



## AN ANALYSIS OF SOCIO- PROFILE OF RESPONDENT ENTREPRENEURS OF SMALL INDUSTRIES IN CHITTOOR DISTRICT

Mr.K.Guna Sekhar\* Prof.K.Ramakrishnaiah\*\*

\*Ph.D (Full-Time), Department of Commerce, S.V.U.College of CM&CS, S.V.University, Tirupati.

\*\*Research Supervisor and Dean, College Development Council, Department of Commerce, S.V.U.College of CM&CS, S.V.University, Tirupati.

### Introduction

Indian economy is a developing economy, with vast resources, most of them remained either un-utilized or under-utilised. Moreover, the economy is basically characterised by high dependence on agriculture. As the agriculture is a seasonal occupation, a major workforce of which, too, plentifully remains unemployed or underemployed. Further, agricultural production is carried out by traditional and out-dated methods and techniques resulting in low agricultural yield. Because of low yield and the prevalence of unemployment and underemployment, the basic needs of a sizeable proportion of the people always remain unfulfilled. So in view of a capital scarce and abundant labour, it is imperative that judicious utilization of scarce capital resources of India to needs provide massive employment to millions of population. In other words, development of small scale industry is the only answer to come out of the present state of disrupted economy. Small industries sector thus, acts as an instrument both in creating capacity to absorb excess labour power and in catering to the diversification of the market required at higher stages of economic development. The pattern of developing small industries to be adopted has, of course, to be decided in the light of several technical, economic and social factors. The major objectives of small industry development are high growth rate, massive employment generation and ensuring equitable distribution of income and wealth. Though the objectives of growth and employment have always assumed much importance, some general issues connected with economic growth like equity and welfare and the national economic independence are given due importance in the process of small industry development.

The protagonists of small firms are reluctant to accept that the large firms bring in more efficient results. They maintain that much claimed economies of size are due to questionable business practices at the cost of free and fair competition. In small organizations the efficiency in production is attained by intra-plant economies through an effective coordination and supervision. Small units are more flexible and are readily adaptable to the changing circumstances.

Small firms also conserve non-renewable resources unlike big ones. Small scale units also prevent city-ward migration through balanced regional development. Moreover, they also serve the local needs and make use of locally available resources. The promotion and organization of smaller units all over the country would lead to production by masses unlike the mass production by a few large industrial giants.

### Statement of the Problem

The small scale industries are those which operate with a modest investment in fixed capital, relatively small work force and which produce relatively small value of output of goods and services. They differ from large scale industries with respect to size of capital, employment, production and management, flow of inputs and so on. Small scale industries occupy an important place in the Indian economy. They form an essential part of the structure and texture of Indian manufacturing sector. Government also realized, the importance of small scale industries. That is the reason why for many decades since Independence, the Government of India has formulated a number of policies and other measures to boost and strengthen the small scale industries giving direction to commercial banks. As a result, there has been an all around development of these industries. The performance and contribution of these small industries to the growth of the industrial economy of India has been quite remarkable. The small scale industries have recorded impressive growth in terms of number, output, employment, exports, regional development and so on. In a country with regional imbalances, the small scale industries have greater role to play to provide opportunities for dispersal of industries and help in the development of small and medium sized towns and cities, particularly of the backward regions in the country. The districts provide such regional differences in development. Some districts are more developed than others within a state and they need special consideration in so far as location of these industries is concerned. The performance of and the problems encountered by the small scale industries also may differ from district to district. The geographic, demographic and economic profiles of the district have a bearing on the dispersal, location and performance of these industries.

