth or development, innovation, authority and flexibility. However, it should be noted that these factors vary from person to person and from country to another. Lumpkin and Gregory (1996) add that entrepreneurial oriented people have these characteristics - autonomy, innovativeness, risk taking, proactiveness, and competitive aggressiveness.

1.2.2. Entrepreneur

The body of knowledge surrounding the concept of entrepreneurship cannot be well described or understood without understanding the term “entrepreneur” as it forms the basis of understanding therein. Hence, the word ‘entrepreneur’ could be traced to and is derived from the French word ‘enterprendre’ meaning “to undertake” and literally translated to mean
entrepreneur as an individual who takes risk and starts something. Ogundele and Abiola (2012) contribute further by describing entrepreneur as an originator or creator of a profit-seeking or economic organization, which is established for the purpose of providing goods, and services that satisfy needs.

Additionally, Low and MacMillan (1988) contribute that an entrepreneur is a person who creates new business or coordinates his or her resources to introduce new offering to the market or someone who uses his or her skills to develop an innovation to either a new business or an existing one. The person (entrepreneur) possesses certain personality or character such as risk taking, innovativeness, independence, autonomy and exercising of power. Therefore, an entrepreneur is an individual who is personally determined to make a business out of his or her unique, improved and fresh idea.

Furthermore, Schumpeter (1934 in Ogbo and Agu, 2012) describe an entrepreneur as the bearer of the mechanism for change and economic development. In this view, an entrepreneur is someone who uses creative destruction by creating a new product or business model or any business innovation to replace existing ones. More so, Morris et al (1996) add that an entrepreneur is the person who combines different resources uniquely to create value towards exploiting an opportunity. To sum up, an entrepreneur
is also viewed by Kilby (1971 in Krueger, 2002) as an individual who assumes risk and provide management for a firm.

1.3. Entrepreneurial Development

Development according to Advanced English Dictionary (AED) is the act of improving, by expanding or refining a phenomenon or perhaps a process in which something passes by degrees to a different stage especially a more advanced, matured or beneficial stage. This however with consideration with entrepreneurship i.e. entrepreneurial development, it may be deduced that entrepreneurial development is any act or effort made in respect of entrepreneurship for its advancement, maturity and being more beneficial. Hence, the academic and practical interest in the field of entrepreneurial development has gained considerable and serious attention over the years from many scholars. This was supported by Morris et al (1996) that extensive attention has been given in recent years to the role of entrepreneurship in facilitating global economic development. More so, Esuh (2011) adds to the body of knowledge that the impact of entrepreneurship development is long due and thus, has been given global acknowledgment in various countries across the globe.

In the light of this, Unachukwu (2009) contends that the attention on entrepreneurial development was spurred by the realization of the extent to which the phenomenon serves as a key factor in economic development.
Ogbo and Agu (2012) scholarly view that the roles of entrepreneurship as catalyst for socio-economic transformation are another major reasons for the global campaign towards entrepreneurial development for development and growth. No wonder Osemeke (2012) mentions that entrepreneurial development involves every undertaken characterized by efforts towards the advancement and propagation of the essence and practice of entrepreneurship. The author further explains that such efforts encompass all activities to enhance the knowledge, skills, behaviour, attitude and motivation of any individual and group that assume the role of entrepreneurs as well as those who may be interested to take part in the adventure of an entrepreneur.

Furthermore, Mitchelmore and Rowley (2010) contribute that entrepreneurial development activities also include those, which make the field of entrepreneurship attractive to non-entrepreneurs in order to develop their interest, skills and competences towards involving in entrepreneurial activities. Ogbo and Agu (2012) however view that this may be achieved through various means examples of which are structured institutional building programmes, efficient educational system suitable for training and leadership development for entrepreneurial capacity, availability of adequate, efficient, functional and accessible infrastructures suitable for entrepreneurial opportunities, easy accessibility to financial support, loan funding/credits and long-term finance to fund capital assets (just to mention
few). Hence, considering Nigerian economy, Osemeke (2012) explains that entrepreneurial development has been conceived by successive government as a programme of activities to enhance the knowledge, skills, behaviour and attitudes of individuals and groups to assume the role of entrepreneurs.

