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#### **ORIGINAL ARTICLE**





## SOCIO-ECONOMIC CONDITION OF SMALL SCALE ENTREPRENEURS IN BELLARY DISTRICT- THE QUESTION OF INDUSTRIAL INCLUSIVE GROWTH...?

#### VENKATSESH K, CHOWDAPPA.V.A AND NAYAKAR HONNURSWAMY

Faculty of Commerce Department(P.G), Kotturuswamy College Kottur, Tq- Kudligi, Dist- Bellary, Assistant Professor, Dept of Studies in Economics, Vijayanagara Sri Krishnadevaraya University, P.G.Centre Nandihalli, Sandur, Bellary

Assistant Professor, Dept of Studies in Economics, Vijayanagara Sri Krishnadevaraya University, P.G.Centre Nandihalli, Sandur, Bellary

#### **Abstract:**

In both developed and developing countries, the government is turning to small scale industries and entrepreneurs, as a means of economic development and a veritable means of solving problems. It is a seedbed of innovations, inventions and employment. Entrepreneurship is as old as India and had contributed to the growth of the economy. Presently in India, SMEs assist in promoting the growth of the country's economy, hence all the levels of government at different times have policies which promote the growth and sustenance of SMEs. This paper identifies the socio-economic background and entrepreneurial trends in Bellary District, tackles the operational definition and scopes, and describes the role of the small scale entrepreneurs to develop the back region, regulator and facilitator, both legally and politically in the growth entrepreneurship.

#### KEYWORDS:

Entrepreneur, Growth, Small Scale Industries.

#### INTRODUCTION

The concept of entrepreneurship, otherwise called small business management is now very popular among people as a strategy of escaping poverty and creating an enabling environment for socio-economic expansion and productivity. The focus on entrepreneurship development in this 21st Century is not just a theoretical approach but a development-oriented action towards alleviating poverty among rural populace as well as those living in II urban slums. Poverty is said to be the major Problem in the wheel of socio-economic and political development of people. In fact, it is estimated that 1.3 billion people live on less than one dollar per day (World Bank Report, 2006) and one of the factors that led to the sudden rise of poverty among people has been attributed to the lack of entrepreneurial skills which can really create a sense of self sufficiency. The realizations of the need to kick out poverty in our society calls for various innovations and ideas that can help develop small business women entrepreneurs through various means that is available, either through public or private sectors. Entrepreneur in an economist perspective is one "who brings resources, labour, materials, and other assets into combinations that make their value greater than before (Hirsch et al 2008).

Entrepreneurs introduce changes, innovations and a new order to a phenomenon so as to arrive at an alternative-possible end. If a good/solid entrepreneurial spirit is not cultivated by people, most of the poverty alleviation/wealth creation program of governments and private bodies would just be an exercise in futility. Therefore, efforts must be made by governments, religious bodies and private individuals concerned to sensitize people on the need to embrace the necessary skills and knowledge for the purpose of creating small and medium scale businesses that would enable them find an escape route to poverty. The entrepreneurial orientation to rural development accepts entrepreneurship as the central force of economic

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#### SOCIO-ECONOMIC CONDITION OF SMALL SCALE ENTREPRENEURS IN BELLARY.....

growth and development, without it other factors of development will be wasted or frittered away. However, the acceptance of entrepreneurship as a central development force by itself will not lead to rural development and the advancement of rural enterprises. What is needed in addition is an environment enabling entrepreneurship in rural areas. The existence of such an environment largely depends on policies promoting rural women entrepreneurship. The effectiveness of such policies in turn depends on a conceptual framework about entrepreneurship, i.e., what it is and where it comes from.

#### **REVIEW OF LITERATURE**

States that entrepreneurial function does not end with the launching and consolidation of an enterprise. Continuing search for new products, new markets and new technology to ensure sustained growth is essentially entrepreneurial in character. What can public policy do to create an environment conducive to entrepreneurship? What if any, should be the extent, and nature of governmental intervention in the economic sphere to achieve this purpose? These questions have been a subject of long debate (Leopaul Dana, 1993). Commonly-assumed previous definitions of an entrepreneur as someone who finds a new venture or who owns a business is too restrictive (Alison and Shailender, 1994).