**Objective of the Study:** The primary objective of the present study is to examine the socio-economic conditions of small industries in Chittoor district. The specific objective is

1. To analyze the social profile of respondent entrepreneurs of SSEs in Chittoor district.



### Research Methodology

The present study is based on both primary and secondary data. The secondary data are collected from the relevant publications of government and nongovernmental organizations, like Office of the Development Commissioner, Commissioner at Small Scale Industries, New Delhi, Commissioner at industries, Govt. of Andhra Pradesh, Hyderabad, District Industries Centre, Chittoor. Secondary data have also been compiled from other reports and publications of Planning Commission, different websites, annual reports and published and unpublished theses on the development of small scale industries in different states of India and in different districts of the states of Telangana and Andhra Pradesh. The primary data have been collected from the beneficiary respondent entrepreneurs of small scale industries and the officers of select commercial banks in Chittoor district.

### Sampling Design

For the purpose of selecting small scale units in Chittoor district, the researcher has obtained the list of enterprises from District Industries Centre (DIC) which are operating in Chittoor district during 2015-16. As per the list obtained from DIC, it is understood that there are about 174 units operating in Chittoor district. Since the population size itself is significantly small all the units that are operating under the study area are selected for the study. This type of research is called a Survey research. Therefore, the researcher has adopted survey method for the collection of data from the respondent entrepreneurs.

While providing information, the respondent entrepreneurs have disclosed the names of the banks from which they have availed financial assistance. Of the bank names disclosed by the respondent entrepreneurs of small scale industries only a few names of the banks which have extended finance to a sizeable number of small scale enterprises are considered as select respondent banks. The selected commercial banks are Andhra Bank, Corporation Bank, Sathagiri Grameena Bank and UCO Bank in the district. The details pertaining to small scale industries operating under the study area as per the list obtained from the office of the general manager, DIC, Chittoor are portrayed in the table given hereunder:

**Table 1: Distribution of Respondent Entrepreneurs of Small Scale Industries over Different Revenue Divisions and Line of Activity in Chittoor District**

Sl.No.	Name of the Revenue Division	Line of Activity of Respondent Entrepreneurs			Total Number of Units survey
		Manufacturing Units	Services Units	Others Units	
1	Chittoor	50	10	10	<b>70</b>
2	Madanapalle	26	04	06	<b>36</b>
3	Tirupati	31	15	22	<b>68</b>
<b>Total</b>		<b>107</b>	<b>29</b>	<b>38</b>	<b>174</b>

**Source:** Office of the General Manager, District Industrial Center, Chittoor District.

The above table 1 shows the spread of Small industries over different revenue divisions with their line of activity. 70 out of 174 respondent entrepreneurs of SSEs irrespective of the line of activity that they own /operate were established in Chittoor revenue division followed by 36 Small industries being in Madanapalle revenue division and 68 out of 174 in Tirupati revenue division. Regarding to the line of activity 50 out of 70 small industries that are there in Chittoor revenue division are manufacturing units, 10 are service enterprises and another 10 belong to others category of enterprises.

Similarly 26 out of 36 small enterprises that are there in Madanapalle revenue division belong to manufacturing category, 4 belong to service enterprises and six units belong to others category. 31 out of 68 small industries that are there in Tirupati revenue division belong to manufacturing enterprises, 15 are service enterprises and 22 are of others category. On the whole the number of manufacturing enterprises is larger than those which belong to services and others categories.



**Table 2: Distribution of Respondent Entrepreneurs of Small Scale Industries over Different Revenue Divisions and Their Age Ranges in Chittoor District**

Revenue Division	Age Ranges of Respondent Entrepreneurs				Total
	Below 40 years	41-50 years	51-60 years	Above 60 years	
Chittoor	15 (21.43) (41.67)	31 (44.29) (41.33)	19 (27.14) (36.54)	05 (7.14) (45.46)	<b>70 (100)</b> <b>(40.23)</b>
Madanapalle	09 (25.00) (25.00)	14 (38.89) (18.67)	11 (30.56) (21.15)	02 (5.56) (18.18)	<b>36 (100)</b> <b>(20.69)</b>
Tirupati	12 (17.65) (33.33)	30 (44.12) (40.00)	22 (32.35) (42.31)	04 (5.88) (36.36)	<b>68 (100)</b> <b>(39.08)</b>
<b>Total</b>	<b>36 (20.69)</b> <b>(100)</b>	<b>75 (43.10)</b> <b>(100)</b>	<b>52 (29.89)</b> <b>(100)</b>	<b>11 (6.32)</b> <b>(100)</b>	<b>174 (100)</b> <b>(100)</b>

Source: Field Survey data

Note: Figures in parentheses represent percentage to total.

