

# INSTITUTIONAL SUPPORT FOR DEVELOPMENT SMALL SCALE INDUSTRIES IN INDUSTRIAL ESTATES OF KARNATAKA – A CASE STUDY

Dr.Ravi.B. Asst Pofessor. Govt First Grade College – Ranebennur. Haveri (dt) Karnataka.

Prof.Kethankar Basappa R. Asst Professor, Govt Degree college, Yadagir.(dt) Karnataka.

**Bharatha Rathna Sir M.Visveswaraya**, a visionary remarked –‘Industrialize or perish’, which implies the importance of industries in the development of any nation.

## ABSTRACT:

In the words of **Mahatma Gandhi**, “India must protect her primary industries as a mother protects her children against the whole world without being hostile to it”.During the past five decades, small scale industries have received special attention in the process of industrialization and regional development in most of the developing countries. The small scale industries are to posses certain special features viz., less capital intensive, more labour intensive, adopt optimal technology, disperse in rural and backward areas, reduce regional imbalances. Flexible in operation, export orientated, widely spread entrepreneurship and equitable distribute the economic wealth of the country. The small scale industries play a significant role in the mobilizing latest resources, economizing capital, making possible rapid increase in production, export, employment and entrepreneurship.

**Key words:** Industrialize or perish, development, small scale industries, socio-economic objectives

## INTRODUCTION

In the words of **Mahatma Gandhi**<sup>1</sup>, “India must protect her primary industries as a mother protects her children against the whole world without being hostile to it”. Currently, SSI sector account for around 95 percent of industrial units in the country account for around 95 percent of industrial units in the country with a contribution of 40 per cent of manufacturing sector output and approximately one third of the nation’s exports. At the end of March 2016, there were 3.37 millions modern SSI units providing direct employment to around 2.86 million people.v. The study aims to evaluate the performance of SSI units located in industrial estates of and trace out the problems, the small units are facing, socio economic background of small entrepreneurs and to give useful suggestions keeping in mind the entire gamut of process and measures of industrialization through continued efforts of Government to nurture and nurse small industries.

<sup>1</sup> Government of India, *Rural and Cottage Industry, National Planning Series, PP.24-53* cited M.A.Hasanthe., *Role of Nationalised Bank in the Development of Small Scale Industries, Classical Publishing House, New Delhi, 1991, PP. 1-37*

U.C.Patnik<sup>2</sup> clearly stated that the small scale industries occupy a strategic position in the Indian economy. The sector play a vital role in fulfilling the socio-economic objectives of the nation and have emerged as a powerful tool in providing relatively large employment for given unit of investment, equitable wealth distribution and removal of regional economic disparities and SSI sector has become one of the thrust area of development.

The role of the small scale industries sector is well recognized from its significant contribution in the mobilizing latest resources, economizing capital, making possible rapid increase in production, export, employment and entrepreneurship.

During the past five decades, small scale industries have received special attention in the process of industrialization and regional development in most of the developing countries. Small scale industries have thus believed to possess certain special features viz., less capital intensive, more labor intensive, adopt optimal technology, disperse in rural and backward areas, reduce regional imbalances. Flexible in operation, export orientated, widely spread entrepreneurship and equitable distribute the economic wealth of the country. **Bharatha Rathna Sir M.Visveswaraya**<sup>3</sup>, a visionary remarked – ‘Industrialize or perish’, which implies the role industries in the economic development of any nation. Without industries, economic development is impossible. Again in a developing economy like India, industries are indispensable. Developments of industries are not only indispensable for India, but also there is wide scope for the development of industries. India has many favourable and conducive factors for rapid development of industries.

The small scale industries sector over the years has grown steadily and occupied an important place in the economy. Contribution of this sector in terms of generation of employment during the period 2009-2016 stood at 245.64 lakhs. Output of 9, 65,332 crores and export of ₹ 1,17,968 crores are quite significant.

As at the end of 2009-16, there were 34,72,188 small scale units registered in India. The number of registered units has been increased from 0.42 million as at the end of 1974 to 3.37 million at the end of 2016. However, there were around 9,69,245 unregistered units during the same year.

