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## GROWTH AND IMPACT OF SMALL SCALE ENTREPRENEURS IN KANYAKUMARI ECONOMY - A STUDY

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### Abstract

*Small scale Entrepreneurs play a significant role in the economic growth by being dynamic and innovative, identifying opportunities and putting useful ideas into practice. Entrepreneurs enjoy the ability to use resources more efficiently and more effectively. Small scale entrepreneurship can be used as one of the key factors of economic development by involving small scale in entrepreneurial activities. Kanyakumari district is industrially backward one. This district is not at all blessed with major industries. At present there are only four medium scale industries functioning in the district. Nowadays, the small scale industries of the district are well developed in nature. At present there are twenty one different types of private small scale industries functioning. A number of factors have hampered the industrial development in the district. The study mainly based on both primary and secondary data. The sample size was fixed at 300. The study concluded that the growth and performance small scale entrepreneurs are good.*

**Keywords:** *Entrepreneur, employment, development, financial risks, innovate, Economic growth.*

### Introduction

Entrepreneur is a highly appreciated word in the modern world. An entrepreneur is an essential change agent in the world. There was a time when people preferred government jobs only. They were unwilling to go to work in the private sectors. Nowadays there is a change in this trend. Many people have come forward to take up employment, because of hard economic requirement. The development or under development of an economy is the reflection of the state of entrepreneurship in the society. The developed and developing countries have been planning to develop entrepreneurship in order to have increased national production and employment. Entrepreneurship is the life blood of the

business. It is the important weapon for economic development; the entrepreneur is willing to undertake investment activity in a competitive world, take financial risks, innovate, introduce new product, all of which create wealth of the nation, employment and new capital for further economic activity. Economic growth is mainly depends upon the entrepreneurs. But at the same time, small scale entrepreneur is an important ability of human being. Small scale entrepreneurship is an interesting but challenging subject for study.

### Statement of the Problem

Entrepreneurial performance varies from state to state and country to country depending on the industrial climate, the availability of resources and the responsiveness

of socio economic systems in the country. Kanyakumari district is industrially backward. It has few medium scale industries. However, there are a large number of small scale industries. The major small scale industries are coir, cashew, fishnet, bricks, rubber, plastic and other small industries. Now, small scale entrepreneurs are facing numerous problems. They suffer from the problems of shortage of finance, non-availability of capital, power problem, lack of raw materials and marketing problems etc. Another major problem is the lack of training facilities in management, technical and other skill's which is necessary for the development of entrepreneurship. The development of all sorts of industries in each region may have adverse effect on the entrepreneurs and the national economy. The present study is an attempt to an over views of small scale entrepreneurs in the district. It also hoped that a study of this nature oriented towards the existing entrepreneurs at a few selected centres would provide an acute insight into the problems associated with the emergence of entrepreneurship and its functioning. This would also help in formulating a specific policy for the development of entrepreneurship both by the government and the developmental agencies.

### Scope of the Study

The present study will throw light on the pattern and level of production and investment made by the small scale entrepreneurs and its economic viability which would enable other activities. The results thus obtained from the study would be useful in making suggestions to the small scale entrepreneurs and overcome the constraints in the production of small scale industries. The study may also help the financial institutions to evolve suitable and realistic credit policy in terms of scale of finance and recovery procedures. The problems identified in the study as reported by the entrepreneurs would help the policy makers to develop right policy

package to overcome the constraints faced by them. Hence, the study is undertaken in this district to know various aspects of small scale entrepreneurs.

### Objectives of the Study

1. To study the growth and performance of small scale entrepreneurs in Kanyakumari district.
2. To find the factors responsible for the development of small scale entrepreneurs.
3. To study the impact of small scale entrepreneur in the Kanyakumari District economy.
4. To analyse the major problems faced by the small scale entrepreneurs.

### Methodology

The study is empirical in nature. The study is mainly based on both primary and secondary data. Primary data will be collected by using a well structured interview schedule. Primary data is used to get a clear idea at the micro level. The secondary data was collected from District Industrial Centre, Nagercoil, various journals, books and website.

Stratified random sampling techniques will be used to select the sample for data collection. The total sample size was fixed at 300 in random and the district as the universe-equal chance will be given for all taluks. There are different types of statistical tools for analyzing the collected data. The important methods used in the present study are multiple regression and trend analysis.

### Data Analysis

#### Growth of Small Scale Entrepreneurship in Kanyakumari district

At present, business and economic world can't survive without entrepreneurial competence. It has been essential for rapid change in the socio economic development of the country, Entrepreneurship has contributed significantly to the total production, investment and employment. The Table 1 indicates the growth of small scale entrepreneurship in Kanyakumari district.