Table 2 shows the distribution of sample respondent entrepreneurs over different revenue divisions and their age ranges in Chittoor district. It is understood from the table above that majority of the entrepreneurs (75 out of 174) irrespective of the revenue division to which they belong have an age ranging from 40-50 years followed by 52 respondent entrepreneurs (29.89 per cent) with an age ranging from 50-60 years, 36 respondents (20.69 per cent) having an age of below 40 years and 11 respondent entrepreneurs (6.32 per cent) having an age of above 60 years.

31 out of 70 (44.29 per cent) respondent entrepreneurs of Chittoor revenue division have an age ranging from 40-50 years followed by 19 respondent entrepreneurs (27.14 per cent) having an age ranging from 50-60 years, 15 respondent entrepreneurs (21.43 per cent) with an age of below 40 years and only 5 respondent entrepreneurs (7.14 per cent) having an age of above 60 years. 14 out of 36 (38.89 per cent) respondent entrepreneurs of Madanapalle revenue division have an age ranging from 40-50 years followed by 11 respondent entrepreneurs (30.56 per cent) with an age ranging from 50-60 years, 09 respondent entrepreneurs (25.00 per cent) with an age of below 40 years and only 2 respondent entrepreneurs (5.56 per cent) with an age of above 60 years.

30 out of 68 (44.12 per cent) respondent entrepreneurs of Tirupati revenue division having an age ranging from 40-50 years followed by 22 respondent entrepreneurs (32.35 per cent) having an age ranging from 50-60 years, 12 respondent entrepreneurs (17.65 per cent) having an age of below 40 years and only 4 respondent entrepreneurs (5.88 per cent) having an age of above 60 years. From the foregoing analysis one can infer that a large number of enterprises are located in Chittoor revenue division than in Madanapalle and Tirupati revenue divisions. Large number of entrepreneurs, irrespective of their revenue division, has an age ranging from 41-50 years.

**Table 3: Distribution of Respondent Entrepreneurs of Small Scale Industries over Different Revenue Divisions and Their Gender in Chittoor District.**

Revenue Division	Gender of respondent entrepreneurs		Total
	Male	Female	
Chittoor	44 (62.86) (35.20)	26 (37.14) (53.06)	<b>70 (100) (40.23)</b>
Madanapalle	27 (75.00) (21.60)	09 (25.00) (18.37)	<b>36 (100) (20.69)</b>
Tirupati	54 (79.41) (43.20)	14 (20.59) (28.57)	<b>68 (100) (39.08)</b>
<b>Total</b>	<b>125 (71.84) (100)</b>	<b>49 (28.16) (100)</b>	<b>174 (100) (100)</b>

Source: Field Survey data

Note: Figures in parentheses represent percentage to total.



Table 3 shows the distribution of sample respondent entrepreneurs over different revenue divisions and of their gender in Chittoor district. It is understood from the table above that 125 out of 174 entrepreneurs, irrespective of the revenue division where from they hail belong to male category and 49 respondent entrepreneurs (28.16 per cent) belong to female category.

44 out of 70 (62.86 per cent) respondent entrepreneurs of Chittoor revenue division belong to male category and 26 respondent entrepreneurs of Small scale industries (37.14 per cent) belong to female category.

27 out of 36 (62.86 per cent) respondent entrepreneurs of Madanapalle revenue division belong to male category and 09 respondent entrepreneurs of Small scale industries (25.00 per cent) belong to female category.

