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THE IMPORTANT SEGMENTS OF ECONOMIC GROWTH

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ABSTRACT :

The author has made an attempt to provide an integrated picture of theoretical & empirical account of the role of entrepreneurship in promoting economic development. He has provided a sound theoretical backdrop of the nexus between the entrepreneurial development & economic growth in a developing economy. Mr. Singh has specially highlighted the four main factors which influence entrepreneurship namely- the individual, the environment, the socio-cultural factors & the support system. He has tried to focus on the individual's capacity to initiate, establish, maintain & expand new enterprise. His emphasis of environmental factor is focussed on socio- political & economic policies of the government & financial institutions & the opportunities available in a society as a result of such policies. His thrust in the area of socio cultural factors relates to the traditions of families & societies. Further the author has highlighted the financial & commercial institutions, research, training, extension & consultancy services in the area of support system.

KEYWORDS : *theoretical & empirical , traditions of families & societies.*

INTRODUCTION :

The vibrancy of an economy depends on the constant flow of entrepreneurs who can take up challenges in business and industry. An entrepreneur is one of the important segments of economic growth. Schumpeter observes that economic development consists of employing resources in a different way in doing a new combination of means of production. He contends that economic growth depends on the rate of applied technical progress i.e. innovation rate of applied technical progress in the economic field which in turn depends on supply of entrepreneurs in society.

Thus entrepreneur becomes the agent of change in society . Entrepreneur's motivations & aspirations are conducive to development. Entrepreneurial competence makes all the difference in the rate of economic growth. A broad based entrepreneurial class in India is a felt need and such an entrepreneurial class would speed up the process of activating the factors of production leading to a higher rate of economic growth dispersal of economic activities, development of backward & rural tribal areas, creation of employment opportunities, improvement in the standard of living of the weaker sections of the society and involvement of all sections of the society in the process of growth . An entrepreneur plays a critical role in the process of socioeconomic change by envisaging new opportunities new techniques, new products & by coordinating all other activities



SCOPE OF THE STUDY:

The research study is confined to analyze the socio-economic profiles of the SSI units & the entrepreneurs involved in their organization. The identification of the degree of success of the concerned entrepreneurs & the factors influencing the same is the central focus of the study. The study aims at explaining the growth trends in the SSI sector & to see the correlation between the growth of the units & entrepreneurial efficiency. The study has also focussed on the infrastructural facilities provided by the government and its impact on the growth of entrepreneurial efficiency.

OBJECTIVES OF THE STUDY:

The present study has been conducted with the following major objectives

1. To study the growth & development of entrepreneurship in the small scale Industrial units in the study area.
2. To identify & assess the entrepreneurial traits of the entrepreneurs of the SSI units covered by the study.
3. To identify the prevailing entrepreneurial weakness & drawbacks in the SSI units in the study area.
4. To study the factors facilitating the entrepreneurs in the units covered by the study.

SMALL-SCALE INDUSTRIES & ENTREPRENEURSHIP.

In this comprehensive study on entrepreneurial development in relation to small scale industries Or. Desai has provided a scholarly analysis of the subject with a backdrop of the Indian socio-economic scenario. The author has provided a detailed description & analysis of the small scale industrial sector in all its dimensions in the Indian context. Starting from the conceptual aspects of small scale industry he has traced the evolution & characteristics of SSI units & has highlighted the economic role of the SSI sector in the Indian economy. The author has explained the government policies towards the SSI sector since the early fifties up to the end of the last century. He has made a detailed study of the organizational, financial & marketing aspects of the SSI sector in the first part of his book.

DEVELOPING ENTREPRENEURSHIP FOR ECONOMIC GROWTH

An attempt to provide an integrated picture of theoretical & empirical account of the role of entrepreneurship in promoting economic development. He has provided a sound theoretical backdrop of the nexus between the entrepreneurial development & economic growth in a developing economy. Mr. Singh has specially highlighted the four main factors which influence entrepreneurship namely- the individual, the environment, the socio-cultural factors & the support system. He has tried to focus on the individual's capacity to initiate, establish, maintain & expand new enterprise. His emphasis of environmental factor is focussed on socio- political & economic policies of the government & financial institutions & the opportunities available in a society as a result of such policies. His thrust in the area of socio cultural factors relates to the traditions of families & societies. Further the author has highlighted the financial & commercial institutions, research, training, extension & consultancy services in the area of support system.

The individual the environment, & the support system directly influence entrepreneurship & the socio-cultural malice contribute through the individual & the support system. Mr. Singh has detailed the qualities, which are important for a successful entrepreneur. He has identified these qualities on the basis of the research & the experiments of Behavioral Science Centre Delhi. The present book is a source of introducing more field research & experience. The author's aim in providing this practical oriented approach to the study of entrepreneurship is to provide an empirical basis for case studies & exercises.

The observations of Mr. D .D. Mali are very practical & the experiment is worth emulating by other NGO's in the other parts of the country. First he refers to doing things in a "new & better way". This is identical with the innovative characteristic propounded by Schumpeter. The second characteristic relates to the decision making under uncertainty which is similar to risk as identified by Cantillon. Entrepreneurship means the function of creating something new,organizing &co-ordinating & undertaking risk & handling economic uncertainty "Innovation & Entrepreneurship are not root & branch " but

one step at a time', a product here, a policy there, a public service yonder because they are not planned but focussed on this opportunity & that need; because they are tentative & will disappear if they do not produce the expected & needed results; because in other words, they are pragmatic rather than dogmatic & modest rather than grandiose- that they promise to keep any society, economy, industry, public service or business flexible self renewing

Management School:

This school considers entrepreneurs as organizers of economic venture & they organize, own manage & assume risk. Such functional orientation helps them in the early growth & maturity.

The need for broad based entrepreneurial class in India arises from the need to speed up the process of activating the factors of production leading to higher rate of economic growth, dispersal of economic activities, development of backward and tribal areas, creation of employment opportunities, improvement in the standard of living of the weaker sections of the society and involvement of all sections of the society in the process of growth .Motives, abilities & congenial environment which promote entrepreneurship are lacking in India If the motives Stabilities are weak then it becomes all the more essential to have a more congenial environment. Entrepreneurs appear to have been motivated by a combination & interaction of the following factors of environment.

1. Socio-economic environment
2. Family background
3. Standard of education & technical knowledge
4. Financial Stability
5. Political stability & government Policy
6. Caste & religious affiliation
7. Availability of supporting facilities
8. Achievement motivation &
9. personality & personal skill

ENVIRONMENT:

Entrepreneur's knowledge about the economic and political environment is very important. His knowledge of economic policies of the government & the financial as well as commercial institutions is very relevant in making his venture a success. The entrepreneur has to be conversant with taxation polices regarding sales tax, in come tax excise duties which affect his area of operation. He must be well informed about the infrastructure facilities & market. He must know about the financial facilities available from banks aid other organizations.

ENTREPRENEURS ACCORDING TO GROWTH

Growth entrepreneur & super growth entrepreneur are individuals associated with industrial units identified as high growth, medium growth & low growth industries. **Growth entrepreneurs** are those who necessarily take up a high growth industry. These industries have substantial growth prospects. Super **growth entrepreneurs** are those who have shown enormous growth performance in their venture. Growth.

First generation entrepreneur is one who starts an industrial unit by means of an innovative skill. He is an innovator combining different technologies to produce a marketable product or service. **Modem entrepreneur** is one who undertakes those ventures which go well along with the changing demand in the market. **Classical entrepreneurs** are concerned with the customers & marketing needs through the development of self supporting venture. He is **Stereo type entrepreneur** who tries to maximize his economic returns at a level consistent with the survival of the firm with or without an element of growth.

Authors assessment has led to the following conclusions

1. The experiment has made definite progress although progress has been slow.

2. Banks have been gradually coming forward to support the RIP entrepreneurs.
3. The experiment has shown that youth are interested to take up entrepreneurial career. More & more youth are approaching the RIP office for guidance.
4. Change in the organizational climate in banks & financial institutions & DIC can bring about a miracle in the promotion of new entrepreneurs.
5. The experiment has also brought out the fact that all those who seek bank loan are not necessarily genuine entrepreneurs or businessmen. There are some who want to get loan merely to divert it for non-productive purposes.
6. Constant follow-up & monitoring can improve the level of confidence both of entrepreneurs & of bankers. This can help develop a feeling of partnership among bankers & entrepreneurs in the growth of small entrepreneurs.

CONCLUSION:

He contends that economic growth depends on the rate of applied technical progress i.e. innovation rate of applied technical progress in the economic field which in turn depends on supply of entrepreneurs in society. A broad based entrepreneurial class in India is a felt need and such an entrepreneurial class would speed up the process of activating the factors of production leading to a higher rate of economic growth dispersal of economic activities, development of backward & rural tribal areas, creation of employment opportunities, improvement in the standard of living of the weaker sections of the society and involvement of all sections of the society in the process of growth . 1. To study the growth & development of entrepreneurship in the small scale Industrial units in the study area. The need for broad based entrepreneurial class in India arises from the need to speed up the process of activating the factors of production leading to higher rate of economic growth, dispersal of economic activities, development of backward and tribal areas, creation of employment opportunities, improvement in the standard of living of the weaker sections of the society and involvement of all sections of the society in the process of growth .Motives, abilities & congenial environment which promote entrepreneurship are lacking in India If the motives Stabilities are weak then it becomes all the more essential to have a more congenial environment. Growth entrepreneur & super growth entrepreneur are individuals associated with industrial units identified as high growth, medium growth & low growth industries.

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