Although the fresh physiocrats of the 18th century associated entrepreneurship with agriculture, in later years the term gradually assumed a primarily industrial connotation. Today, it is rarely used to refer an agricultural activity. Pleading that the attributes required by successful farmers, particularly those producing cash crops, are in many ways similar to those commonly associated with industrial entrepreneurs (Anand Singh and Krishna, 1994). It is commonly believed that an entrepreneur is basically an intelligent person and has a definite ability to create something new to prove its worthiness (Anonymous, 1996). The entrepreneurial behavior is not necessarily doing new things but also doing things in a new way that has been already done (Narayana Swamy, 1996). Entrepreneurship Development Model for 21st century explains Entrepreneurs are those who (1) Learn and listen (2) Take risk and responsibility (3) Know their own uniqueness and hence are innovative, creative in their own way (4) Are free from fear of failure or success (5) Always add value to what they produce (6) Above all, are always achieving (Ranade, 2006).

#### STATEMENT OF THE PROBLEM

The entrepreneurship is very a old concept according to which any one who runs business is called an entrepreneur. The more precise meaning of entrepreneur is; one who perceives a need and then brings together manpower, material and capital required to meet that need. present research is attempt to know the contribution of entrepreneurship to the small scale industrial development in Bellary district and this study going to discover ,what is the growth of small scale industrial production and also find out the problems of entrepreneurs. Primarily this study desired to find out domestic(local) entrepreneurial behaviors towards the small industrial production , therefore there is need to study how the entrepreneurial behaviors promote to small scale industrial development in Bellary district.

#### PROFILE OF BELLARY DISTRICT

Since cotton is grown extensively; there are about 48 cotton-based industries in the district. Similarly, groundnut and sunflower cultivation on large-scale has paved the way for development of oil based industries with establishment of 45 oil extraction units. The district is endowed with rich minerals, both metallic and non-metallic. Exploitable iron ore deposits are estimated at 1032.4 million tones and that of manganese ore at 18.81 million tonnes. Annual production of iron and manganese ore varied from 2.75 to 4.5 million tonnes and 0.13 to 0.32 tones respectively. Despite the availability of minerals in large quantities, this district is considered to be an industrially backward district. In Bellary district, as on 31.3.2006, there are 12655 small and tiny industries with an investment of Rs.29169.06 lakh. providing employment to 60368 persons. Most of the industries are concentrated in Bellary, Hospet and Siruguppa because of better infrastructural facilities and better linkages. There are 49 Large and Medium Industrial Units with total investment of Rs.445297 lakh providing employment to 7199 persons and 4 Mega Industries established in the district. During 2005-06, DIC has given permission to establish 550 SSI units with total investment of Rs.2442.00 lakh. Bellary city is also famous for jeans ready-made garments. There are 45 to 50 Washing and dyeing Units and around 500 Stitching Units in Bellary. There is a further scope for establishment of jeans ready-made garment units in Bellary because of availability of cheap and skilled labour. The other Industries proposed in Bellary district are fabrication Unit, General Engineering Works, Plastic Industries, Building material, Printing, Poultry Processing, Mineral water, Coke etc.

#### IMPORTANCE OF THE STUDY

Most of the food produced in the village was consumed by the village population itself. The raw materials produced from primary industries were the feed for the handicrafts. Thus the interdependence of agriculture and hand industry provided the basis of the small village republics to function independently of the outside world. Sir Charles Metcalfe writes in this connection: "The village communities are little republics having nearly everything they want within themselves; and almost independent of foreign relations. They seem to last where nothing lasts. This union of the village communities, each one forming a separate little state by itself is in a high degree conducive to their happiness, and to the enjoyment of a great portion of freedom and independence.

Many of the studies have been identified entrepreneurial problems as one of the chief casual factors for the sickness of Small scale industries. However, Entrepreneurs of Small scale Industries in the country. The present research work made an attempt to study the women entrepreneurial contribution to Small Scale Industries development in Bellary District of Karnataka. It is a part of the research moved through research process "A Study on Entrepreneurship and Small Scale Industries Development with special reference to Bellary district, Karnataka".

#### **OBJECTIVES OF THE STUDY**

- 1. To examine the nature and relation between entrepreneurs and small scale industrial development
- 2. To review the role of government policies in promoting entrepreneurs and small scale industrial development.
- 3. To study the socio-economic conditions of entrepreneurs in the Bellary district

#### **METHODOLOGY**

**Primary data:** Primary data are data's which are originally collected by the researcher from his own area, The study particularly covers the entrepreneurship and small industrial development which would required enormous amount of data and information, the study based on primary data, that have been collected from 50 entrepreneur by applying questionnaire, interview schedule and observation method on the base of simple random sampling.

**Secondary data:** Secondary data was collected from district industrial centre, industrial board and government reports, books, journals and published articles which are similar to the research problem.

**Data analysis:** This study uses the suitable statistical tools and techniques that have been used in the study for the analysis of the available data, such as applying Percentage, Average, and tabular forms have been used to draw the important findings of the study.

#### **Limitations of the Study**

In the course of carrying out this study, the researcher encountered some challenges. These include unavailability of sufficient finance, inability to access the required materials for the completion of the work, the time lag in meeting up with the dead line for submission of the work and others. Nonetheless, such challenges were not allowed to diminish the enthusiasm level in accomplishing stated objectives. This study is limited to the Bellary Region only; therefore conclusions derived from this study will be applicable to the Bellary district only.

There exist no authoritative sources for listing of the entrepreneurs in Bellary Region so the exact percentage of samples to the total could not be ascertained.

#### Socio-economic Condition of Entrepreneurs in Study Area

The researcher has been given the clear idea as well as the current position of entrepreneurs with respect of their social and economic of entrepreneur in the study area

#### ${\bf SOCIO\text{-}ECONOMIC\ CONDITION\ OF\ SMALL\ SCALE\ ENTREPREDEURS\ IN\ BELLARY.....}$

#### 1. Gender wise respondent

Sl.No.		No. of Respondents	Percentage
1.	Male	35	70
2.	Female	15	30
	Total	50	100.00

#### (Source: Field survey)

It is shown from the table 1 that 70 percent of the respondents are male. 30 per cent of them are female, in Bellary district male entrepreneur dominating over female entrepreneur based on the field survey. Comparing to mail female entrepreneur are probably have more risk to take up a business.

#### 2. Origin of Respondent

	No. of Respondents	Percentage
Rural	21	42
Urban	29	58
Total	50	100.00
	Urban	Rural 21 Urban 29

(Source: Field survey)

From the above table .2 shown 58 percent of entrepreneurs are from urban area and 42 percent of entrepreneur rural area, urban people are more than the rural entrepreneur because urban people can have good knowledge and financial support leads become more entrepreneurs and rural background lake of awareness about policy of government.

#### 3. Education Level of respondents

Sl.No.		No. of Respondents	Percentage
1.	Uneducated,	05	10
2.	Primary school	12	24
3	High School	14	28
4	Degree	16	32
5	Technical	13	26
	Total	50	100

(Source: Field survey)

#### ${\bf SOCIO\text{-}ECONOMIC\ CONDITION\ OF\ SMALL\ SCALE\ ENTREPREDEURS\ IN\ BELLARY.....}$

From table .3 has been shown that 10 percent of the respondents are uneducated and 24 percent of entrepreneur are learned primary school,28 percent of entrepreneur studied up to high school, 32 percent are degree holder,26 percent are technical educated entrepreneur. by observing the above table education is one of the main factor to influence entrepreneur to start and successfully run the business.

#### 4. Age of the Entrepreneurs

Sl.No.		No. of Respondents	Percentage
1.	20-30	15	30
2.	30-40	13	26
3.	40-50	14	28
4. 50 and abo	50 and above	8	16
	Total	50	100

(Source: Field survey)

From the above table 4 shown that 30 percent of entrepreneurs are between 20-30 age.26 percent of entrepreneur are from 30-40 age. and 28 percent of entrepreneurs from 40-50 age. 16 percent of entrepreneur from 50 and above age.

#### 5. Family background of the Entrepreneurs

Sl.No.		No. of Respondents	Percentage
1.	Agriculture,	07	14
2.	Industrialist	17	34
3.	Business	16	32
4.	any other	10	20
	Total	50	100

(Source: Field survey)

The above table 5 shown that 14 percent of Entrepreneurs from agriculture background. 34 percent of entrepreneur from industrialist background. 32 percent of entrepreneurs from business background.20 percent of entrepreneurs from other background. industrialist background more important factor.

#### SOCIO-ECONOMIC CONDITION OF SMALL SCALE ENTREPRENEURS IN BELLARY.....

#### 6. Marital States of the entrepreneurs

Sl.No.		No. of Respondents	Percentage
1.	Married,	28	56
2.	Unmarried	22	44
	Total	50	100.00

(Source: Field survey)

The above table 6,shwon 56 percent of married entrepreneur are more than the unmarried are 44 percent ,married entrepreneur are very much interesting to organized factors of production.

#### 7. Types of Family

Sl.No.		No. of Respondents	Percentage
1.	Joint,	7	14
2.	Nuclear	42	86
То	tal	50	100.00

(Source: Field survey)

The above table 7 shown that 14 percents of respondents are came from joint family background and rest of 86 entrepreneurs are nuclear family based.

#### 8. Caste of entrepreneurs

Sl. No		No. of Respondents	Percentage
1.	SC/ST	05	10
2.	OBC	08	16
3.	Minority	7	14
4.	GM	30	60
	Total	50	100

(Source: Field survey)

It was shown from the table 8 that 10 percent of the respondents are SC/ST,16 percent of respondents are came from OBC caste and 14 percent of respondents Minority,60 percent of respondents are GM caste.

#### 9. The reason for starting business

Sl. No		No. of Respondents	Percentage
1.	Availability of raw- material	19	38
2.	Marketability	15	30
3.	Support of relatives/ friends	16	32
	Total	50	100

(Source: Field survey)

It is seen from table 9, that shown 38 percent of respondents are start their business from the motive factor of Availability of row-material, 30 percent of entrepreneur are influenced by the Marketability and 32 percent of respondents are start by support of relatives / friends .the availability of raw material is made to become an entrepreneur

#### **FINDINGS**

- 1. The study find out the male entrepreneurs are predominating to establishment of small scale industries among 50 respondent 35respodents are male (70 percent of the respondents are male. 30 per cent of them are female), in study area.
- 2. Research explored 10 percent of the respondents are uneducated and 24 percent of entrepreneur are learned primary school,28 percent of entrepreneur studied up to high school, 32 percent are degree holder,26 percent are technical educated, the ratio of degree holding respondent are comparatively high.
- 3. Among 50 respondent 30 percent of entrepreneurs are between 20-30 age.26 percent of entrepreneur are from 30-40 age. and 28 percent of entrepreneurs from 40-50 age. 16 percent of entrepreneur from 50 and above age. mean young entrepreneurs are playing very important role in risk taking process of industries in study area.
- 4. 14 percent of Entrepreneurs from agriculture background. 34 percent of entrepreneur from industrialist background. 32 percent of entrepreneurs from business background.20 percent of entrepreneurs from other background. Industrial and business background dominating the establishment of industries.
- 5. When questioned about the reasons for starting their business, most Entrepreneurs quoted the wish for availability of raw-material to take their own decisions (38%) as being the most important one. In second place comes the making supportive/friends (32%), and on third place with 30% ranks the search for Marketability
- 6. Researcher have been discover the real problem faced by an entrepreneur in the market 22 percent respondents are not have good demand to their product ,20 percent of not have transporting to reach market and their targeted customer, and 24 percent of entrepreneur problem of Availability of cheap substitutes products in the market. majorly (34%) of problem is stiff computation in the market.
- The study have been found Financial is essential to start as well as to run a business enterprise. Most of the entrepreneurs are facing financial problems as the time of starting as well as during the operation of their business enterprises. Those are 34 percent of entrepreneur are not have sufficient Working capital, 24 percent of respondents are facing High interest rate and 22 percent of entrepreneur are facing problem of Redtop in getting loan and 20 percent of respondents inadequate of finance.
- 8. Scarcity of labor both skilled and unskilled is an important difficulty faced by industrial units in the region. Retention of skilled workers and absenteeism among workers are some of the problems faced by the enterprises.

#### **SUGGESTIONS**

It would not be very appropriate to make sweeping macro-economic policy suggestions on the basis of this study which is essentially of micro nature with a limited scope. However, in the light of the findings of the study, certain suggestions can be made.

1. A strong infra-structural base is of prime significance for the growth of small industries. Setting up of new industrial area/estates particularly in semi-urban and rural areas is essential to create a better industrial climate in the region.

#### SOCIO-ECONOMIC CONDITION OF SMALL SCALE ENTREPRENEURS IN BELLARY .....

- 2. The Entrepreneurship Development Programs should be strengthened so that they become successful in creating first generation entrepreneurs.
- 3. The commercial banks should become more responsive to the working capital needs of the small units so that their dependence on private financiers is reduced.
- 4. The concerned agencies of the government should ensure that the interest of the workers in small enterprises is protected as provisions under the Factories Act are often violated by the employers.
- 5. The trade and Industry Associations should ensure that small entrepreneurs do not suffer for want of information regarding government policies, incentive schemes, market research and new developments at the national and international level.
- 6. The scope of IDC is advocated in order to make it more responsive to the needs and aspiration of the people
- 7. Non-governmental organizations should complement the efforts of assistance institutions established by government in the promotion of Small and Medium Entreprises as government cannot do it alone.
- 8. It is suggested that special fund should be provided in form of loan to empower beneficiaries who perform.

#### CONCLUSION

The growth of industrialization, education and domestic system has brought about significant changes in the tradition bound India society. Now increasing proportion of entrepreneur are seeking gainful employment in industrial field. They are also successfully in modern sophisticated industries like electronics, engineering and consultancy. However the moment of 'entrepreneurs' development is still in a transitional phase. a compressive entrepreneurship development programme, would help a lot in this direction if dealt with all seriousness and sincerity. It is a fact that man alone cannot break the evil of poverty, unemployment and inequality.

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