54 out of 68 (62.86 per cent) respondent entrepreneurs of Tirupati revenue division belong to male category and 14 respondent entrepreneurs of Small scale industries (20.59 per cent) belong to female category.

From the foregoing analysis one can infer that the number of male respondent entrepreneurs is larger than that of the female respondent entrepreneurs in Chittoor district. This further indicates that women are not coming forward to take the enterprising activity because the women apprehend that enterprising activity involves risk and lot of hurdles.

**Table 4: Distribution of Respondent Entrepreneurs of Small Scale Industries over Different Revenue Divisions And Their Levels of Educational Qualifications in Chittoor District**

Revenue Division	Educational Qualifications of Respondent entrepreneur						Total
	Illiterates	Primary	Secondary	Degree	PG	Technical Qualification	
Chittoor	04 (5.63) (44.44)	05 (7.04) (33.33)	09 (12.68) (47.37)	27 (38.03) (40.30)	12 (16.90) (41.38)	14 (19.72) (40.00)	70 (100) (40.23)
Madanapalle	02 (5.41) (22.22)	03 (8.11) (20.00)	04 (10.81) (21.06)	15 (40.54) (22.39)	05 (13.51) (17.24)	08 (21.62) (22.86)	36 (100) (20.69)
Tirupati	03 (4.55) (33.33)	07 (10.60) (46.67)	06 (9.09) (31.57)	25 (37.88) (37.31)	12 (18.18) (41.38)	13 (19.70) (37.44)	68 (100) (39.08)
Total	09 (5.17) (100)	15 (8.62) (100)	19 (10.92) (100)	67 (38.51) (100)	29 (16.67) (100)	35 (20.11) (100)	174 (100) (100)

Source: Field Survey data

Table 4 presents the distribution of sample respondent entrepreneurs over different revenue divisions and their educational qualifications in Chittoor district. It is understood from the table above that majority of the entrepreneurs (67 out of 174) irrespective of the revenue division to which they belong, possess degree qualifications, followed by 35 respondent entrepreneurs (20.11 per cent) being Technically qualified, 29 respondent entrepreneurs (16.67 per cent) having Post Graduation as educational Qualifications, 19 respondent entrepreneurs (10.92 per cent) having secondary education, 15 respondent entrepreneurs (8.62 per cent) having primary education and 9 respondent entrepreneurs (5.17 per cent) being illiterates.

27 out of 70 respondent entrepreneurs of Chittoor revenue division possess degree qualifications followed by 14 respondent entrepreneurs (19.72 per cent) being Technically qualified, 12 respondent entrepreneurs (16.90 per cent) having Post Graduation Qualifications, 09 respondent entrepreneurs (12.68 per cent) having secondary education, 05 respondent entrepreneurs (7.04 per cent) having primary education and 4 respondent entrepreneurs (5.63 per cent) being illiterates.

15 out of 36 respondent entrepreneurs of Madanapalle revenue division possess degree qualifications followed by 8 respondent entrepreneurs (21.62 per cent) having Technically qualified, 5 respondent entrepreneurs (13.51 per cent) having Post Graduation Qualifications, 04 respondent entrepreneurs (10.81 per cent) having secondary education, 03 respondent entrepreneurs (8.11 per cent) having primary education and 2 respondent entrepreneurs (5.41 per cent) being illiterates.



25 out of 70 respondent entrepreneurs of Tirupati revenue division possess degree qualifications followed by 13 respondent entrepreneurs (19.70 per cent) being Technically qualified, 12 respondent entrepreneurs (18.18 per cent) having Post Graduation Qualifications, 07 respondent entrepreneurs (10.60 per cent) having Primary education, 06 respondent entrepreneurs (9.09 per cent) having secondary education and 3 respondent entrepreneurs (4.55 per cent) being illiterates. From the foregoing analysis one can infer that the graduate entrepreneurs are larger in number than the entrepreneurs who possess other qualifications and than those who belong to illiterate category.