1.4. Entrepreneurial Development in Developing Nations

In order to understand the essence of entrepreneurial development in developing nations, there is a need to have knowledge of what a developing nation is. A developing nation however, is referred to as a less developed or under-developed nation following the evident level of the development in the economy and other national systems as well as the standard of living of the citizens. A good determinant of whether or not a nation is a developing nation is an evident low living standard, undeveloped industrial system, unemployment, low Human Development Index (HDI) and economic instability among others. Also, a developing country is one in which the majority live on far less money with far fewer basic public services than the population in highly industrialized countries (The World Bank, 2012). As developing nations are defined according to their Gross National Income (GNI) per capital per year, according to the World Bank specification (2012), countries with a GNI of USD11,905 and less are defined as still developing (International Statistical Institute). Although it is for the purpose of World Bank financing, debt relief, technical assistance and advisory services, and special initiatives, developing countries are also categorized as
Heavy Indebted Poor Countries (HIPC), Middle Income Countries (MIC), Low-Income Countries Under Stress (LICUS) and Small States (The World Bank, 2012). Upon these definitions and categorisations, Nigeria is a developing country thus, entrepreneurial development is very important therein.

In view of the description presented above, developing nations are characterized by low economic development, low standard of living of the citizens, high rate of unemployment, evident socio-economic and political inadequacy among others. Hence, they are experiencing low and uneven entrepreneurial development as Lingelbach et al (2005) link the wealth and poverty of such countries to the entrepreneurial nature of their economies. The scholars further argue that entrepreneurial activities and development in developing nations are also constrained by the limited resources made available to the general masses as well as the level of development evident in such nations. More so, Vivarelli (2012) identifies the level of literacy in the developing nations as another deterrent to the recorded success of entrepreneurial activities therein developing nations as he expatiates that the level of education and training available to the general public determines the skills and competence that could be demonstrated towards their entrepreneurial involvement vis-à-vis national development.
However, Ács and Virgill (2009) describe the early era of entrepreneurial activities in most developing nations as the era of import substitution where entrepreneurs engaged in producing previously imported goods for the domestic market but by 1980s, in the face of economic crises, many developing nations turned to export promotion. They further argue that these two approaches relied heavily on strong state intervention and persistent market distortions to sustain their viability which did crowd out and thwart altogether the traditional and importance of entrepreneur. Subsequently with the quest towards advancing and developing the entrepreneurial activities, these countries began to change their focus and directed it on their business environments by creating an economic space that is conducive for both domestic and foreign investment.

Nonetheless, this thesis narrowed down to ED in SMEs. Therefore, it is relevant to state some previous literary works on SMEs. Although, several scholarly efforts have been made towards defining SMEs due to different sizes required for certain businesses varying from country to country, yet it is generally accepted that SME sector is categorized into three: micro, small and Micro enterprises or businesses. The micro SMEs are the smallest among the three categories with up to 10 employees (Darren et al. 2009 in Esu, 2012). However, SMEs businesses between 11-50 employees are referred to as small enterprises while the Micro businesses may have between 51-250 employees depending on the industrial area of operations as
well as the country of operation (Esu, 2012). Meanwhile, Muritala et al (2012) mentioned that ‘the individual research unit of Obafemi Awolowo, Nigeria (1987) defines SME as one whose total assets or capital is less than ₦50, 000 and employee fewer than 50 full time workers’. Furthermore, the European Commission responsible for Enterprise and Industry (2005) made a classification that the turnover of small business may be less or equals €10 million while that of Micro enterprise may be less or equals €50 million. Fischer and Reuber (2000) also added that SMEs make up the bulk of enterprises in developing countries and make a significant contribution to employment and economic growth.

1.5. Micro and Small Enterprises (MSEs) in India

In developing countries micro and small enterprises (MSEs) constitute a large part of the industrial fabric, which is why policymakers and scholars alike look at small-scale entrepreneurs as important development agents in society. By offering possibilities to gain income, training and work experience micro and small enterprises are said to provide livelihoods to millions of people worldwide (Altenburg / Eckhardt 2006). Moreover, donors and policymakers stylize small enterprises as drivers of private sector development.

In 1995, Government grouped small scale industries into two categories-those using power but employing less than 50 persons and those not using
power but employing less than 100 persons. All small scale enterprises had capital investment of Rs. 5 lakh. This limit was revised to Rs. 10 lakh in 1975 and Rs. 15 lakh in 1980. In March 1985, the Government has again revised the investment limit of small scale undertakings to Rs. 35 lakh. As per the Industrial Policy Resolution of 1990, the investment limit for small scale industries has been revised to Rs. 60 lakh and correspondingly for ancillary units from Rs. 45 lakh to Rs. 75 lakh. During 1997, on the recommendation of Abid Hussain committee, the Government has raised the investment limit on plant and machinery for small scale industrial units and ancillaries from Rs. 60/75 lakh to Rs. 3 crore and that for tiny units from Rs. 5 lakh to Rs. 25 lakh Report of the Expert committee (1997). The investment limit on plant and machinery was reduced from Rs. 3 crore to Rs. 1 crore for small scale units in 2000. However the investment ceiling for tiny industries remained unchanged to Rs. 25 lakh.