## NEED FOR THE STUDY

A deep probe into the available literature relating to small scale industries in industrial estates hints the researcher that, almost all the studies focused on different dimensions of SSI's in industrial estates of a particular region. However, even though many research studies have been carried out in Karnataka State, no such micro study has been done by any researcher so for development of SSI's

<sup>2</sup> Umesh.C. Patnaik, *Growth of Small Industries and Problems of Small Enterprises* cited M.Gangadhar Rao., (ED) *Entrepreneurship an Entrepreneurship Development*, Kanishka Publishing House, New Delhi, P.

<sup>3</sup> Raman.B.S. *Business Studies Vol II*, United Publishers, Mangalore 1998, p.4.

especially in the Industrial Estates of KSSIDC and documented it. Hence, the present study. Therefore the study aim to evaluate the performance of SSI units located in industrial estates of KSSIDC and trace out the problems, the small units are facing

## OBJECTIVES OF THE STUDY

Small scale industries constitute a big segment of India's industrial fabric. It is the biggest sector providing employment opportunities to the Indians next to agriculture. But the SSI units are the worst sufferers after the liberalization of Indian economy vis-à-vis with the entry of giant multinational companies and the present economic conditions have also affected SSI sector. Therefore it is necessary to evaluate the performance, their growth and problems encountered by them.

In the view of the above, the present study is carried out with the below mentioned objectives.

1. To study the performance of KSSIDC in the growth and development of small units in industrial estates.
2. To enquire into the socio economic background of small entrepreneurs emerging in industrial estates.
3. To evaluate the small entrepreneurs efforts and performance in industrial estates in Karnataka.
4. To study the problems being faced by the small units in KSSIDC estates.
5. To estimate the Development and growth options for small scale units in these estates.

## HYPOTHESES OF THE STUDY

In order to achieve the above objectives, the following hypotheses have been set for the study.

1. The locational advantages have its impact on the entrepreneurs' entry and performance.
2. The family background of the entrepreneurs has its own impact on the entrepreneurial performance.
3. The entrepreneurial performance is influenced by the category to which they belong.
4. Formal education has influenced the successful entrepreneurship.
5. The much better performance of the entrepreneurs is affected by so many problems.

## METHODOLOGY AND SAMPLING DESIGN

In order to test the hypotheses to meet the objectives of the study, the data has been collected from the both primary and secondary sources. An elaborate structured questionnaire was prepared and administered on entrepreneurs, primary data was gathered. The secondary sources was tapped from annual reports, information brochures of KSSIDC, Progress Reports, MIS Report on industrial estates, booklets, Kaigarika Vartha, Directorate of Industries, SISI, AWAKE, Ministry of Small Industries, KSIMC's office, NISC, SIDO and even from Websites, University library and ICSSR-NASSDOC.

## SCOPE OF THE STUDY

The Industrial Estates of KSSIDC have gained a lot of significance on account of several factors particularly due to rapid industrialization and balanced growth in rural and backward area. In this connection, it may be mentioned that the establishment of industrial estate has given great importance for the growth and development of small scale industrial units.

Small scale industries with the capital not exceeding Rs.500 lakhs which includes tiny units, ancillary industries, export oriented industries, women enterprises, small service units have been considered for the evaluation of performance, problems and prospects of small scale industries in industrial estates of KSSIDC in Karnataka.

At present, there are 5,573 sheds constructed in which more than 5,000 units are operating in 165 industrial estates spread in 30 districts of Karnataka State. The study is confined to small scale industries functioning in industrial estates of KSSIDC in Karnataka State. Moreover, the researcher hails from the same state and problems can be better perceived.

## ANALYSIS OF THE DATA

In order to prove the inferences or nullify the hypotheses, the data collected was analysed with the help of statistical technique like ratios, percentage, growth rate, weight points and ranking method.

**TABLE 1.1: FININCIAL POSITION OF KSSIDC**

FINANCIAL ACTIVITIES	FINANCIAL PERFORMANCE ( IN Lakhs )		
	2013-2014	2014-15	2015-16
Authorized Capital	3,000.00	3,000.00	3,000.00
Paid-up Capital	2,466.36	2,466.36	2,466.36
Reserves and Surplus	2,433.19	3,392.33	4,559.52
Unsecured Loans	1,491.73	1,304.51	1,300.13
Provisions	6,250.87	9,616.03	8,416.64
Gross Block	4,452.30	4,359.35	4,123.14
Fixed Assets	2,891.12	2,835.67	2,320.23
Capital Employed	2,620.72	2,900.00	3,276.18
Net block	2,847.70	2,664.01	2,320.23
Profit before tax	1,119.18	1,908.61	1,934.81
Sales Turnover	7800.46	8,310.78	9,699.50
Value of the Business to Net Block	273.92	311.96	418.04
Value of the Business to Gross Block	175.20	190.64	235.24
Value of the Business per Employees	20.96	22.89	26.72
Current Assets to Net Assets	530.62	505.53	385.30

Current Assets to Current Liabilities	127.43	130.57	140.28
Quick Assets to current Liabilities	127.43	130.57	140.28

Source: KSSIDC, Annual Report,

Table No 1.1 reveals that the Corporation has an authorized capital of 3,000 lakhs consisting of 30 lakhs shares of 100 each and paid-up capital of 2,466.36 lakhs consisting of 24.66 lakhs shares as at the end of 2013-2014. During 2014-15 and 2015-2016, the Corporation allotted 50,000 shares amounting to Rs. 50 lakhs in favour of Karnataka Government. Further it reveals that the debt equity of the Corporation was 0.5:1 in both 2013-2014 and 2015-2016.

**TABLE 1.2: BUSINESS PERFORMANCE OF KSSIDC**

PARTICULARS	BUSINESS PERFORMANCE ( ` in lakhs )		
	2013-2014	2014-15	2015-16
Sales	7800.46	8310.78	9699.50
Closing Stock	4955.83	5108.44	4947.95
Opening Stock	4605.50	4955.83	5108.44
Value of the Business	10845.79	11964.13	12851.46

Source: KSSIDC, Annual Report,

Table 1.2 reveals that the value of business done by KSSIDC during the year 2009-2010 was `9, 699.50 lakhs sales with opening stock of ` 5,108.44 lakhs and closing stock of 4, 947.95 lakhs and the value of the business was 12,851.46 lakhs. The percentage of value of the business to net worth increased in 2009-2010 stood at 553.88 percentages. The percentage of value of business total to net assets increased in 2009-2010 stood 125.73 percent.

**TABLE 4.3: PROFIT POSITION OF KSSIDC**

Particular	2014 ( ` in lakhs)	2013( ` in lakhs)	2014( ` in lakhs)	2015( ` in lakhs)	2016 ( ` in lakhs)
Profit	513.44	233.32	747.58	1247.36	1454.78
Add/Deduct Previous year Gain/Loss	286.83	289.89	371.60	661.25	480.03
Profit Before Tax	800.27	523.21	1119.18	1908.61	1934.81
Tax provision	327.50	311.29	411.00	770.00	584.00
Profit after Taxation	472.77	211.92	708.18	1138.61	1350.81

Source: KSSIDC, Annual Report,

Table 1.3 reveals that the Corporation is running its activities under profit. The year wise analysis shows that Net profit decreased 45.44 per cent compared to previous year. Further the profit was drastically

increased 747.58, 1247.36, 1454.78 respectively. The next year shows a decreased. The reasons for the fluctuation in year 2006-2007 poor recovery, more tax provision etc., on the other.

**TABLE 4.4: WORKING RESULTS OF KSSIDC**

PARTICULAR	WORKING RESULTS (IN LAKHS)		
	2013-2014	2014-15	2015-16
<u>Percentage of Profit</u>			
-Before Tax to Sales	14.34	22.96	19.94
-Gross Fixed Assets	38.71	67.30	83.38
-Capital Employed	42.70	65.81	59.05
-After Tax Net Worth	24.86	42.74	58.19
-Equity Capital	28.71	46.17	55.99
-Capital Employed	27.02	39.26	41.21

Source: KSSIDC Annual Report.

The working results of the Corporation provided in Table 1.4 show that the percentage of profit before tax to sales was 14.34 lakhs in 2013-14, 22.96 lakhs in 2014-2015 and `19.94 lakhs in 2015-2016. The percentage of profit to gross fixed asset was Rs. 38.71 lakhs in 2007-2008, ` 67.30 lakhs in 2008-09 and `83.38 lakhs in 2015-2016. Table further reveals that, the percentage of profit after tax to net worth was `24.86 lakhs in 2007-2008. ` 42.74 lakhs in and `59.51 lakhs. The percentage of profit after tax to equity capital was `28.71 lakhs `46.17 and ` 55.99 lakhs and the percentage of profit to capital employed was ` 27.02 lakhs `39.26 and ` 41.26 lakhs

## **DEVELOPMENT OF KSSIDC:**

### **1. MAJOR ACTIVITIES OF KSSIDC**

KSSIDC has endeavored to nurture and develop the small scale industries since its inception. Its main objective is to provide basic infrastructural facilities to the small scale industries has contributed more than 60 % of the existing infrastructure for the small scale sector.

In Karnataka, so far 165 industrial estates have been established in 175 taluks of 30 districts spread in 11 divisions under 3 zones of the Corporation in an area of about 1,200 hectares (2,520) of land utilized for the construction of 5,573 industrial shed of various types comprising of 458 'A' type sheds, 1,003 'B' type sheds, 1,872 'C' type sheds, 1030 'D' type sheds, 633 Super-mini shes.356 Mini-sheds, 113 Special Sheds, 806 Vishwa Sheds, 40 Work sheds and 58 Faltered Factory sheds and formed 6,301 industrial plots of various dimensions. These sheds include industrial plots for electronics goods and computers. All these industrial estates provide a direct employment to about 1, 85,000 men and women and have also provided sufficient indirect employment.

**TABLE 4.6: ZONE-CUM-DIVISIONS, DISTRICTS, TALUKS-WISE DISTRIBUTIONS AND INDUSTRIAL ESTATES IN ARNATAKA**



ZONE	NO. OF DIVISION	NO OF DISTRICTS	NO OF TALUKS	NO OF LE
Zone – I	5	7	48	48
Zone-II	2	13	79	76
Zone-III	3	10	48	41
<b>TOTAL</b>	<b>11</b>	<b>30</b>	<b>175</b>	<b>165</b>

Source: KSSIDC, MIS Report March 2010.

**TABLE 4.8: ZONE AND TYPE WISE DISTRIBUTION OF SHEDS**

TYPE OF SHED	ZONE – I		ZONE-II		ZONE – III		TOTAL	
	NO OF SHEDS	%	NO OF SHEDS	%	NO OF SHEDS	%	NO OF SHEDS	%
A	438	7.86	1	0.01	19	0.34	458	8.21
B	769	13.79	192	3.46	169	3.03	1130	20.27
C	757	13.59	587	10.53	485	10.55	1829	32.81
D	235	4.21	436	7.83	315	4.65	986	17.89
SM	139	2.50	268	4.81	202	3.62	609	10.92
M	122	2.18	91	1.64	124	2.22	337	6.14
SPL	110	1.97	1	0.01	12	0.21	123	2.68
FFS	58	1.00	-	-	-	-	58	1.08
WS	37	0.71	-	-	-	-	37	
<b>TOTAL</b>	<b>2665</b>	<b>47.81</b>	<b>1576</b>	<b>28.29</b>	<b>1332</b>	<b>23.90</b>	<b>5573</b>	<b>100.0</b>
<b>L</b>							<b>0</b>	

Source: KSSIDC, MIS Report, March 2010.

## II SPECIAL ACTIVITIES OF KSSIDC

### I UNIQUE PROGRAMME FOR SC AND ST ENTREPRENEURS

On the eve of Dr. B.R.Ambedkar's centenary celebration KSSIDC has established an industrial estate at Jigani to help or assist the SC and ST entrepreneurs with 100 sheds and 84 plots to allottee at 40 percent of cost and the balance 60 percent will be treated as subsidy. In addition another 60 super mini sheds have been constructed throughout Karnataka wherein the allottee have to pay 60 percent of the cost and the remaining 40 percent will be treated as subsidy.

#### 2. VISHWA SHEDS

In October 1991, the Government of Karnataka has launched an ambitious Rural Development Programme called "Vishwa" named after Sir. M. Visveswaraiiah, the architect of modern Karnataka. This programme aimed at buildings sheds at Industrial Estates in all the 175 taluks of 30 districts of the State.

**TABLE 4.15: ZONE-WISE DISTRIBUTION OF VISHWA SHEDS**

ZONE	No. of SHEDS	PERCENTAGE
Zone – I	243	30.15

Zone-II	289	35.86
Zone-III	274	33.99
<b>TOTAL</b>	806	100.00

Source: KSSIDC, MIS, Report, 2009-10.

### **III OTHER ACTIVITIES OF KSSIDC**

#### **1. DESIGN CENTRE**

National Institute of Design has set-up a branch in Rajajinagar Industrial Estate for catering services for the benefit of small scale industries in creating and improving products or design and other allied matters. KSSIDC has also given financial and space assistance to this institute.

#### **2. MAINTENANCE OF INFRASTRUCTURE FACILITIES**

#### **3. TECHNICAL LIBRARY**

As a part of service rendered, KSSIDC established a Technical Library in the estate of Bangalore, Mysore, Hubli and Mangalore equipped with more than 5,000 books related to managerial, technical subjects besides subscribing to various magazines to small scale industries.

#### **4. RAW MATERIALS**

To enter into new fields for marketing raw materials for the benefit of small scale industries, Corporation has entered into Memorandum of Understanding (MOU) with Assam Tea and other products of North Eastern States. M/s. Indian Oil Corporation has appointed KSSIDC for distribution of bitumen in the State of Karnataka and Corporation has plants to enter into new plastic raw materials. Kerala Krishna Sahakara Federation Limited (KERAFED) has appointed KSSIDC for distribution of coconut oil in the state of Karnataka.

#### **5. MANAGEMENT GUIDANCE TO ASSIST SSI ENTREPRENEURS**

KSSIDC is also taking part in Entrepreneurial Development Programme whose objective is to select, motivate and train potential entrepreneurs, systematically organize EDP's throughout the state and provide technical and managerial advice to entrepreneurs in establishment of their venture.

#### **6. LAND ACQUISITION AND CONSTRUCTION**

The Corporation has the proposal to acquire land at all the taluks during next 5 years and has proposals to conduct a multi-storeyed complex at major industrial estates, develop mini growth centres at Tumkur, Bijapur and Bellary District. It also plans to establish functional estates in the field of garments, food processing, pharmaceuticals, agro and industries and automobiles industries.



## 7. DECENTRALISATION OF KSSIDC

In order to ensure the services rendered by KSSIDC to SSI's are extended to entrepreneurs' in district places, the Corporation has set-up Zonal Offices in district area.

## 8. ALLIANCES

KSSIDC was grown through alliances and partnerships with global leaders across in a wide spectrum. The clients of KSSIDC include Karnataka State Financial Corporation (KSFC), Karnataka Industrial Area Development Board (KIADB), District Industrial Centres (DIC), Karnataka State Industrial Investment and Development Corporation (KSSIDC), Steel Authority of India Ltd (SAIL), Tata Iron and Steel Company (TISCO), Vishakapatnam Steel Plant (VSP) and Jindal Vijayanagar Steel Ltd.

## 9. FUNCTIONAL ESTATES

As a part of industrial estate programme, the Corporation has also set-up functional estate in Tumkur for the manufacture and hand tool products in association with few small scale industries. The entrepreneurs selected for ancillary, have taken steps to install key machineries for their units. They have also commenced the production and the Corporation has carried the samples of these SSIs products an exhibited at Honover Trade Fare (West Germany), Masco Trade Fare (Russia), Chicago Trade Fare (USA) and a large number of responses have been received by the Corporation.

## 10. ELECTRONIC ESTATE PROGRAMME

As per the directions of Government of Karnataka, the Corporation has constructed multi-storeyed buildings for location 187 electronic SSI units and the Corporation has allotted all the flats and many of them have started functioning.

## 11. HOSIERY PROJECT

As a part of rural industrialisation, the Corporation has set-up a training cum-production centre for manufacture of hosiery products also extended necessary assistance to the trainees to set-up their own SSI units in the hosiery field. The Corporation's training-cum-production centre is the first of its kind in the State.

### PROFILE OF ENTREPRENEURS:

#### 1. AGE – WISE DISTRIBUTION OF ENTREPRENEURS

Table 2.1 shows the age-wise distribution of entrepreneurs in industrial estate.

**TABLE2.1: AGE-WISE DISTRIBUTIONS OF ENTREPRENEURS**

AGE	NO. OF ENTREPRENEURS	PERCENTAGE

Below-35	195	48.75
36-45	194	48.50
46 & Above	11	2.75
<b>TOTAL</b>	<b>400</b>	<b>100.00</b>

Source: Survey Data.

Table 2.1 Show that almost equal number of entrepreneurs are young blood (below 35) and the experienced middle aged group (36 to 45). This shows the extent of attractiveness of Industrial Estate Programme in the State.

## 2. SEX-WISE DISTRIBUTION OF ENTREPRENEURS

TABLE 2.2: SEX-WISE DISTRIBUTION OF ENTREPRENEURS

SEX	NUMBER OF ENTREPRENEURS	%
Male	381	95.25
Female	19	4.75
<b>TOTAL</b>	<b>400</b>	<b>100.00</b>

Source: Survey data.

Table 2.2 shows that 31 units (95.25%) surveyed are owned by men and the remaining 19 (4.75%) units owned by women. These figures show the domination of male over the female in these estates.

## 3. FAMILY BACKGROUND OF ENTREPRENEURS

In developed countries like U.S.A, contribution of agriculture of national income is 2.9 per cent, it is 2 per cent in Japan, in England 2 percent of the people depend on agriculture and majority of them depend on industrial activities.

Agriculture is the main occupation of Indian rural population. More than 70 per cent of Indians depend on agriculture allied activities. The over dependency on agriculture, employment surplus of workers in agriculture activities an under utilization of skills are the main reasons for shifting from agriculture to industrilisation.

At present, there is an increase in the participation of the traditional, non-trading communities who are entering the industrial activities especially for small scale sector. The farmers are migrating from agriculture to industries seeking a better living. This will lead to shift from prior occupation to present condition.

TABLE 2.3: FAMILY BACK GROUND OF ENTREPRENEURS

OCCUPATION GROUND	BACK	NO. OF ENTREPRENEURS	%
Agriculture		156	39.00
Trade/Industry		187	46.75
Service/Employment		57	14.25
<b>TOTAL</b>		<b>400</b>	<b>100.00</b>

Source: Survey data

Table 2.3 shows that 187 (46.75%) entrepreneurs hailed from trade or industrial background, 156 (39%) entrepreneurs are from agricultural background. These figures show that, though a big number of entrepreneurs are from trade background, a large majority, (53.25%) are from non-trade/industrial background.

#### 4. CATEGORY OF ENTREPRENEURS

The studies conducted by Sharma, Oamen, Berna, Mishra A.N.Bisht<sup>4</sup> have confirmed that entrepreneurship is no longer confined to the trading.

In India, the post independent period has resulted in the emergence of entrepreneurs in the small scale sector from diverse social and economic backgrounds.

In order to protect the interest of these categories, Government of Karnataka made a reservation policy for SC and ST entrepreneurs which help to establish the unity at estates of KSSIDC.

TABLE 2.4: CATEGORY OF ENTREPRENEURS

CATEGORY	NO.OF ENTREPRENEURS	PERCENTAGE
SC/ST	78	19.50
BCM	45	11.25
Minority	36	9.00
General	241	60.25
<b>TOTAL</b>	<b>400</b>	<b>100.00</b>

Source: Survey Data

The Table 2.4 reveals that 39.75 per cent of the total units are owned by either too neglected class of the society i.e., SC/ST, BCM and Minority. This indicate that the entry of significant number of

<sup>4</sup> Sharma R.A. 1980 Op Cit Omen N.A.. Op.Cit James J.Bera Op.Cit Mishra and Besht Ot.Cit. Cited Laxdmisha.A.S., The Role of KSFC for promotion and Development of Entrepreneurship, Ph.D., Thesis (unpublished), Karnatak University, 2001.

entrepreneurs from these categories. However, the dominance of General Category entrepreneurs is not ignorable.

**TABLE 2.5: SEX-WISE AND CATEGORY OF ENTREPRENEURS**

CATEGORY	MALE	%	FEMALE	%	TOTAL NO. OF ENTREPRENEURS	%
SC	38	9.50	3	0.75	41	10.25
ST	25	8.75	2	0.50	37	9.25
BCM	45	11.25	0	0	45	11.25
MINORITY	34	8.50	2	0.50	36	9.00
GENERAL	229	57.25	12	3.00	241	60.25
<b>TOTAL</b>	<b>381</b>	<b>95.25</b>	<b>19</b>	<b>4.75</b>	<b>400</b>	<b>100.00</b>

Source: Survey data

Table 2.5 shows that 19 (4.75%) units are owned by women. Among them 12 units are owned by women belonging to general category, 3 units by women belonging to SC category and 2 each unit are owned by ST and Minority. These figure show that the women belonging to general category are even today domination the women industrial area.

**TABLE 2.6: TRAINING AND CATEGORY OF ENTREPRENEURS**

CATEGORY	TRAINED		UNTRAINED		TOTAL	
	UNITS	%	UNITS	%	UNITS	%
SC	5	1.25	36	9.00	41	10.25
ST	6	1.50	31	7.75	37	9.25
BCM	8	2.00	37	9.25	45	11.25
MINORITY	2	0.50	34	8.50	36	9.00
GENERAL	1	0.25	240	60.00	241	60.25
<b>TOTAL</b>	<b>22</b>	<b>5.50</b>	<b>378</b>	<b>94.50</b>	<b>400</b>	<b>100.00</b>

Source: Survey Data

Table 2.6 shows that 94.50 per cent (378 entrepreneurs) out of 400 entrepreneurs are untrained in which, 36 entrepreneurs out of 41 entrepreneurs are SC's, 31 entrepreneurs out of 37 entrepreneurs out of 45 entrepreneurs are belonging to BCM category, 34 entrepreneurs out of 36 entrepreneurs are Minority an all entrepreneurs except one entrepreneur out of 241 were belonging to general category. Thus, the category and training has inter-related aspects, which influences very less quantum on the emergence of entrepreneurship in industrial estates.

**TABLE 2.7: EDUCATIONAL BACKGROUND OF ENTREPRENEURS**

EDUCATION	NO. OF ENTREPRENEURS	PERCENTAGE
Primary	45	11.25
Matriculation	98	24.50

Collegiate	128	32.00
Technical	129	32.25
<b>TOTAL</b>	<b>400</b>	<b>100.00</b>

Source: Survey data

Table Figure 2.7 reveals that out of 400 entrepreneurs, a large majority of higher educated entrepreneurs (64.25 percent) have more interested in entrepreneurship in industrial estates. Table shows that the share of entrepreneurs had the collegiate education is 32 per cent and technical education is 32.25 per cent. While the share of entrepreneurs had primary education is 11.25 per cent and matriculation is 24.50 per cent. These figure show the programme of industrial estate has provided ample scope for the development of small entrepreneurship irrespective of entrepreneurs' level of education. The study observed that majority of lesser educated entrepreneurs hail from agriculture background in rural and backward areas of the State. Thus, it can be conclude that the level of education has its own impact on the development of entrepreneurship in industrial estates.

### SUMMARY OF FINDINGS:

The study was made by taking KSSIDC estates in the state of Karnataka by conducting the survey of 40 entrepreneurs. The major findings of the study are as below.

1. In the pre-independence era, India has witnessed the slow growth and absence of broad based entrepreneurship. The factors such as caste system, Colonial rule, joint family system, cultural traditions, educational system and the like were responsible for this situation.
2. In the post-independence era, India has been a witness to the emergence of large industrial house, expansion and diversification of those industrial houses existing before independence, the emergence of state as an entrepreneur through the creation of the public sector on the industrial map of the country and also the entrance of multinational corporations on the industrial scene.
3. After 1950, SSIs have received the special attention of the Governments. The state has recognized the special feature and advantages of this sector. Such as low capital base, more labour intensive, regional balanced development, flexibility in operation, optimum use of resources etc.
4. The SSI sector, over the years has grown steadily and occupied an important place in the economy. At the end of 2001 there were 3.37 million units the country generating employment to 185.64 lakhs people, produced output worth of Rs. 6,50,332 crores and exported products worth Rs. 53,975 crores.

## SUGGESTIONS

The emergence of small entrepreneurs has far reaching implications for the social and economic advancement of any nation. The process of growth and development of SSI units should not merely stop by the establishment of industrial estates. There should be a total commitment on the part of KSSIDC, Government and other agencies involved in the task of development of SSI's. The study on the performance and problems of SSI units in KSSIDC estates and the role played by KSSIDC in the State of Karnataka offers a scope for giving a few suggestions. Considering the above, a few suggestions based on field survey, secondary data and observations are given below.

1. Mere establishment of industrial estates do not by itself assure the growth and development of SSI's in the State of Karnataka. An integral functional approach on the part of Government, department of KSSIDC is even more important.
2. The KSSIDC is allotting the sheds and plots to those who are approaching them. Such a 'Wait and Allot' approach. To be precise, the entrepreneurs with talent an interest should be identified and be allotted with the required sheds.
3. To motive the entrepreneurs to start more and more small scale industrial units, Entrepreneurship Development Programmes should be conducted and the course content of such programmes should be strengthened.

## CONCLUSION

The present study was undertaken with an objective of studying the performance, problems and prospects of small scale industries in KSSIDC estates in Karnataka State in the contest of development of SSI's. It has been achieved with the study of factors motivating the small entrepreneurs in the study area, their performance, impact of zone, family background, category and education on the investment turnover, profitability, marketing area and changes introduced. The study has 5 hypothesis.

The first hypothesis that location advantage has its own impact on the entrepreneurs entry and performance is proved by the fact that a big number of entrepreneurs have entered into field in Zone-I, the units in Zone-I are comparatively in Zone-I are enjoying national market, running their units I higher ranges of profit and introduced different types of changes.

The second hypothesis on the impact of entrepreneurs family background on their performance proved the fact that entrepreneurs from trade or industrial background are the early entrants to the entrepreneurial field, owning units with higher investment and more annual turnover, enjoying wide marketing network and introduced different types of changes than the entrepreneurs from other two backgrounds.

The third hypothesis that the entrepreneurial performance is influenced by the category is also proved by the fact that the general category entrepreneurs are the early entrants to the entrepreneurial field, owning



units with higher investment and more annual turnover, enjoying wide marketing network and earning a good quantum of profit than the entrepreneurs belonging to other three categories.

The fourth hypothesis that formal education has influenced the successful entrepreneurship is supported by the fact that the success rate is more in case of technical and collegiate education holders than matriculates and entrepreneurs with primary education when the year of entry into entrepreneurship, investment made annual turnover, area of marketing, profitability and change introduced are taken as criteria.

The last hypothesis on the much better performance of the entrepreneurs is affected by so many problems is provided by the fact that a large number of entrepreneurs are facing the problems of finance, marketing, labour, rigid Government rules, scarcity of raw-materials, poor management ability, lack of technical knowledge etc. Further the fact that these problems have caused for the under utilizations of capacity of the entrepreneurs also proves that the entrepreneurs would have performed much better provided, there were no problems of the above nature.

In recent years, combined efforts of Central and State Governments, entrepreneurship development institutions, finance agencies, development banks, develop the entrepreneurship in industrial estates so as to climate the poverty, backwardness, unemployment problems etc., being faced by the country and also ensure the local available resources are noteworthy.

The study has successfully evaluated the entrepreneurial scenario in KSSIDC estates, the performance of the entrepreneurs in these estates, their problems and prospects of small industries functioning in these estates.

The KSSIDC has done a very good job by creating an opportunity for the establishment of small units in a particular area with entrepreneurial climate. That is really needed is the commitment of the KSSIDC to identify the entrepreneurial opportunity in the State matching the same with entrepreneurs capacity, motivating the entrepreneurs, attracting them, constructing the sheds in more scientific manner, providing better infrastructural facilities etc. Of course the working of KSSIDC in the above direction is backed by the Government policies, programmes and vision towards industrialisation also. The suggestions on the basis of the findings, if implemented in the good faith, would go a way in strengthening the entrepreneurial base in the State of Karnataka in central and KSSIDC estates in particular.

## REFERENCES

1. Somashekar.N. The efficacy of Industrial Estates in India, Vikas publishing house pvt. Ltd. Delhi 1975 p.3.
2. P.C. Alexander Industrial Estates in India, Asis Publishing House, New Delhi 1963 p.64.
3. Kalyani Bandopadhyaya, Industrialisation through industrial Estates, Calcutta, 1696. Cited D. Nagaiah, effective of Industrial Estates A locational comparison, theses, University of Rajasthan Jaipur, 1984.p.3.
4. Bharati G.S., Industrial Estes, An evaluation – A case study of the programme in Rajasthan thesis, Year 1976.9.15

5. Pathak.H.H. The entrepreneurs, technician and manager in Small scale units, economic and political weekly, Review of Management vol .7.p.48
6. IDBI Books p.17
7. Technical consultancy service organization reports Published by KSSIDC sheds 2000, KSSIDC Publications Bangalore.
8. Raman.B.S. Business Studies Vol II, United Publishers, Mangalore 1998, p.4.
9. Government of India, Rural and Cottage Industry, National Planning Series, PP.24-53 cited M.A.Hasanth., Role of Nationalised Bank in the Development of Small Scale Industries, Classical Publishing House, New Delhi, 1991, PP. 1-37.
10. Ibid. P.11.

