

**INDUSTRIAL ENTREPRENEURSHIP  
IN SMALL SCALE INDUSTRIES OF ORISSA**

**(with reference to an advanced, a backward and  
a more backward district)**

**THESIS  
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**BY**

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This is to certify that the dissertation entitled "INDUSTRIAL ENTREPRENEURSHIP IN SMALL SCALE INDUSTRIES OF ORISSA: WITH REFERENCE TO AN ADVANCED, A BACKWARD AND A MORE BACKWARD DISTRICT" submitted to the Utkal University in the fulfilment for the award of DOCTOR OF PHILOSOPHY in Economics by Shri Prafulla Kumar Raj embodies the results of bonafide research work carried out by him under my guidance and supervision. No part of this study reported here has so far been submitted any where for publication or any other degree or diploma.

It is further certified that such help or source of information as have been availed of during the course of investigation have been duly acknowledged by him.

BHUBANESWAR

DATED THE 10th Feb. 1982

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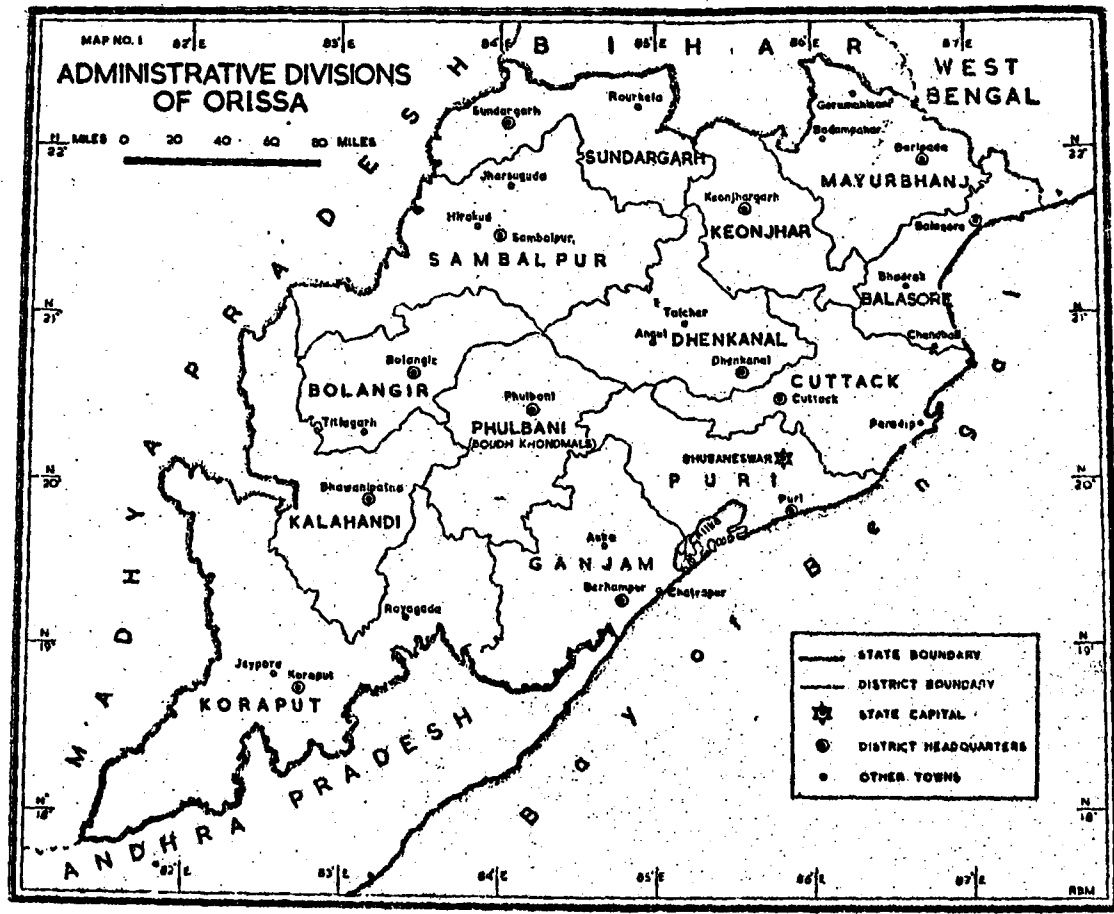
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## CHAPTER I

### INTRODUCTION

This chapter highlights the importance of the study of entrepreneurship and makes out a case for such a study in the small industry sector in Orissa. Relevant findings of other researchers are considered to identify the existing gaps in their works for giving an appropriate focus to the study. The prevailing economic environment of the districts constituting the study area is briefly outlined to provide the setting under which entrepreneurs work.

#### I. ROLE OF ENTREPRENEURS IN ECONOMIC DEVELOPMENT

Of the many factors contributing to economic development, we have chosen to consider entrepreneurship, because of the recent emphasis on its strategic importance in economic development. Hirschman, emphasising the role of entrepreneur in economic development observes:

For a long time, certainly until 1914 and perhaps until 1929, natural resources held the centre of the



stage when the chances of a country's development were considered. Later on capital, a man-made and quantifiable entity, came to be considered the principal agent of development. But this belief in the strategic importance of capital has itself been increasingly challenged. Among the proximate causes of economic development, the supply of entrepreneurial and managerial abilities now occupies in official document a position of pre-eminence at least equal to that of capital.<sup>1</sup>

Baumol observes: In a growth conscious world I remain convinced that encouragement of entrepreneur is the key to the stimulation of growth.<sup>2</sup>

Baumol adds: If we seek to explain the success of those economies which have managed to grow significantly with those that have remained relatively stagnant, we find it difficult to do so without taking into consideration differences in the availability of entrepreneurial talent and in the motivational mechanism which

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1. Hirschman, Albert, O. The Strategy of Economic Development, New Haven, Yale University Press, 1958, p.1.
  2. Baumol, William, J. "Entrepreneurship in Economic Theory", The American Economic Review, May, 1968, p.70.

drives them on.<sup>3</sup>

Harvey Leibenstein is of opinion that the entrepreneur has a unique and critical role to play and as such is a significant variable in the development process. According to him, "the gap filling and input completing capacities are the unique characteristics of the entrepreneur".<sup>4</sup>

Scarcity of such talents frequently results in a considerable divergence between the plan targets and results and poses the problem of capital absorption capacity in developing countries. Chenery and Strout have considered lack of capital absorption capacity to be a significant constraint for these countries. Solow and others have shown that only by increasing standard inputs we may not achieve economic growth.

The foregoing observations of development theorists confirm the strategic role of the entrepreneur in economic development. 'Whether or not he is assigned the starring role he would appear in practice to be no minor character'.

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3. Ibid, p.65.

4. Leibenstein, Harvey, "Entrepreneurship and Economic Development", The American Economic Review, May, 1968, p.75.

## II. THE GENESIS OF THE STUDY

Orissa is an underdeveloped State of the Indian Union. Economic development of the State is therefore an imperative need. It has often been asserted by the policy makers, bankers, executives of promotional agencies and Government officials in the department of industries that one of the major factors for the slow and tardy pace of industrialisation is the 'paucity of able entrepreneurs'.

A study team sponsored by the IDBI (Industrial Development Bank of India) and others for "Industrial Potential Survey" of Orissa notes:

One of the most important factors responsible for the backwardness of the State has been the lack of proper entrepreneurship capable of implementing and managing the projects based on locally available raw materials. There has also been marked deficiency of technical and managerial skills in the State.<sup>5</sup>

Absence of indigenous entrepreneurship has also been highlighted in the "Economic Survey of Orissa" (1960). The "Survey" stated that local people have not shown enterprise or availed themselves of opportunities

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5. Industrial Potential Survey, Orissa, Report of a Study Team sponsored by IDBI, ICICI, etc., 1970, p.83.

of entering into some of the more lucrative urban industries.<sup>6</sup>

P.S. Lokanathan in the preface to the "Techno-Economic Survey of Orissa" (1962) points out that the natural resources of the State have remained unexploited "partly due to the absence of indigenous entrepreneurial classes".<sup>7</sup>

Orissa does not have a tradition of business and entrepreneurship. Oriya names are rather rare in the annals of Indian entrepreneurship. Family background of trade and business and own experience in related line of manufacture are the essential ingredients of entrepreneurial ability and business acumen. Both these ingredients are found to a limited extent in Orissa. Industrial establishments being few and far between the number of skilled labourers, efficient managers and technicians is limited in supply. The demonstration effect of 'others doing well' acts as a powerful stimulant for others entering the line.

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6. Misra, S. Economic Survey of Orissa, Vol.II, Government of Orissa, 1960, p.111.

7. Lokanathan, P.S. Techno-Economic Survey of Orissa, NCAER, New Delhi, 1962, p.xii.

An enterprise throbbing in the neighbourhood of the investors offers a greater sense of security and satisfaction. These effects are however, very much lacking in the industrially backward State of Orissa.

All this makes it necessary to know about the entrepreneurs already in the field. It would help us in understanding this key figure in economic development.

### III. INDUSTRIAL ENTREPRENEURSHIP IN SMALL-SCALE INDUSTRIES OF ORISSA

This study is based on industrial entrepreneurship as distinct from other types. More specifically, we in this study confine our attention to the industrial entrepreneurship in small-scale industries of Orissa as distinct from the house-hold and handicrafts sector at one end of the spectrum and of the medium and large industries at the other. The reasons are:

- (1) Units belonging to the household and handicraft sector are too small to be of any use for the type of study aimed at. Reliable informations on the number, categories, location, products, employment, etc. of the units are also not available. On the other hand medium and large-scale units are too few and scattered all over the State. Given these constraints, we have to confine our study to industrial entrepreneurship in small-scale industries.

(2) Small industry provides a better picture of entrepreneurial activities. In several cases the same one man is the owner, financier, manager and sales-man of his own products. Consequently, the unit established by him becomes the very embodiment of his own skill and abilities. Moreover, even if a small unit is organised on partnership basis or on co-operative lines or takes the company form it is not as difficult to identify entrepreneurial activities as in the case of units belonging to large industry.

(3) Staley and Mores point out: Small factories serve a newly industrialising country not only by their output of goods but also by functioning as a nursery of entrepreneurial and managerial talent.<sup>8</sup>

One should not overlook the human capital formation that takes place in a vigorous modernising and expanding small industry sector. Small industry can serve as school of entrepreneurship helping to produce men who think in terms of investing capital productively. Small industry is capable of giving such learning-by-doing experience to more people and to a broader range of social classes in more parts of the country than large industry.<sup>9</sup>

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8. Staley and Morse, Modern Small Industry for Developing countries, McGraw Hill Book Company, New York, 1965, p.232.

9. Ibid, p.236.

- (4) In the context of a vigorous small industry policy for the industrialisation of the backward areas it is hoped that such a study would be more meaningful as a guide to policy measures to be undertaken by the Government and promotional agencies.

#### IV. RELEVANT RESEARCH FINDINGS

Sandesara observes: Indian entrepreneurship is, by and large an unexplored area.<sup>10</sup> Studies on entrepreneurship have gained in importance only in recent years.

In what follows a short review of the main findings arrived at by the researchers relating to -

- (i) Socio-economic background of entrepreneurs;
- (ii) initial and operational problems of entrepreneurs; and
- (iii) technological change and growth of industrial units, is presented.

##### (i) Socio-economic background of entrepreneurs

This aspect has been studied under three sub-heads: (a) age of entrepreneurs; (b) education and experience and (c) caste and community background of the entrepreneurs.

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10. Sandesara, J.C. "Industrial Economics: A Trend Report," in A Survey of Research in Economics - Industry, Vol.V, ICSSR, 1975, p.45.

(a) Age of entrepreneurs:

Some of the studies reported that the majority of entrepreneurs were in the younger age group. Pathak<sup>11</sup> put the majority of entrepreneurs in the age group of 18 to 39 years; Madurai study<sup>12</sup> in the age group of 28 to 32 years; SIET,<sup>13</sup> study 61 per cent 40 years or below and Delhi Study<sup>14</sup> 50 per cent below 35 years. K.L. Sharma also found the majority in the younger age group.<sup>15</sup>

(b) Education and Experience:

Sharma, Pathak, Ramkrishnan and SIET studies considered education and experience as variables in entrepreneurial development. Sharma mentioned that education was not significantly related with entrepreneurial

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11. Pathak, H.N. Problems of Small Scale Entrepreneurs, Report on a study team based on Gujarat, Published by IDBI, 1975, p.53.
  12. Subramanian, et al., Entrepreneurship in Small Scale Industries in Madurai City and Its Environs, Sangam Publishers, Madras, 1975, p.33.
  13. SIET Institute, Socio-psychological Factors Influencing the Adoption of the Innovation of Starting a Small Industry Unit, A research study, 1974, p.8.
  14. Ramakrishnan, P. New Entrepreneurship in Small Scale Industry in Delhi, Economic and Scientific Research Foundation, New Delhi, 1975, p.14.
  15. Sharma, K.L. Entrepreneurial Performance in Role Perspective, Abhinav Publications, New Delhi, 1975, p.34.



role conformity.<sup>16</sup> Pathak observed that related experience and related training were more significant for entrepreneurial development than related education. Entrepreneurship was nurtured in the school of experience and technical training institutions or short-term courses. Related college education had not made its impact or contribution to this extent.<sup>17</sup> SIET study revealed that the level of education did not influence the respondents in their reasons for starting the industrial units.<sup>18</sup> Differences in the levels of education did not influence the respondents in their perception of the most discouraging factors.

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Yusif A. Sayigh in his study of 'Entrepreneurs of Lebanon' points out, "When the age of respondent is associated with their economic sector, the most striking fact is the tendency of the youngest men to be in industry, rather than in agriculture, finance and services. Almost all those under 30 years old are in industry", (Harvard University Press, 1962, Cambridge, Massachusetts, p.56).

16. Sharma, K.L., Ibid, p.132.
17. Pathak, H.N., Op. cit., p.143.
18. SIET Institute, Op. cit., p.xiv.

John H. Harris in his study of 'Nigerian Entrepreneurship in Industry' observes: "The relationship between formal education and entrepreneurial performance is much weaker than had been expected". In Entrepreneurship and Economic Development(ed) Kilby, the Free Press, New York, 1971, p.343.

The distribution of entrepreneurs according to their fathers' occupations emphasises the fact that a family background of business experience is influential to a greater degree in taking to entrepreneurship as a career.<sup>19</sup> K.L. Sharma found majority of entrepreneurs to have come from the business and industrial families.<sup>20</sup> Seventy per cent of entrepreneurs reported having previous experience in the line of manufacture they had chosen. Employment experience alone in more or less similar fields accounted for 52 per cent of the entrepreneurs.<sup>21</sup> SIET study reported that past experience in an industry was associated with a majority of respondents before they started their industrial units.<sup>22</sup> According to this study experience in the line was the important encouraging factor next to high demand for product.

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19. Ramakrishnan, P., Op. cit., p.16.

20. Sharma, K.L., Op. cit., p.33.

21. Ramakrishnan, P., Ibid, p.19.

22. SIET Institute, Op. cit., p.70.

(c) Caste and community:

According to James Berna the emergence of industrial entrepreneurs in modern India was more directly conditioned by economic than social factors. Access to capital, possession of business experience and opportunity to acquire technical training - the usual determinants in other countries - appeared to be far more important than purely social factors such as caste, tradition and social approval and disapproval.<sup>23</sup> Berna's conclusion was reinforced by a number of scholars who held more or less similar views. Baldwin found that in Indian industry, the caste system seemed to be considerably looser and more flexible than it often appeared to outsiders at first glance.<sup>24</sup> According to Hazle Chrust it may be more accurate to think of Khatriis and Aroras in Ram Nagar as members of occupational groups rather than endogamous caste groups with well defined caste rituals and behaviour.<sup>25</sup>

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23. Berna, James, J., Industrial Entrepreneurship in Madras State, Asia Publishing House, Bombay, 1960, p.84.
24. Baldwin, George, B. Industrial Growth in South India - Case studies in Economic Development, New York: The Free Press, 1959, p.338.
25. Hazlechrust, Entrepreneurship and the Merchant Castes in Punjabi City, Durham, N.C.: Duke University, Common Wealth Studies Centre, 1966, p.41.

On the other hand UNESCO studies highlighted the traditional social institutions playing an important role both in the selection of small scale entrepreneurs and in determining the size of their undertakings.<sup>26</sup>

Subsequent findings of investigators confirmed the former view. Subramanian, et al., came to the conclusion that entrepreneurship in small scale industries in Madurai city had been more an outgrowth of economic factors than of social factors, much less by caste.<sup>27</sup> Pathak pointed out that an almost incontrovertible conclusion which emerged from an analysis of entrepreneurial manifestations was that industrial entrepreneurship in modern India was more and more conditioned by economic and industrial than only by social factors.<sup>28</sup>

(ii) Initial and operational problems

(a) Initial problems:

At the inception stage an important problem is the perception of market opportunity for establishing an industrial unit. SIET study mentioned that for the largest single group of respondents the source of awareness

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26. UNESCO, Small Industries and Social Change, Delhi, 1966.

27. Subramanian, et al., op. cit., p.100.

28. Pathank, H.N., op. cit., p.161.

was working in industry. For the second largest single group the source of awareness was friends or friends' advice.<sup>29</sup> Pathak mentioned that a large majority of entrepreneurs had come into existence based on the experience of the entrepreneurs in the line and not necessarily on the basis of their educational background.<sup>30</sup> Study based around a coastal district in Andhra Pradesh indicated that nobody did enter the manufacturing business on the ground that it was risky.<sup>31</sup> For all the respondents of SIET study high demand for products was perceived as the most encouraging factor and governmental red-tape and capital shortage as the most discouraging factors in starting the small industrial units.<sup>32</sup>

As regards the objective problems at the initial stage we find from Andhra study that for a good number of entrepreneurs there was lack of proper guidance and a significant number faced shortage of capital.<sup>33</sup> Gaikwad and Tripathy were of the opinion that the prospective entrepreneurs were aware of the great scope for starting new industries but they did not have the requisite technical know-how and competence for starting such industries.<sup>34</sup>

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29. SIET Institute, op. cit., p.xvi.  
 30. Pathak, Op. cit., p.8  
 31. A.S.C.I., Emerging Investors:A Rural Profile, 1969, p.9.  
 32. SIET Institute, Ibid, p.xvi.  
 33. A.S.C.I., Ibid, p.9.  
 34. Gaikwad, V.R. and Tripathy, R.N. Socio-psychological factors Influencing Industrial Entrepreneurship in Rural Areas, National Institute of Community Dev.Hyd.1970.

Pathak listed a number of initial problems. The most important problems faced by the entrepreneurs during the period were in the field of raw material, market and production. Finance happened to be of special significance to an entrepreneur during the inception stage.<sup>35</sup>

(b) Operational problems:

Berna enumerated four groups of operational problems: (1) raw material problems; (2) employer-employee relations; (3) other labour problems; (4) the problems of working capital. He pointed out that the growth of enterprises had been achieved in the face of formidable obstacles, chief among those being an acute shortage of basic raw materials, unavailability of skilled labour and technicians, chronic shortage of working capital and constant and serious labour troubles. Some of the technological problems as reported by Berna were unfamiliarity with work methods and lack of technical knowledge.<sup>36</sup>

Pathak in his study "Entrepreneur, Technician and Manager in Small Scale Units" observed that the problems in the operational stage were more in the field

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35. Pathak, H.N. Op. cit., p.8

36. Berna, James, J. Op. cit., pp.214-216.

of management.<sup>37</sup> Gaikwad and Tripathy attributed low achievement of sample units mainly to lack of technical know-how about non-traditional business.<sup>38</sup> For Ramakrishnan the main reasons for drop-out were lack of finance, lack of technical know-how and mismanagement.<sup>39</sup> Pathak in his Gujarat Study observed that the working of different machines posed problems more in backward and some developing districts. In some cases the size of the market was small and did not permit working of small units. Markets were again found to be competitive and with a low initial output selling a product at the going price was difficult. Irregularity and/or non-availability of power had been a problem particularly in backward districts. Another difficulty was paucity of trained or experienced labour. The local labour could not be trained quickly while non-local labour could be retained only at a high cost to the unit.<sup>40</sup>

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37. Pathak, H.N. "The Entrepreneur, Technician and Manager in small-scale units", Economic and Political Weekly, Vol.VII, No.48, November 22, 1972, Review of Management p.M-184.

38. Gaikwad and Tripathy, op. cit., p.29.

39. Ramakrishnan, op. cit., p.5.

40. Pathak, H.N. Probelms of Small Scale Entrepreneurs, Op. cit., pp.71-72.

(iii) Technological change and  
the Growth of the units

James Mc Crory in his study of a North Indian town came to the conclusion that the entrepreneurs had all the qualities of good entrepreneurs except success.<sup>41</sup> The main cause of their retarded growth was their financial vulnerability.

Berna's study revealed that the medium sized firms had mostly grown from small beginnings, many even from very small repair and odd-job shops. He affirmed that the small industry in India could serve as seed-bed for growth.<sup>42</sup>

In his Ludhiana study Pathak stated that the typical Ludhiana entrepreneur had chosen to remain in the field of small scale industry. Several explanations were advanced about the entrepreneurial preference for this sector. It was noted that he was a small man but being very dynamic tried two or three lines and in doing this, the small scale of his operation suited him eminently.<sup>43</sup>

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41. Mc Crory, Small Industry in A North Indian Town: Case studies in Latent Industrial Potential, Ministry of Commerce and Industry, Government of India, New Delhi, 1956, p.19.
42. Berna, op. cit., pp.158-163 (for details).
43. Pathak, H.N. "Small Scale Industries in Ludhiana", The Economic and Political Weekly, Vol.V, July 11, 1970, p.1096.



Gaikwad and Tripathy found that the entrepreneurs were aware of the possibilities of diversification but they did not diversify mainly due to lack of technical know-how about non-traditional industries.<sup>44</sup>

In Madurai study it was pointed out that entrepreneur felt less need for reinvesting his profit for further growth because of the favourable economic background of his family.<sup>45</sup>

#### V. THE FOCUS OF THE STUDY

The above are the main findings on small-scale entrepreneurship in India. We do not claim to have covered all the literature in the field. But we do not think that we have missed much in terms of ideas.

The studies we have considered are case studies in different regions of the country. They provide an insight into the circumstances under which entrepreneurship in the small-scale industries functions and the socio-economic factors that shape and condition entrepreneurship. Some of the studies provide very detailed exposition of the inception level factors and problems faced by the entrepreneurs at the initial and operational stages.

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44. Gaikwad and Tripathy, op. cit., p.35

45. Subramanian, et al., op. cit., p.101.

But all these leave much to be desired. Some of the studies have become largely outdated. Studies by Berna, McGroary and Hazle Chrust belong to this category. Moreover most of the studies have delimited their scope to the socio-economic and political aspects of the origin of entrepreneurship and to the initial and operational problems encountered by them to the neglect of other important aspects. Aspects like the financial and economic performance, quantitative and qualitative growth and the advantages/handicaps of the locations of the industrial units established by the entrepreneurs should have received due consideration. Reference to such aspects has atbest been casual or incidental.

Entrepreneurship as such can hardly be evaluated. But the actions in which entrepreneur engages himself can be evaluated. Financial activities are such type of actions. These activities are considered to be important as they speak a lot about entrepreneurship inspite of their inherent shortcomings. Financial statements of the industrial units like the Balance Sheet, the Profit and Loss Statement, etc. can be collected, processed and analysed to focus on the financial position and financial and economic performance of the units. Furthermore, in a

growth conscious world the problems of the growth of the small units deserve careful attention. Both quantitative and qualitative aspects of the growth of units over the years should be considered as a part of the evaluation of industrial entrepreneurship.

Another important aspect which deserves to be studied is the problem of industrialisation of the backward area. Of late, such areas are given special importance in the scheme of industrialisation through small scale industries. To ensure a sustained growth of small enterprises in the backward areas it is necessary to tackle problems at the basic level of the entrepreneur. Although there may not be adequate number of entrepreneurs in such areas yet data collected even on a limited scale will provide a meaningful perspective on entrepreneurship and entrepreneurial/managerial problems. Industrial units from the backward areas no doubt find a place in the samples of some studies but entrepreneurship of such areas has not been the major focus.

Again, all the areas of a region are not equally developed or underdeveloped. Some areas are more developed than the other areas. Even in a backward

State we find some districts which are advanced and others backward. Hence a comparative assessment of socio-economic and other inception level factors, initial and operational level problems of entrepreneurs and entrepreneurial/managerial activities is desirable.

The present study is an attempt at studying industrial entrepreneurship covering all the above aspects. It is intended to probe into the entrepreneurial/managerial aspects of small scale industrial units in depth so that a proper diagnosis can be made and more realistic policy suggestions can be offered.

#### VI. THE ECONOMIC ENVIRONMENT OF THE STUDY AREA\*

Our study area comprises three districts of the State of Orissa, namely, Cuttack, Balasore and Keonjhar. Of the three districts Cuttack and Balasore are the old districts and Keonjhar came into existence after the merger of the princely States in 1948.

Cuttack and Balasore are situated on the coastal plains along the Bay of Bengal whereas Keonjhar is a part of an extension of the Chotanagapur plateau with heavily forested hilly regions and rich mineral deposits.

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\* Please see the map.

With this physical setting the coastal districts are rich in agricultural and marine resources whereas Keonjhar is endowed with important minerals like iron ore, manganese ore, chromite, kaolin and forest resources. Situated at a long distance from the sea the district is deprived of marine resources. On the other hand Balasore has enough of marine resources but no mineral resources. Moreover of the two coastal districts Balasore has the longest coast line of 137 Kms with one minor port at Chandabali and a fishery harbour at Dhamara. A major port has been constructed at Paradip in Cuttack district.

According to Census of India 1971, of the 13 districts of Orissa Cuttack happens to be the most populous district. With a population of 3,827,678 it ranks first among the districts. Balasore with a total population of 1,830,504 ranks sixth and Keonjhar with a population of 955,514 ranks twelfth among the districts.

The degree of urbanisation is the highest in Sundargarh district, the proportion of urban to total population being 23.25 per cent. Cuttack ranks sixth with a percentage of 7.98, Keonjhar seventh with a percentage of 7.05 and Balasore ninth with a population of 5.47. In Keonjhar the apparently high urban proportion

may be ascribed to influx of persons belonging to Scheduled Castes (SCs) into the urban areas growing as mining and quarrying centres.<sup>46</sup>

Moreover there was no class I town in Orissa prior to 1951. It was in 1951 that Cuttack came to be known as the first and the only city of Orissa with a population just over one lakh. According to 1971 Census the district headquarters of Balasore and Keonjhar are class III and class IV towns respectively.

Districtwise, it is seen that the highest literacy rate occurs in the district of Cuttack (42.56 per cent). Balasore ranks third with a literacy rate of 39.55 per cent, while Keonjhar ranks eighth with a literacy rate of 24.96 per cent.

Census figures for 1971 also show that the percentage of both SC and ST (Scheduled Tribes) population is lowest in Cuttack (20.95) followed by Balasore (25.87). Keonjhar has the highest percentage (58.24) of such population. These people are the primitive or near primitive types for whom a changeover to modern industrial society is difficult.

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46. Census of India, 1971, General Report, Series 16, Orissa, Part I-A, p.128.

In the matter of infrastructural facilities like supply of power and a network of the means of transport and communication, Cuttack district is well ahead of the other two districts. Both thermal and hydro-electric power is available in the district and is adequate for the development of industries.<sup>47</sup> Also the communication system is fairly well developed.<sup>48</sup> The National High Way No.5 and the Howrah-Madras line of South Eastern Railways connecting the metropolitan cities of Calcutta and Madras pass through the heart of the district. Both the High Way and railway system also pass through the heart of Balasore district connecting the important places of the district.<sup>49</sup> With the completion of bridge over Subarnarekha the 318 KM long distance between Balasore town and Calcutta will be reduced by about 40 KMs. It is stated in the "Action Plan" for Balasore district that all principal places in the district have been provided with power.<sup>50</sup>

With regard to infrastructural facilities available in Keonjhar district "Action Plan for Industrial Development" states:

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47. Action Plan for Industrial Development, Cuttack District.  
 Directorate of Industries, Government of Orissa, Cuttack, p.17.
48. Ibid, p.17.
49. Action Plan for District Industries Centre, Balasore,  
 Vol.I, p.1.
50. Ibid, p.2.

Except for a few kilometres of rail lines in the North Western part of the district which are used mainly for lifting iron ore and other minerals, the entire district is deprived of railway communication. The total road length of the district is 1754 Miles. Most of the roads of this district are fair weather roads. The nearest railway station is Jajpur. Keonjhar Road on the Howrah-Madras route of the S.E. railway, which is 71 miles from Keonjhar the district headquarters... the Hirakud Hydro-electric power project located in the neighbouring district of Sambalpur and Talcher Thermal Plant of Dhenkanal are the main sources of power supply to this district. There is no problem of power supply to small scale industrial units.<sup>51</sup>

Thus it is seen that in power supply Keonjhar district is at par with the coastal districts but in roads and railways it lags far behind.

Agriculturally Cuttack happens to be the most advanced district of the three. In the production of rice, cereals, pulses, oil seeds, fibres, sugarcane, tobacco and potato Cuttack has the largest share followed by Balasore which is the close second to it.

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51. Action Plan for Industrial Development, Keonjhar District, Directorate of Industries, Government of Orissa, Cuttack, p.8.



Keonjhar occupies the third position in the above respects.<sup>52</sup> In terms of the value of gross production of all crops in current prices, gross cropped area, number of workers in agricultural sector,<sup>53</sup> cropping intensity,<sup>54</sup> fertiliser consumption<sup>55</sup> and area under high-yielding paddy<sup>56</sup> Cuttack comes first, Balasore Second and Keonjhar third.

Considering the occupational distribution of workers (Table I.1) we find that at the State level 79.58 per cent of workers are engaged in agriculture and allied activities whereas in Cuttack 76.24 per cent, in Balasore 85.63 per cent and in Keonjhar 77.01 per cent of workers are engaged in such activities. The percentage of workers engaged in mining and quarrying is 7.38 for Keonjhar, 0.15 for Cuttack and 0.16 for Balasore whereas for the State as a whole it is 0.75.

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52. See Economic Survey of Orissa, 1977, Bureau of Statistics and Economics, Orissa, pp.130-132 and 136.

53. Ibid, Annexure 4.10(A), pp.144.

54. Ibid, Annexure 4.3, p.110.

55. Ibid, Table 4.10, p.23.

56. Ibid, Table 4.5, p.15.

TABLE (A) - I.1

## OCCUPATIONAL DISTRIBUTION OF WORKERS

(Percentage to total workers)

Occupation	State	Cuttack	Balasore	Keonjhar
1	2	3	4	5
I. Cultivators	49.16	47.92	56.46	53.27
II. Agricultural labourers	28.28	26.44	28.06	22.03
III. Live stock, forestry, fishing, hunting and plantations, orchards and allied activities	2.14	1.88	1.11	1.71
IV. Mining and quarrying	0.76	0.15	0.16	7.38
V. Manufacturing, proce- ssing, servicing and repairs:				
a) Household industry	3.63	3.56	1.60	2.66
b) Other than House- hold industry	2.30	3.15	1.45	1.44
VI. Construction	0.55	0.50	0.35	0.36
VII. Trade and Commerce	3.31	4.71	2.46	2.25
VIII. Transport, storage and communications	1.45	2.00	1.46	1.54
IX. Other Services	8.42	9.69	6.89	7.36
TOTAL	100.00	100.00	100.00	100.00

Source: Census of India, 1971, Series 16 - Orissa, Part I-A,  
General Report, pp.966-969.

It is significant to note that while the percentage of workers engaged in manufacturing, processing, servicing and repairs in both household industries and other than household industries at the State level is 5.93, Keonjhar and Balasore have lower percentages of 4.10 and 3.05 respectively. Percentage for Cuttack is 6.71. Such percentage for the major States of India is: Kerala - 15.70, West Bengal - 14.07, Tamil Nadu - 13.17, Maharashtra - 13.02 and Gujarat - 12.07.<sup>57</sup> From the above pattern of distribution of workers it is obvious that Orissa and more specifically the districts under study are far from having an industrial economy. Agriculture continues to be the dominant sector of their economy. But speaking relatively Cuttack is more industrialised than the other districts.

Another index of industrial backwardness is the relative contribution of industrial sector to the domestic products. Table I.2 shows that at the State level the net domestic products (at factor cost) is ₹ 123806 lakhs of which the share of agriculture including animal husbandry, forestry and logging and fishery is ₹ 80282 lakhs, which comes to 64.84 per cent

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57. Ibid, pp.94-95.

TABLE I.2

NET STATE DOMESTIC PRODUCT OF ORISSA BY DISTRICTS AT  
FACTOR COST BY INDUSTRIAL ORIGIN AT CONSTANT  
(1970-71) PRICES FOR THE YEAR 1977-78

(In lakhs of Rupees)

Sl. No.	Item/Year	Balasore Cuttack Keonjhar State			
		3	4	5	6
1.	Agriculture and Animal Husbandry	5842	13060	2702	78082
2.	Forestry and Logging	58	166	598	1019
3.	Fishery	102	195	34	1181
	SUB-TOTAL	6062	13421	3334	80282
4.	Mining and Quarrying	--	220	601	2393
5.	Manufacturing:				
	a) Registered	19	604	142	5602
	b) Unregistered	141	632	120	4279
6.	Construction	202	630	126	4496
7.	Electricity, Gas and Water supply	59	178	37	837
	SUB-TOTAL	421	2264	1026	17607
8.	Transport, storage and communication:				
	a) Railways	161	468	101	2356
	b) Transport by other means and storage	125	365	78	1776
	c) Communication	33	94	20	507
9.	Trade, Hotel and Restaurant	226	1468	202	6303
	SUB-TOTAL	545	2395	401	10942

(contd.)

TABLE I - 1.2 (Contd.)

(In lakhs of Rupees)

Sl. No.	Item/Year	Balasore	Cuttack	Keonjhar	State
1	2	3	4	5	6
10.	Bank and Insurance	38	230	18	1229
11.	Ownership of Dwelling and Business Services	215	481	128	3067
12.	Public Administration	437	1312	277	4308
13.	Other Services	375	1124	237	6371
	<b>SUB-TOTAL</b>	<b>1065</b>	<b>3147</b>	<b>660</b>	<b>14975</b>
14.	Total NSDP at Fact Cost	8093	21227	5421	123806
15.	Population (In lakhs)	21.62	43.82	11.24	253.71
16.	Per capita income (In Rs)	374.33	484.41	482.30	487.98

Source: Bureau of Economics and Statistics, Government of Orissa.

of the total. But the share of registered manufacturing units is Rs 5602 lakhs (4.52 per cent). Both registered and unregistered units have a total share of Rs 9881 lakhs which is only 7.98 per cent of the total net domestic products. This shows how negligible is the contribution of manufacturing sector to the State income.

TABLE I.3

RELATIVE CONTRIBUTION OF AGRICULTURE AND INDUSTRY  
TO DOMESTIC NET PRODUCTS OF DISTRICTS

Sector/District	Agriculture	Industry
		(In lakhs of Rs)
Cuttack	13421 (63.23)	1236 (5.82)
Balasore	6062 (74.90)	160 (1.98)
Keonjhar	3334 (61.50)	262 (4.83)

(Figures in brackets indicate percentages to the total domestic net products of respective dists.)

Under agriculture we have included animal husbandry, forestry and logging and fishery. Similarly, in manufacturing we have included both registered and unregistered units. Obviously, in respect of each district the contribution of industry is quite negligible to its net domestic products. Speaking relatively Cuttack has the maximum contribution of 5.82 per cent followed

by Keonjhar with a contribution of 4.83 per cent. The industries of Balasore have the lowest contribution of 1.98 per cent to its net domestic products.

On the other hand the share of agriculture in the domestic products of the district of Balasore is as high as 74.90 per cent followed by Cuttack which has a share of 63.23 per cent. Agriculture in Keonjhar has the lowest contribution of 61.50 per cent. Contribution of mining and quarrying is as high as 11.09 per cent for this district. In other cases it is negligible. The people of Orissa are extremely poor. The NCAER study mentions that about 70 per cent of the total population is below poverty line i.e. having an income of less than ₹ 50 per month.<sup>58</sup>

In the rural areas of the State expenditure on food alone constitutes 80.96 per cent of the total consumer expenditure in 1973-74 as against 63.56 per cent in 1961-62. In the urban areas the corresponding proportion of expenditure on food was 71.30 per cent in 1973-74 as against 63.56 per cent in 1961-62. During the period 1973-74 to 1977-78 the consumption expenditure on food might have gone up still higher.

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58. Perspective Plan of Economic Development of Orissa, 1973-74 to 1983-84, Planning and Coordination Department, Government of Orissa, p.66.

This disproportionately heavy expenditure on food alone is largely attributed to the steep rise in prices of food articles.<sup>59</sup>

Data on poverty and consumer expenditure on different items of consumption are not available for individual districts. However, the above figures may be taken as a rough index of not only their poverty but also of the amount left with the people to be spent on other items.

Taking an overall view based on the above figures we may accord first rank to Cuttack, second rank to Balasore and third rank to Keonjhar district in the order of economic development as well as potentialities for future development. This would reinforce our classification of Cuttack as an industrially advanced district, Balasore as an industrially backward district and Keonjhar as an industrially special backward/more backward district.

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59. Economic Survey of Orissa, Op. cit., p.8.



## CHAPTER II

### DESIGN OF THE STUDY

This chapter presents the design of the study. Beginning with a definition of entrepreneur it explains in detail the empirical part of the study. The universe that was chosen, the sample frame used, the field work carried out, the method of data collection and the tools of analysis applied in this study are some of the facets of this chapter.

#### I. ENTREPRENEUR AND ENTREPRENEURSHIP IN THE SMALL SCALE INDUSTRY

J.B. Say was the first economist to give us a definitive idea of the entrepreneur.<sup>1</sup> Since his time economists have been concerned with entrepreneur and entrepreneurship and a number of functions have been identified by them to be entrepreneurial in nature.<sup>2</sup> There is no unanimity among the economists regarding the nature of entrepreneurial functions. The nature of entrepreneurship has also undergone substantial

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1. Gide and Rist, History of Economic Doctrines, p.82.

2. Marshall, Principles of Economics, 8th Ed.; New York Mac Millan Co., 1949; Knight, Franktt., Risk, Uncertainty and Profit, 8th impression; New York: Houghton Mafflin Co., 1957; Schumpeter, The Theory of Economic Development, Cambridge, Mass: Harvard University Press, 1955.

changes over the years.<sup>3</sup> In the giant industrial corporations of the world today instead of single man entrepreneurship we have what is called 'plural entrepreneurship'. In underdeveloped countries the task of entrepreneur is not so much to innovate as to adopt and imitate.<sup>4</sup>

Who is an entrepreneur for our study ?

What are his functions ?

The distinguishing mark of an entrepreneur is the typical nature of work done by him in an industrial enterprise. The logical basis of the definition of an entrepreneur, therefore, should be a functional one. In fact, 'it is not the individual unique person who is important, but the actions in which a person engages himself'.

Generally speaking functions such as perception of market opportunity, interpretation of the same guided by the profit motive, enumeration of the reasons for taking up an industrial career, organisation of an industrial unit for exploiting the opportunity perceived and major decision making with regard to the expansion

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3. Schumpeter, Joseph, A. Capitalism, Socialism and Democracy, 8th impression, George Allen & Unwin Ltd., London, 1959; Pigou, A.C. Capitalism Versus Socialism.

4. Gadgil, D.R. Planning and Economic Policy in India, p.95. Berna, James, J. Op.cit., p.5; Singh, Pritam, "The Role of Entrepreneurship in Economic Development", Dr. P.S. Lokanathan, Seventy Second Birth Day Commemoration Volume, Vora & Co., Publishers Pvt.Ltd., Bombay-2, 1966, pp.228-229.

of the unit and diversification of products have been identified as entrepreneurial functions. The day-to-day management of the unit is not considered to be entrepreneurial in nature. Such routine work of management is capable of being entrusted to a paid manager. Entrepreneur performs the services not available in the market.

The larger the enterprise the greater is the scope for utilising specialised executive personnel. Management control and technological problems can be delegated to salaried persons having necessary competence in the field. But in a small-scale industrial unit the scope for appointing such personnel is severely limited. Thus by necessity a small-scale entrepreneur acts as the manager of his own unit. Once the unit is established he settles down to run the same looking after the day-to-day managerial problems as well. Libenstein calls such function as 'routine entrepreneurship'. However, the amount of managerial work to be done by an entrepreneur depends on how small is his unit.

The above considerations lead to us to define the "entrepreneur" for the purpose of this study as the person/the group of persons responsible for the existence

of an industrial unit and/or running it at present with a proprietary interest.

The entrepreneur we are concerned with is small and unimpressive. He operates with little or no tradition in business or entrepreneurship. Even if he had not been responsible for the existence of an industrial unit he is running the same with a proprietary interest. He is an 'adaptor' or 'imitator' rather than the Schumpeterian innovator.

## II. OBJECTIVES OF THE STUDY

The study purports to make a comparative assessment of the following relating to industrially advanced, backward and more backward districts of Orissa:

- (i) Social, educational technical and economic background of entrepreneurs;
- (ii) inception level factors and initial problems of entrepreneurs;
- (iii) economic structure of the industrial units of entrepreneurs, their financial position and composition of output;
- (iv) main problems the entrepreneurs face in running their manufacturing units; and
- (v) Financial and economic performance of the industrial units of entrepreneurs and quantitative and qualitative growth of such units.

### III. HYPOTHESES OF THE STUDY

In the light of the objectives the study seeks to test the following hypotheses:

- (1) A greater number of socio-economic factors making for better entrepreneurship may be expected to be associated with entrepreneurship in the industrially advanced district than in the backward district than in the more backward district;
- (2) Inception level factors and initial problems may be expected to be more favourable for the origin of industrial entrepreneurship in the advanced district than in the backward district than in the more backward district;
- (3) Industrial units of entrepreneurs in the advanced district may be expected to possess a greater number of features of more developed units than in the backward district than in the more backward district;
- (4) Operational problems of entrepreneurs of more backward district may be expected to be greater and of more varied nature than in the backward district than in the advanced district;
- (5) Industrial units of entrepreneurs in the advanced district may be expected to show better performance at a point of time than the units of entrepreneurs in the backward district than the units in the more-backward district; and

- (6) Industrial units of entrepreneurs in the advanced district may be expected to show improved performance overtime and that this performance may be expected to be better than the performance of units of entrepreneurs in the backward district than the performance of the units in the more backward district.

#### IV. BASIS OF SAMPLING

The definition of a small-scale unit till May 1975, was in terms of investment in plant and machinery (original value) of Rs 7.5 lakhs and less and Rs 10 lakhs and less, in the case of small-scale ancillary unit. The investment limit in the definition was revised in May 1975 to Rs 10 lakhs and Rs 15 lakhs for small-scale unit and ancillary unit respectively.\* Since we decided to take for analysis units existing prior to 31st December 1974 enlisted in the Directory of Industries in Orissa, 1975, we have accepted the earlier investment limits for the purpose.

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\* The investment limit has been further raised to Rs 20 lakhs and Rs 25 lakhs for small-scale unit and ancillary unit respectively in the industrial policy announcement of 1980. Also in case of tiny unit such limit has been increased from Rs 1 lakh to Rs 2 lakhs.

At the State-level information regarding the small-scale industrial units is obtainable from two sources:

(1) Labour Directorate; and

(2) Directorate of Industries

According to Factories Act of 1948 only units employing 10 or more workers using power or 20 or more workers without power per day are registered with the Director of Labour. But all the units are expected to register themselves with the Director of Industries. Registration with the Director of Industries is of course voluntary. The Directorate is expected to maintain the enrolment registers regularly.

At the beginning an attempt was made to obtain information from both the sources. The list of factories obtained from the Labour Directorate has not been of any use for us for the simple reason that it was not in a usable form for our purpose. It was merely a list showing the name and location of factories and average daily employment without any classification of factories product-wise or district-wise. It was also found that the Enrolment Registers with the Directorate of Industries are not maintained properly. Hence the only source of information for us has been the Directory of Industries

in Orissa, 1975, published by the Directorate of Industries.

The Directory was also found to be incomplete in several respects. In most of the cases, it did not mention the registration number and date of establishment of the units even if a separate column was there for it. Instead of actual employment it furnished potential employment. Also name and address of owner were not mentioned against each unit. Moreover there were certain places situated at great distances bearing the same name. These places had not been clearly demarcated from each other. Industrial units bearing the same name and belonging to a particular industry group were not clearly distinguished from each other. In addition some industrial units belonging to one industry had been wrongly entered in another group.

In spite of its incompleteness and errors and omissions we decided to make use of information contained in it in the absence of any other suitable alternative.

There were in total 2819 units in it falling within the purview of Small Industries Development Organisation (SIDO) Units, specialised boards,



committees or agencies.<sup>5</sup> We were interested in SIDO units exclusively for we wanted to study entrepreneurship in modern small-scale industrial units only. SIDO units were considered to be modern small scale industrial units.<sup>6</sup> Hence we had to exclude industrial units coming within the purview of other Government agencies and statutory boards, i.e., Handloom Board, Khadi and Village Industries Commission, Handicrafts Board, etc. Excluding such units we found in total 2062 units. Since several of these units were not properly classified necessary changes in the classification were made following the National Industrial Classification of 1970 (NIC, 1970).

#### V. SAMPLING DESIGN

Our next step has been to arrange modern small-scale industrial units in the form of a Table. Table II.1 shows district-wise and industry-wise distribution of units. It contains information regarding 16 industries in 14 industrial districts (Rourkela in Sundargarh administrative district is an industrial district).

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5. A list of such industries is given in Table 2.1 at p.12 of the Report on Census of small-scale industrial units, Vols. I and II, Published in January, 1977.

6. Ibid, p.2.

TABLE II.1

DISTRICTWISE AND INDUSTRY-WISE DISTRIBUTION OF SMALL-SCALE INDUSTRIAL UNITS AS EXISTING ON  
31ST DECEMBER 1974

District/ Industry	Food products	Beve- rages	Hosiery & Readymade Garments	Wood products	Paper pro- ducts and printing	Leather products	Rubber & Plastics	Chemicals & Chemical pro- ducts
1	2	3	4	5	6	7	8	9
Balasore	19	--	16	40	13	1	12	9
Bolangir	7	--	--	13	8	2	2	16
Cuttack	53	--	5	36	27	4	23	36
Dhenkanal	8	--	5	8	4	-	2	4
Ganjam	45	--	13	8	6	-	12	16
Kalahandi	8	--	3	11	1	-	1	2
Keonjhar	15	--	13	32	5	3	17	3
Koraput	18	1	11	39	4	4	10	7
Mayurbhanj	10	--	5	23	6	-	5	4
Puri	14	--	2	5	4	1	7	12
Rourkela	14	--	2	14	14	2	9	20
Phulbani	3	--	1	3	1	1	1	1
Sambalpur	14	--	3	28	18	8	8	26
Sundargarh	12	--	14	11	4	-	6	2
All Districts	240	1	93	271	115	26	115	158

(contd.)

TABLE II.1 (contd.)

District/Industry	Mineral products	Basic metal and alloy industries	Metal products	Machinery and parts	Electrical & machinery apparatus	Transport equipment & parts	Misc. manufacturing industries	Repair & services	TOTAL
	10	11	12	13	14	15	16	17	18
Balasore	28	--	15	1	--	1	2	42	199
Bolangir	4	2	17	1	--	--	-	7	79
Cuttack	29	5	129	11	8	7	6	15	394
Dhenkanal	29	-	11	2	2	-	1	6	82
Ganjam	17	3	81	2	-	2	2	10	217
Kalahandi	3	-	7	-	-	-	-	6	42
Keonjhar	13	3	15	1	-	4	3	40	167
Koraput	8	-	22	6	1	2	-	34	167
Mayurbhanj	21	-	5	4	-	1	1	5	90
Puri	6	-	21	3	5	3	1	4	88
Rourkela	2	5	103	15	7	7	2	13	229
Phulbani	--	-	2	-	-	-	-	5	18
Sambalpur	18	3	49	13	2	6	1	6	203
Sundargarh	1	-	12	5	-	4	-	16	87
All Districts	79	21	489	64	25	37	19	209	2062

Source: Directory of Industries in Orissa, 1975; Published by the Directorate of Industries, Orissa.

Of the 14 industrial districts 8 are considered to be industrially backward of which 6 have been declared as more backward.<sup>7</sup> The remaining 6 districts are considered to be industrially advanced. The following is the break-up of the 14 districts into the above three categories.

<u>Industrially advanced</u>	<u>Industrially backward</u>	<u>Industrially more backward</u>
Cuttack	Balasore	Bolangir
Ganjam	Phulbani	Dhenkanal
Puri		Kalahandi
Rourkela		Keonjhar
Sambalpur		Koraput
Sundargarh		Mayurbhanj

It was decided to select one industrially advanced, one industrially backward and one industrially more backward district for the following reasons:

- (1) The industrial units being scattered over a wider area in each district it is not possible for a researcher to cover all the districts.
- (2) Study of one advanced district, one backward district and one more backward district would be representative in character in view of the variations in regional differences of socio-cultural practices, resource endowments,

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7. Patra, G.C. Managing Director, OSFC, in News Bulletin, Special Issue, 1978, Orissa Young Entrepreneurs Association, p.4.

Also see, Attracting Industries to Developing Areas, ICICI, 1975, pp.91 and 104.

infrastructural facilities, economic backwardness of the population and so on. Also, general economic conditions and state of affairs in the markets they sell influence them in decisive ways.

- (3) In view of conscious efforts at development of entrepreneurship in the backward districts of the country a comparative study of an advanced, a backward and a more backward district would have most appropriate focus.

The above considerations led us to select Cuttack, an industrially advanced district; Balasore, an industrially backward district and Keonjhar an industrially more backward district. Secondly, of the industrially advanced and backward districts Cuttack and Balasore had the largest number of units. Of the more backward districts Keonjhar and Koraput had an equal number of units (167 units in each). But it was decided to select Keonjhar because of the contact established earlier we expected better response.

For selection of industries we arranged the industries by the number of units registered with the Director of Industries, Orissa, in each of the three districts of Cuttack, Balasore and Keonjhar. While arranging these industries, the repair industries has been excluded because of the predominantly service character of this industry. