



Cover Page



IMPACT OF FACILITATING FACTORS ON AGRO-BASED SMALL SCALE INDUSTRIES IN CHITTOOR DISTRICT OF ANDHRA PRADESH

Dr . D.Chandra Purna

Lecturer in Commerce, Visvodaya Govt. Degree College, Venkatagiri, Tirupati District.A P

Abstract

This paper analyzes the impact of facilitating factors on agro-based small-scale industries in the Chittoor district of Andhra Pradesh. The study is based on survey data collected from 88 sample entrepreneurs of agro-based units registered with the District Industries Centre, Chittoor, using a five-point Likert scale to evaluate various factors.

This paper studies the impact of Facilitating factors on agro-based small scale industries in chittoor district of Andhra Pradesh. We observed that infrastructure factor(3.53) is main facilitating factor for Agro-based units in chittor district, followed by Technical assistance factor (3.24) Financial assistance factor(3.18) Factor which helped to become an entrepreneur(3.16) and least facilitating factor is factors leading to present location(2.85).

Key Words:- District Industries Centre, Agro-based Units, Entrepreneurs.



Cover Page



Introduction

Entrepreneurs play a pivotal role in the economic development of any country and become the nerve Centre of all economic activities. Entrepreneurs are considered to be most important economic agents for the economic augmentation of any country. They act as the owners, producers, Co-ordinations, market-makers, decision-makers, risk-takers and innovators. They are the nucleus of economic activity and propellers of economic development. Entrepreneurs are a dynamic force in the economic life of a society and organizers of its productive resources. Entrepreneurs are the persons who initiate, organize, manage and control the affairs of a business unit which combines the factors of production to supply goods and services. In a developing country, such as India, entrepreneur should be competent to perceive new opportunities, willing to take risks in exploring them and undergo, if necessary rigorous hardships of the business. The development of right entrepreneurship is one of the most acute problems of the developing countries and the lack of the right kind of entrepreneurs in our country in sufficient numbers is a factor hindering economic development.

Objectives of the study

1. To analyses the facilitating factors for Agro-based Units of small entrepreneurs.

Research methodology and Sample Design

The study covers the SSI units registered with the District Industries Centre, Chittoor as on 31-03-2025. For the purpose of selection of sample units, these SSI units are classified into eight categories of industries viz., agro-based, forest based, textile based, mineral based, engineering based, chemical based, leather based and miscellaneous categories. 300 units have been selected on the basis of stratified random sampling method giving equal importance to each of these eight categories of units. The sample works out to approximately 2.2 per cent of units in each category.

Collation of data

Survey method has been adopted for the study. The primary data required for the study were collected from the sample entrepreneurs with the help of a schedule designed for the purpose and through personal interviews. The schedule used for collection of information covered various



Cover Page



aspects of entrepreneurial development in motivating factors .To elicit opinions of the respondents on various factors a five point scale based on likert's summated rating scale has been constructed. Secondary data were obtained from publications of the Government of India, Government of Andhra Pradesh, DIC, Chittoor and other publications.

Facilitating Factors for Agro-based Units

Opinions of 88 sample entrepreneurs of Agro based units with regard to various facilitating factors are presented in Table 1.

Among these factors the weighted mean scores for “financial assistance factors” (3.18), “technical assistance factors” (3.24), “infrastructure factors” (3.53) and “factors which helped to become an entrepreneur” (3.16) lie between 3 and 4 implying that entrepreneurs have agreed to a considerable extent about these factors whereas in the case of “factors leading to the present location” the weighted means score (2.35) lies between 2 and 3 showing that the entrepreneurs have agreed only to a moderate extent about this factor.

Table 1
Facilitating Factors for Agro-based Units

Sl. No.	Particulars	1	Wt	2	Wt	3	Wt	4	Wt	5	Wt	Total	Wt	Wt. mean score
1	Factors Leading to Present location													
1.1	Nearer to residence	2	2	30	60	41	123	11	44	4	20	88	249	2.83
1.2	Own land	12	12	48	96	13	39	13	52	2	10	88	209	2.38
1.3	Infrastructural facilities	4	4	13	26	49	147	21	84	1	5	88	266	3.02
1.4	Availability of raw materials and cheap Labour	3	3	24	48	16	48	37	148	8	40	88	287	3.26
1.5	To cater to local demand	5	5	35	70	32	96	16	64	0	0	88	235	2.67
1.6	Absence of competition	4	4	29	58	32	96	20	80	3	15	88	253	2.88
1.7	Govt. Policies for location	15	15	21	42	26	78	23	92	3	15	88	242	2.75
1.8	Facilities offered by financial institutions	3	3	24	48	33	99	25	100	3	15	88	265	3.01
	TOTAL	48	48	224	448	242	726	166	664	24	120	704	2006	2.85
2	Financial Assistance Factors													
2.1	Asst. from Govt. & Financial Corporation	4	4	33	66	35	105	10	40	6	30	88	245	2.78
2.2	Asst. from Nationalised Commercial banks	5	5	10	20	14	42	47	188	12	60	88	215	3.58
2.3	Asst. from Private Commercial Banks	4	4	13	26	5	15	31	124	35	175	88	344	3.91
2.4	Asst. from Moneylenders	5	5	49	98	16	48	10	40	8	40	88	231	2.63
2.5	Asst. from Family members/ relatives	7	7	17	34	40	120	21	84	3	15	88	260	2.95
2.6	Asst. from Friends	5	5	9	18	16	48	43	172	15	75	88	318	3.61
2.7	Asst. from Co-operative banks & other agencies	13	13	27	54	23	59	15	60	10	50	88	246	2.80
	TOTAL	43	43	158	316	149	447	177	708	89	445	616	1959	3.18
3	Technical Assistance Factors													
3.1	Asst. from Government Agencies	5	5	27	54	38	114	14	56	4	20	88	249	2.83



Cover Page



3.2	Asst. from Non-Govt. Agencies	0	0	12	24	17	51	49	196	10	50	88	321	3.65
	TOTAL	5	5	39	78	55	165	63	252	14	70	176	570	3.24
4	Infrastructure Factors													
4.1	Accommodation	4	4	14	28	48	144	18	72	4	20	88	268	3.05
4.2	Power	3	3	18	26	15	45	39	156	13	65	88	305	3.47
4.3	Transport	0	0	18	36	43	129	21	84	6	30	88	279	3.17
4.4	Communication	2	2	9	18	18	54	35	140	24	120	88	334	3.80
4.5	Storage	0	0	8	16	25	75	26	104	29	145	88	340	3.86
4.6	Water	2	2	3	6	26	78	37	148	20	100	88	334	3.80
4.7	Insurance	0	0	8	16	35	105	27	105	27	108	18	90	88
3.19	Marketing	0	0	15	30	42	126	23	92	8	40	88	288	3.27
4.9	Banking	2	2	14	28	11	33	42	168	19	95	88	326	3.70
	TOTAL	13	13	107	214	263	789	268	1072	141	705	792	2793	3.53
5	Factors which Helped to Become an Entrepreneur													
5.1	Education	3	3	23	46	43	129	16	64	3	15	88	257	2.92
5.2	Training/Experience	5	5	23	46	22	66	30	120	8	40	88	277	3.15
5.3	Technical know-how	13	13	42	84	20	60	9	36	4	20	88	213	2.42
5.4	Professional experience	16	16	30	60	20	60	16	64	6	30	88	230	2.61
5.5	Government policy	11	11	25	50	26	78	19	76	7	35	88	250	2.84
5.6	Trade information	1	1	11	22	34	102	38	152	4	20	88	297	3.38
5.7	Capital	1	1	8	16	9	27	39	156	31	155	88	355	4.03
5.8	Help from other entrepreneurs	2	2	18	36	5	15	25	100	38	190	88	343	3.90
	TOTAL	52	52	180	360	179	537	192	768	101	505	704	2222	3.16

Source : Field Survey

Wt : Weighted Score

The analysis of eight items under “factors leading to the present location” reveals that weighted mean scores varied between 3 and 4 with regard to ‘availability of raw material and cheap labour’ (3.26) and ‘infrastructure facilities’ (3.02) indicating that these is considerable extent of agreement about these items. For the remaining six items the mean scores varied between 2 and 3 implying that there is the responses agreement to a moderate extent agreement only.

Out of seven items considered under “financial assistance factors”, for three items viz., ‘assistance from private commercial banks’ (3.19), ‘assistance from friends’ (3.61), ‘assistance from nationalized commercial banks’ (3.58), there is agreement to a considerable extent as revealed by the mean scores which lie between 3 and 4. Remaining four items (items 2.1, 2.4, 2.5 and 2.7) the opinion indicating that is agreement to a moderate extent.

It is observed that in the case of “technical assistance factors”, ‘assistance from non-government agencies’ (3.65) is more important than ‘assistance from Government agencies’ (2.83). All the nine items considered under “infrastructure factors” have mean scores between 3 and 4 indicating that entrepreneurs have agreed to a considerable extent about all these items.



Cover Page



Among “factors which helped to become entrepreneur”, ‘capital’ has highest weighted mean score (4.03) indicating that agro-based entrepreneurs agreed about this aspect to a great extent. For ‘training/experience’ (3.15), ‘trade information’ (3.38) and ‘help from other entrepreneurs’ (3.90), there is agreement among entrepreneurs to a considerable extent and for other items (‘education’, technical know-how’, ‘professional experience’ and ‘Govt. policy’) the responses as reveal agreement to a moderate extent only.

Key specific findings include

- Factors for Becoming an Entrepreneur: 'Capital' was the highest-rated factor with a score of 4.03 , followed by 'help from other entrepreneurs' (3.90).
- Financial Assistance: The most crucial sources of financial aid were private commercial banks (3.91), friends (3.61), and nationalized commercial banks (3.58).
- Technical Assistance: Entrepreneurs found assistance from non-government agencies (3.65) to be more significant than that from government agencies (2.83).
- Location Factors: The primary drivers for choosing a location were the 'availability of raw materials and cheap labour' (3.26) and existing 'infrastructural facilities' (3.02).
- Infrastructure: All nine components of infrastructure, including storage (3.86), water (3.80), communication (3.80), and banking (3.70), were considered important to a considerable extent by the entrepreneurs.

Summary

The analysis of factors influencing entrepreneurship highlights varying degrees of agreement among respondents. Under location factors, availability of raw material, cheap labour (3.26) and infrastructure facilities (3.02) received considerable agreement, while the remaining items showed only moderate agreement. For financial assistance factors, support from private banks (3.19), friends (3.61), and nationalized banks (3.58) were considered important to a considerable extent, whereas other sources reflected moderate agreement. In terms of technical assistance, non-government agencies (3.65) were rated more significant than government agencies (2.83). All nine infrastructure factors were found to have considerable importance, with mean scores between 3 and 4. Regarding factors aiding entrepreneurship, ‘capital’ (4.03) was rated the highest; showing strong agreement, while training/experience (3.15), trade information



Cover Page



(3.38), and help from other entrepreneurs (3.90) also received considerable importance. Other elements like education, technical know-how, professional experience, and government policy reflected only moderate agreement.

References

- Agrawal, A.N., Indian Economy, Wishwa Prakashan, New Delhi, 1996
- Ashok Kumar, S., Entrepreneurship in Small Industry, Discovery publishing house, New Delhi, 1990
- Bansal, S.K., Financial Problems of Small Scale Industries, Anmol Publications, New Delhi, 1991.
- Battacharya, S.N., Development of Industrially Backward Areas – the Indian Style, Metropolitan Book Company Pvt. Ltd., New Delhi, 1981
- Berma, J.J., Industrial Entrepreneurship in Madras State, Asia Publishing House, Bombay, 1960.
- Bert F. Hoselitz, A Sociological Approach to Economic Development, in D. Novock and R. Lekachman (Eds.), Development and Society, New York, 1964.
- Bhattacharya, S.N., Development of Industrially Backward Areas, Metropolitan Book Company (P) Ltd, 1981.
- Casson, M., The Entrepreneur-An Economic theory, Martin Robertson and Co., Oxford, 1982.
- Clarence Danhof, Observation on Entrepreneurship in Agriculture, in Arthur H. Cole (ed.), Change and the Entrepreneur, Harvard University, Cambridge, 1949
- Cochran, T.C., Entrepreneurship in David L. Shils (ed.), International Encyclopaedia of the social sciences, The Mac Millan Company, The Free Press, New York, Vol. 5, 1968.
- Cole, A.H., Business Enterprise in its social setting, Harvard university, Cambridge, 1959.
- Debnath Suraj Kumar, Entrepreneurs : the Emerging potentials of Economic Development in Batra, G.S. and R.C. Dangwal (Eds), Entrepreneurship and Small Scale Industries – New Potentials, Deep and Deep Publications Pvt. Ltd., New Delhi, 1999.
- Eseoffrey G., Meredith, Robert E. Nelson and Philp A. Neck, The practice of Entrepreneurship, International Labour Office, Geneva, 1982.