According the provision of Micro, Small and Micro Enterprise Development (MSMED) Act, 2006, the micro, small and Micro enterprises are classified into two classes-(a) Manufacturing Enterprises. The enterprise engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951. The manufacturing enterprises are defined in terms of investment in plant and machinery. (b) Service Sector-the enterprises engaged in
producing or rendering of services and are defined in terms of investment in plant and machinery.

The limit for investment in small manufacturing enterprises is more than Rs. 25 lakh but does not exceed Rs. 5 crore and that of service enterprises is more than Rs. 10 lakh but does not exceed Rs. 2 crore. Traditional small scale industries includes Khadi and Handloom, Handicraft, Village industries, Bamboo based industries, Sericulture and coir etc. Modern small scale industries produce a wide spectrum of goods ranging from comparatively simple items to sophisticated products such as television sets, electronic control system, mixer grinder and various engineering products particularly as ancillaries to the large industries. The traditional small industries are highly labour intensive, while the modern small scale units use highly sophisticated machinery and equipments.

The New Industrial Policy of 1991 announces a number of measures to promote small scale industries. Presently, 836 items have been reserved for exclusive manufacture in the small scale sector. A new scheme of Central Investment Subsidy exclusively for the small sector in rural and backward areas capable of generating higher employment at lower capital cost would be implemented. Programmes for modernization and upgradation of technology in the small scale sector to improve their competitive strength will be implemented. A new Apex bank known as Small Industries
Development Bank of India (SIDBI) has been established to channelise need based higher flow of credit, both by way of term loan and working capital to the tiny and rural industries. To help the artisans working with Khadi and Village Industries Commission (KVIC) and KVI Board, special Marketing organization at the Centre and State level shall be created.

Small and Micro enterprises have been receiving impetus in the development strategy of the Government of India. The Nehruvian Philosophy of industrialization has given importance and realized the importance of small and Micro enterprises for the national development. The under developed and developing countries are generally dominated by agrarian economy and characterized by underemployment and rising unemployment Bhagavati, J. (1966). The industrialization in these economies is expected to serve dual purpose of creating avenues for the absorption of excess labour and diversification of occupation. SMEs must extend the necessary support and compliment the beneficial effects of Industrialization. The SMEs makes more efficient use of capital and labour for developing economy. They are able to produce a unit of output with lesser cost of production. Generally SMEs units are labour intensive and require smaller amounts of capital. In the capital scarce and labour surplus economy like India both aspects i.e. more output and more employment are equally important and in this context Small and Micro enterprises become very significant.
The SMEs makes more efficient use of capital and labour for developing economy and they are able to produce a unit of output with lesser capital but more labour than the larger units. In the capital scarce and labour surplus economy like India both aspects i.e. more output and more employment are equally important. The recent enunciation of the long awaited new policy for small and Micro industries by the prime minister at the National Conference on small and Micro industries in New Delhi has been widely welcomed by the industry. The small entrepreneurs nurture a genuine fear that the market-oriented reforms have not only adversely affected their interests, but are a threat to their very existence. The recession in the economy since 1996 seemed to confirm their worst fears. The recent announcement has therefore, raised considerable hopes that the new policy will bring some relief and helps them cope with the intensely competitive environment created by the twin policies.

Small and Micro enterprises enjoys certain inherent strength such as lower overhead costs, flexibility in production, informality in labour relations, exploitation of local resources an skills, capacity to execute small orders and to offer customized services. Small and Micro industry in India needs to upgrade technologies on a continuous basis to remain competitive. Adopting information technology to increase productive and leveraging their advantage of flexible operating systems. There are very effective software packages available in the country for manufacturing units, which can
eliminate waste, compress production cycles, and improve the quality of the products. If they are expensive and beyond the reach of individual small and Micro units, the packages can be purchased by groups of units and used jointly on a time share basis, paying hourly fees.

The promotion of small and Micro industries has been widely recommended as one of the most appropriate means of developing industry in overpopulated backward countries. Japan is usually held up as the great example of what can be done in this way and now, even communist China is said to be following a similar path, at least in the rural areas. In no country, however has the doctrine of small industry received such strong official support as in India. There are a number of reasons for this. The most important is the legacy of Gandhian teaching. In addition, the very distribution of existing small industry in India, the great pressure of population, and the shortage of capital have all tended to direct attention towards the small scale sector as a possible means of increasing output and employment in Indian industry for at least the next few decades.

1.6. Need and Importance of the Study

Ever since the formation of the National Planning Committee on Rural and Village Industries in 1938 the SMEs are conceived as the catalyst of industrial dispersal in the country. The industrial policies announced by the Central and State governments, have been providing various incentives for
accelerating the growth of SMEs sector Sandesara.J.C (1969). The performance of SMEs was focused mainly at national level while the issues related to size; growth, structure and productivity have received inadequate attention at the state level. The process of restructuring Indian economy through liberalization and decontrols has put the small enterprises at a critical juncture of intricacies concerning their future. Therefore, for any change in policy related to small industries there is a need for elaborate studies on the growth and performance of SMEs.

1.7. Statement of the Research Problem

Although foreign direct investment contributes to the economic development of developing nations, entrepreneurial development and operations have been identified across the globe as viable mechanism and means of efficient economic progression. This argument has however been supported by the Global Entrepreneurship Monitor (GEM) analysis of its 54 members’ economies alongside many scholarly literatures. Hence, considering the economic situation of developing nations with their characteristics-low standard of living, undeveloped industrial base, high rate of unemployment, low Human Development Index (HDI) and economic instability-it is quite empirical that self-development especially in terms of entrepreneurial development of Small and Micro Enterprises (SMEs) would be a viable and alternative rescue for such nations (GEM 2011).
An example and evidence of this is a report of the European Commission Responsible for Enterprise and Industry which states that SMEs are the engine of its economy representing 99% of all the available enterprises and employing 75 million people within the EU; thus, increasing the viability of the economy and the living standard of its people. More so, Ogbo and Agu (2012) add that the roles of SMEs in national development cannot be underestimated because they occupy an important position in every nation. Due to the imperative roles of the SMEs in the economy, they are globally often described as “the engine of growth” and “catalysts for socio-economic transformation of any country”, hence I call them the power house for national growth and socio-economic development.

Therefore, the claims of scholars, such as Bruyant and Julien (2001), Hindle and Yenchen (2004), and Hisrich et al (2005) seem to be right by stating that entrepreneurship is an important source of wealth for any countries. This is also supported by Adejumo and Olaoye (2012) who explain that the roles of SMEs in the national industrialization are eminent; they state further that small firms contribute significantly to the Gross Domestic Product (GDP). The authors add that the various government arms in Nigeria have made efforts to develop several policies and programs towards improving SMEs’ activities in the country.
Unfortunately, developing nations and their industrial sectors encounter many barriers like inadequate resources and infrastructural amenities, political influences (instability and interferences) and poor readiness of entrepreneurs among others which make the achievement of their SMEs insignificant and insufficient to foster desirable economic and national development (Adejumo and Olaoye, 2012). Similarly, Agboli and Ukaegbu (2006) state that in the developing nations, the business environments are full of several challenges thereby make these situations frustrate entrepreneurs and render industrial development quite slow. These authors state further that lack of infrastructure, unnecessarily cumbersome bureaucracy, inefficient access to credit facilities, corrupt practices by officials, and difficult regulation for new businesses and business expansion are among the problems facing SMEs in the developing nations.

For the development of Indian economy there is a need for small and large scale industries. This leads to generation of employment opportunities, increase standard of living and purchase power etc. At present large scale industries are benefited by various all Indian financial institutions, at the same time small and Micro scale enterprises also needs financial investment. The research gaps and relevant questions which strike the mind during the literature review on small and Micro scale enterprises regarding their financial assistance in Tamilnadu.
The micro, small and Micro enterprises are providing self-employment to the rural people and also lead to balanced growth of our nation, these units are struggling with day to day problems. The micro, small Micro enterprise facilitates mobilization of resources, capital as well as still aims at raising the standard of living of the people especially in rural India. These are facing many problems from the promotion stage itself. The micro, small and Micro entrepreneurs are very weak in the powers of management of micro, small and Micro enterprises. These are severely affected by lack of education and managerial skills. The productivity of micro, small and Micro enterprises is affected by poor management on one side, whereas on the other side, these are affected by the high cost of capital especially on private finance. Since majority of micro, small and Micro enterprises are managed by women entrepreneurs; they are affected by the social, general and cultural problems, even though the Central and State Governments have introduced a lot of programmes and schemes to rural entrepreneur. There is a better prospect for micro, small and Micro enterprises even after globalization and urbanization. If the problems of micro, small and Micro enterprises and entrepreneurs are properly assessed, their problems may be solved through various programmes. Since the Government is highly interested in generating self-employment among the people, they are ready to serve the rural poor. Hence, the present study has made an attempt to
identify the problems and also prospects of micro, small and Micro enterprises in Pudhukkottai district.