**Table 5: Distribution of Respondent Entrepreneurs of SSIS over Different Revenue Divisions and Their Social Status in Chittoor District**

Revenue Division	Caste Categories of Respondent Entrepreneurs				Total
	SC	ST	BC	OC	
<b>Chittoor</b>	11 (15.71) (42.31)	03 (4.29) (33.33)	20 (28.57) (37.03)	36 (51.43) (42.35)	<b>70 (100)</b> <b>(40.23)</b>
<b>Madanapalle</b>	06 (16.67) (23.08)	02 (5.56) (22.22)	11 (30.55) (20.37)	17 (47.22) (20.00)	<b>36 (100)</b> <b>(20.69)</b>
<b>Tirupati</b>	09 (13.24) (34.61)	04 (5.88) (44.45)	23 (33.82) (42.59)	32 (47.06) (37.65)	<b>68 (100)</b> <b>(39.08)</b>
<b>Total</b>	<b>26 (14.94)</b> <b>(100)</b>	<b>09 (5.17)</b> <b>(100)</b>	<b>54 (31.04)</b> <b>(100)</b>	<b>85 (48.85)</b> <b>(100)</b>	<b>174 (100)</b> <b>(100)</b>

Source: Field Survey data

Note: Figures in parentheses represent percentage to total.

Table 5 shows the distribution of respondent entrepreneurs over different revenue divisions and their caste categories in Chittoor district.

It is understood from the table above that majority of the entrepreneurs (85 out of 174), irrespective of the revenue division to which they belong to open category followed by 54 respondent entrepreneurs (31.04 per cent) belonging to Backward caste categories, 26 respondent entrepreneurs (14.94 per cent) belonging to Scheduled Caste categories and 09 respondent entrepreneurs (5.17 per cent) belonging to Scheduled Tribe caste categories.

36 out of 70 respondent entrepreneurs of Chittoor revenue division belong to open category, followed by 20 respondent entrepreneurs (28.57 per cent) belonging to Backward caste categories, 11 respondent entrepreneurs (15.71 per cent) belonging to Scheduled Caste categories and 03 respondent entrepreneurs (4.29 per cent) belonging to Scheduled Tribe caste categories.

17 out of 36 respondent entrepreneurs of Madanapalle revenue division belong to open category, followed by 11 respondent entrepreneurs (30.55 per cent) belonging to Backward caste categories, 06 respondent entrepreneurs (16.67 per cent) belonging to Scheduled Caste categories and 02 respondent entrepreneurs (5.56 per cent) belonging to Scheduled Tribe categories.

32 out of 68 respondent entrepreneurs of Tirupati revenue division belong to open category, followed by 23 respondent entrepreneurs (33.82 per cent) belonging to Backward caste categories, 09 respondent entrepreneurs (13.24 per cent) belonging to Scheduled Caste categories and 04 respondent entrepreneurs (5.88 per cent) belonging to Scheduled Tribe categories.

From the foregoing analysis one can infer that a major number of entrepreneurs belong to open category. However their representation in percentage terms is less. Whereas the representation from BCs is more and the representation of STs and OCs in the Small Industries in Chittoor district is less.



**Table 6: Distribution of Respondent Enterprises over Different Revenue Divisions and Their Establishment in Different Time Period in Chittoor District**

Revenue Division	Establishment of Enterprises Owned By Entrepreneurs In Different Time Periods				Total
	Before 2006	Between 2006-2010	Between 2010 - 2015	After 2015	
<b>Chittoor</b>	05 (7.14) (33.33)	01 (1.43) (16.67)	14 (20.00) (39.47)	50 (71.43) (43.48)	<b>70 (100)</b> <b>(40.23)</b>
<b>Madanapalle</b>	01 (2.78) (6.67)	02 (5.56) (33.33)	05 (13.89) (13.16)	28 (77.78) (24.38)	<b>36 (100)</b> <b>(20.69)</b>
<b>Tirupati</b>	09 (13.24) (60.00)	03 (4.41) (50.00)	19 (27.94) (50.00)	37 (54.41) (32.17)	<b>68 (100)</b> <b>(39.08)</b>
<b>Total</b>	<b>15 (8.62)</b> <b>(100)</b>	<b>06 (3.44)</b> <b>(100)</b>	<b>38 (21.84)</b> <b>(100)</b>	<b>115 (66.10)</b> <b>(100)</b>	<b>174 (100)</b> <b>(100)</b>

Source: Field Survey data

Note: Figures in parentheses represent percentage to total.

Table 6 shows the distribution of respondent entrepreneurs over different revenue divisions and the period of time during which their enterprises were established in Chittoor district. It is understood from the table above that majority of the entrepreneurs (115 out of 174) irrespective of the revenue division to which they belong have expressed that their enterprises were established after 2015, followed by 38 entrepreneurs (21.84 per cent) who mentioned stated that their enterprises were established between 2010-2015, 15 entrepreneurs (8.62 per cent) said that their enterprises were established before 2006 and 06 entrepreneurs (3.44 per cent) said that their enterprises were established during 2006-2010.

50 out of 70 entrepreneurs of Chittoor revenue division stated that their enterprises were established after 2015, followed by 14 entrepreneurs (20.00 per cent) who stated that their enterprises were established between 2010-2015, 05 entrepreneurs (7.14 per cent) mentioned that their enterprises were established before 2006 and 01 entrepreneur (1.43 per cent) stated that their enterprises were established during 2006-2010.

28 out of 36 entrepreneurs of Madanapalle revenue division stated that their enterprises were established after 2015, followed by 05 entrepreneurs (13.89 per cent) who stated that their enterprises were established between 2010-2015, 02 entrepreneurs (5.56 per cent) stating that their enterprises were established before 2006 and 01 entrepreneur (2.78 per cent) stating that his enterprise was established during 2006-2010.

37 out of 68 entrepreneurs of Tirupati revenue division stated that their enterprises were established after 2015, followed by 19 entrepreneurs (27.94 per cent) who stated said that their enterprises were established during 2010-2015, 09 entrepreneurs (13.24 per cent) stating that their enterprises were established before 2006 and 03 entrepreneurs (4.41 per cent) stated that their enterprises were established during 2006-2010.

From the foregoing analysis one can infer that having taken the responses from the respondent entrepreneurs into account it is clear that large numbers of enterprises were established after 2015 and less number of enterprises were established in between 2006 and 2010.

### Conclusion

Indian economy is a developing economy, with vast resources, most of them remained either un-utilized or under-utilised. Moreover, the economy is basically characterised by high dependence on agriculture. Small industries sector thus, acts as an instrument both in creating capacity to absorb excess labour power and in catering to the diversification of the market required at higher stages of economic development. The pattern of developing small industries to be adopted has, of course, to be decided in the light of several technical, economic and social factors.

Large numbers of enterprises are located in Chittoor revenue division than in Madanapalle and Tirupati revenue divisions. Large numbers of entrepreneurs irrespective of their revenue division, have an age ranging from 41-50 years. The number of the male respondent entrepreneurs is larger than that of the female respondent entrepreneurs in Chittoor district. This further indicates that women are not coming forward to take the enterprising activity because the enterprising activity involves risk and hurdles in their view. Graduate entrepreneurs are larger in number than the entrepreneurs who possess other qualifications and also than those belonging to illiterate category. Major number of entrepreneurs belongs to open category. However, their



representation in percentage terms is less. Whereas the representation from BCs is more and that from the STs and OCs in the Small Industries in Chittoor is less. Having taken the responses from the respondent entrepreneurs into account, it is understood that large number of enterprises were established after 2015 and less number of enterprises were established in between 2006-2010.

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