**Table 1 Overall performance of Registered SSI units in Kanyakumari District**

Year	No.of units	Investment	Production	Employment
2012-13	14326	2642.23	6811.19	1415
2013-14	16801	3842.01	9620.12	2512
2014-15	17427	4136.05	14616.19	3213
2015-16	18120	4653.28	16612.29	3412
2016-17	19864	5123.91	21591.42	3854

Table 1 discloses the growth and performance of the small scale industries in terms of the number of units, investments, value of production and employment during the years 2012-13 to 2016- 2017. The number of small scale units has increased from 14326 in 2012-13 to 19864 units in the year 2016- 2017. The investment has increased from Rs. 2642.23 lakhs and Rs.5123.91 lakhs in the year 2016-17. The production has also increased from Rs. 6811.19 crores and 21591.42 crores in the year 2016-17. There has been a steady growth in the investments and in production also during the

**The table.2 lists out the various factors promote small scale entrepreneurs**

Particular	Entrepreneur	%
Expectation High income	85	28.33
Financial position & Loan facilities	60	20.00
Low Investment	50	16.67
	30	10.00
	10	3.33
	15	5.00

The table.2 show that the various factors influencing the small scale entrepreneurs in Kanyakumari district. The most striking disclosure was the fact that the expectation of high income (profit) was the important factor which had motivated the starting of 85 units (28.33per cent), Financial position & Loan facilities, Low investment, Self Confidence, Educational qualification, Government support and availability of raw-material were the other contributory factors to start or acquire 60 units (20%), 50 units (16.67%), 50 units (16.67), 30 units (10%), 15units (5 %) and 10 units(3.33 %) respectively.

**Table.3 shows problems faced by small scale entrepreneur in Kanyakumari district**

Particular	Respondents	
	Mean	Rank
Stiff competition Large Scale industries	1.89	II
Transport & Communication	1.49	VI
Lack of skilled Labour	1.51	V
Lack of Technical Education	1.39	VIII
Financial Shortage	1.75	III

same five year period. But at the same time, the changes in the investment pattern of the enterprises are gradually reduced from year to year. The table further reveals that the employment has increased from 1415 to 3854 in the year 2016-17. The per cent of employment generation of the small scale unit is up and down year to year. From this it is clearly understood that, being a highly educated district, the risk taking ability of the people is low. But, the district mainly depends upon small scale industries. The scope for SSI in the district is very well.

Educational qualification	50	16.67
Available raw-material		
Government Support		
Self Confidence		
Total	300	100

*Source: Field survey*

Shortage of raw-material	1.45	VII
Marketing problem	1.92	I
Lack of Business Information	1.68	IV

*Source: Field survey*

The table.3 interpreted that the problem faced small scale entrepreneurs in Kanyakumari district, marketing problem with the mean score of (1.92) ranked I, Stiff competition Large Scale industries with the mean score (1.89) contributed second place, Financial Shortage with mean score (1.75) contributed third place, Lack of Business Information with the mean score (1.68) contributed fourth place, Lack of skilled Labour contributed fifth place (mean score 1.51), Transport & Communication (Mean score 1.49) contributed sixth place, Shortage of raw-material with the mean score (1.45) contributed seventh place and Lack of Technical Education mean score 1.39 contributed the eight place.

**Findings**

- The study express that the growth and impact of the small scale industries in terms of the number of units, investments, value of production and employment during the years 2012-13 to 2016- 2017. The number of small scale units has increased from

14326 in 2012-13 to 19864 units in the year 2016– 2017. The investment has increased from Rs. 2642.23 lakhs and Rs.5123.91 lakhs in the year 2016-17. The production has also increased from Rs. 6811.19 crores and 21591.42 crores in the year 2016-17. The table further reveals that the employment has increased from 1415 to 3854 in the year 2016-17. From this it is clearly understood that, being a highly educated district, the risk taking ability of the people is low. But, the district mainly depends upon small scale industries. The scope for SSI in the district is very well.

- The study reveals that that the various factors influencing the small scale entrepreneurs in Kanyakumari district. The most striking disclosure was the fact that the expectation of high income (profit) was the important factor which had motivated the starting of 85 units (28.33per cent), 60 units (20%) Financial position & Loan facilities and 10 units(3.33 %) pointed out that availability of raw-material.
- The study express that the problem faced small scale entrepreneurs in Kanyakumari district, marketing problem with the mean score of (1.92) ranked I, Stiff competition Large Scale industries with the mean score (1.89) contributed second place and Lack of Technical Education mean score 1.39 contributed the eight place.

### 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.
- Leader ship training should be given to the small scale entrepreneur group members.

- To minimize the professional money lender and other non – institutional credit agency activities.

#### 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 giving gifts and ask their suggestions.

#### Conclusion

This study has given a clear picture about the growth and impacts of small scale entrepreneurs in Kanyakumari economy. The growth and impact of small scale entrepreneurs in Kanyakumari district was satisfied. Nowadays small sale entrepreneur are the vital sectors which are providing vast employment opportunity. The sector mainly faced number of problems such as financial shortage, marketing problem and lack of technical knowledge. So the government must take necessary measure to improve the financial position and rectify the marketing problem of small scale entrepreneur. The researcher concluded that, in Kanyakumari district the small scale entrepreneurs are life blood. Let us do all our best so that they enjoy their entrepreneur, who have proper education, training, financial support to develop the small scale entrepreneur. Generally the growth and performance of small scale entrepreneurs in Kanyakumari district were satisfied.

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