1.8. Research Objectives

The main objective of this study is to identify factors affecting Entrepreneurship and suggest a model to capture the constraining factors in a better way. Several specific goals are formulated to achieve this main objective. Based on the literature review the following objectives are formulated.

1) To examine the demographic and Economic Impact on environments influences the different dimensions of Entrepreneurship Development in Pudukkottai District, Tamilnadu.

2) To explore the factors influencing high Entrepreneurship Development through Micro & Small Enterprises in Pudukkottai District, Tamilnadu.

3) To gain a better understanding about the mediating causes for Micro & Small Enterprises in the study area and explain the various dimensions influencing Entrepreneurship Development through Micro & Small Enterprises in the study area.

4) To identify the mediating causes for problems for Development of Entrepreneurship through Micro & Small Enterprises in the study area.
5) Finally it suggest suitable strategic model for the Development of Entrepreneurship through Micro & Small Enterprises.

1.9. Research Questions

The following research questions are quite relevant to the crucial purpose of the study and seeking to understand the mediating effects of Entrepreneurship in Pudukkottai District.

1. What are the socio-economic conditions of Entrepreneurship in Pudukkottai District?
2. What are the interests, perseverance and motivation on entrepreneurship among micro & small enterprises?
3. What are the preferences and aspirations of entrepreneurial activities in the district?
4. What are the nature and type of initiatives undertaken by micro & small enterprises to start their venture?
5. What are the major factors promoting entrepreneurship activities in the district?

1.10. Proposed Conceptualized Research Model

1.10.1. Proposed Conceptual Model of Entrepreneurship Development Mediated Model

There are 12 dimensions were framed for this study. Those are; i) Reason, ii) Facilitate, iii) Motivation, iv) Location, v) Production, vi) Self
Confidence, vii) Hard Work, viii) Leadership, ix) Decision Making, x) Innovation, xi) Management Skills and xii) Development of Entrepreneurship. Here Demographic variables, Reason, Facilitate, Motivation, Location, Production, Self Confidence, Hard Work, Leadership, Decision Making and Innovation are Independent Variables and Management Skills and Development of Entrepreneurship are the dependent variable. In the study the researcher examines that how and what extent the independent variables make changes in the dependent variable. The proposed conceptual research model shows the development of entrepreneurship through micro & small enterprises in Pudukkottai District, Tamilnadu.

Figure 1.1: Proposed Conceptual Model of Entrepreneurship Development Mediated Model
1.10.2. Proposed Conceptual Model of Entrepreneurship Development

There are 5 dimensions were framed for this study. Those are; i) General Problems, ii) Specific Problems, iii) Marketing Problems, iv) Financial Problems and v) Entrepreneurship Development. Here Demographic variables, General Problems, Specific Problems and Marketing Problems are Independent Variables and Financial Problems and Entrepreneurship Development are the dependent variable. In the study the researcher examines that how and what extent the independent variables make changes in the dependent variable. The proposed conceptual research model shows the Entrepreneurship Development through micro & small enterprises in Pudukkottai District, Tamilnadu.

Figure 1.2: Proposed Conceptual Model of Entrepreneurship Development
1.11. **Structure of the Thesis**

The study is structured into five chapters organized to present the study utilizing methodology that allows it to flow from a basic introduction to empirical findings.

**Chapter I:** *This chapter deals with a general introduction and background of the study about global, national and regional trends in Entrepreneurship. Besides the above, this chapter gives a brief account of the institutional factors, significance of the study, statement of problem of the study, limitations of the present study and finally outlines of the structure of the study.*

**Chapter II:** *Reviews literature with respect to the Entrepreneurship Development through MSEs. Presents various important factors affecting the performance contained in works of several researchers, identifies the gap in past research, the previous empirical findings and thoroughly examines the models developed to analyse.*

**Chapter III:** *Presents a detailed discussion of research design, the research hypotheses to be tested and the methodology used to test the critical factors affecting performances and its hypotheses present a simple conceptual model for testing the critical dimensions.*
Chapter IV: *Summarizes the outcomes of the statistical and econometrical analysis that are used to test the hypotheses.*

Chapter V: *Identifies the findings of the study pertaining to the hypotheses, the implications for the sector as a whole and individually, drawn from the findings of the research, recommendations for future research and conclusions of the study.*

1.12. Conclusion

This chapter examined development of entrepreneurship after independence in India. The Research problem is discussed with the objectives for the study and the Variables associated; scope of the study is clearly defined. The chapter the researcher will discuss the review of literature about entrepreneurship.