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A STUDY OF FACTORS RESPONSIBLE FOR SMALL SCALE ENTREPRENEURS IN KANYAKUMARI DISTRICT

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Abstract

Nowadays, the small scale industries of Kanyakumari district are well developed in nature. At present there are 27 different types of small scale industries functioning. A meagre 10 per cent of the population is engaged in Fishnet nut industries. Coir manufacturing is also to be mentioned. Cashew processing is advancing and is having more than 50,000 workers engaged in this sector. A number of factors have hampered the industrial development in the district. Kanyakumari district has a very good basic infrastructural facility for the quick growth of small scale industries in this taluk. Facilities like power, transport, communication, roads, educational and technical institutions, training centre and industrial estate.

Keywords: MSME, Entrepreneurship, Rural Entrepreneurship, Small Scale Industries.

Introduction

The small scale industries have paved the way for the economic development of the country as they share 52 per cent of the industrial production and employs of 12.45 crores people. Small Scale Sector produces almost 11250 products. The numbers of units have gone up from 1.57 crores in 2008-2009 to mover 11.29 crores in 2016-2017. The SSI sector plays a pivotal role in Indian economy in terms of employment and growth. In spite of the stiff competition from the large sectors and not so encouraging support from the government this sector has recorded a very high rate of growth.

Reputation of Small Scale Entrepreneur

Small scale entrepreneur is one of the most important inputs in the economic development of a country. It increases the rate of economic growth. It develops balanced regional development and creates employment opportunity. It improves the existing standard of living. Small scale entrepreneur can eradicate poverty. They are using better utilization abundant natural resources.

Problem Focus

The statistical report shows that during 2016-17 nearly 17428 small scale industries were registered in district industries centre at Konam. The major small scale industries are coir industries, cashew nut, fishnet, fish

processing, rubber band, Hellow Bricks, seashell and salt manufacturing industries. The major problem faced by the small scale entrepreneurs in Kanyakumari district are economically very weak, lack of adequate basic facilities, non availability of capital, raw materials shortage, low risk-bearing capacity and marketing problems. Further it would be very interesting to study of entrepreneurship emerging in the district when the government policy and efforts are structured under an impression that the establishment of an industrial unit is easy and the entrepreneurial role is a very attractive one. Therefore, it is necessary to evaluate the total configuration of the performance and the problems of the available entrepreneurs and it also important to know who are the beneficiaries of the facilities and incentives provided by different agencies for the growth of entrepreneurship in the district? The present study is an attempt to an economic analysis of small scale entrepreneurs in Kanyakumari district.

Objectives

The objectives of the present study are summarized as follows.

1. To analyze factors responsible for small scale entrepreneur.
2. To analyze major problems faced by the small scale entrepreneur.

Hypothesis

1. The impact of government programmes on the growth of small scale entrepreneurs is insignificant.
2. The major problems of the small scale entrepreneurs are lack of facilities like manpower, marketing problem and finance.

Methodology

The study is empirical in nature. The study is based on both primary and secondary data. The primary data is collected from the sample respondents in Kanyakumari district. Before collecting primary data a suitable questionnaire was framed. Direct interview method was used. The secondary data will be collected from district industrial centre (DIC) Nagercoil, various journals, books, magazine, reports and website etc. Stratified random sampling techniques will be used to select sample for data collection. The total sample size was fixed at 250 in random and the taluk as the universe-equal chance is given for blocks.

Analysis and Interpretation

Factors Responsible for Small Scale Entrepreneur

The table.1 lists the various motivating factors as represented by the sample Small scale entrepreneur.

The table.1 shows that factors responsible for small scale entrepreneur

Particular	Mean Score	t-Shirt
Cheap Capital	3.2857	.685
Family business	2.8333	-1.106
Availability of raw materials	3.1667	-308
High income(Profit)	4.2143	4799*
Financial assistance	2.4210	-803
Technical knowledge	3.1429	.846
Heavy demand of goods	4.1667	-.685
Government policy	2.4210	-803

Source: Compiled from Survey, Data * Significant at 5 % level.

The higher rate of factor have influenced to small scale entrepreneurs is identified in high income, heavy demand of goods and cheap capital. Since the respective means scores are 4.2143, 4.1667 and 3.2857 respectively. Regarding the factor have influenced the small scale entrepreneurs the significance difference among the respondents is identified in necessary since the respective ‘t’ statistics are significant at 5 per cent level.

Inference: Maximum number of respondents became entrepreneur due to high income (Expectation of high Profit) from the business and minimum number of the respondents became entrepreneur due to financial aid.

Hypothesis: The impacts of government programmes on the growth of small scale entrepreneurs are insignificant.

Result: The major factors responsible for small scale entrepreneur is expectation of high income. So the hypothesis is accepted.

Problems faced by small scale entrepreneur
Table.2 shows problems faced by small scale entrepreneur

Particular	Sample	%
Financial Shortage	72	28.80
Stiff competition	35	14.00
Marketing problem	55	22.00
Raw- Material shortage	25	10.00
Unstable government polices	4	1.60
	8	3.20
	43	17.20

Irregular supply of power	8	3.20
Lack of skilled labour		
Lack of entrepreneurial education		
Total	250	100.00

Source: Primary data

The table.2 shows that the problem faced by the small scale entrepreneur, 28 per cent entrepreneurs pointed out financial problems, 22 per cent entrepreneurs pointed out that are they facing marketing problem, 17.20 per cent entrepreneurs pointed out that they are facing lack of skilled labour, 14 per cent are stiff competition, 10 per cent are raw material shortage, each 3.20 per cent are irregular supply of power and lack of entrepreneurial education and the remaining 1.60 per cent of the entrepreneur pointed out that they are facing unstable government policies.

Inference: 28 per cent entrepreneurs pointed out financial problems, 22 percent entrepreneurs pointed out that they are facing marketing problem, 17.20 percent entrepreneurs pointed out that they are facing lack of skilled labour.

Hypothesis: The major problems of the small scale entrepreneurs are lack of facilities like manpower, marketing and finance.

Result: The hypothesis is proved. So the hypothesis is accepted.

Findings

- ❖ The higher rate of factor have influenced to small scale entrepreneurs is identified in high income, heavy demand of goods and cheap capital. Since the respective means scores are 4.2143, 4.1667 and 3.2857 respectively.
- ❖ The major factors responsible for small scale entrepreneur are expectation of high income. So the hypothesis is accepted.
- ❖ The study reveals that the problem faced by the small scale entrepreneur, 28 per cent entrepreneurs pointed out financial problems, 22 per cent entrepreneurs pointed out that are they facing marketing problem and 17.20 per cent entrepreneurs pointed out that they are facing lack of skilled labour.
- ❖ The major problems of the small scale entrepreneurs are lack of facilities like manpower, marketing and finance. The hypothesis is proved. So the hypothesis is accepted.

Suggestions

Recommendation to government

- The government should provide liberal loan for the growth of small scale entrepreneur.
- To guide these small scale entrepreneur intellectuals should be assisted.
- Proper training should be given to the small scale entrepreneur by experts.
- Prizes should be given to best small scale entrepreneur at district level, state level and National level by the government.
- Leadership training should be given to the small scale entrepreneur group members.

Recommendation to entrepreneur

- To appoint trained and experienced staff to higher level.
- Office staff and labour meeting should be arranged atleast twice in a month and they should be encouraged by their suggestions.

Conclusion

This study has given a clear picture about the factors influencing small scale entrepreneur and problem faced by the small scale entrepreneur in Kanyakumari district. In recent year small sale entrepreneur is life blood of our district economy. The sectors are providing vast employment opportunity to men and women. The sector mainly suffered from financial shortage and raw material shortage. So the government must take necessary measure to improve the financial position and raw material supply of small scale entrepreneur. The researcher concluded that the small scale entrepreneurs are important weapon for solve the unemployment problem.

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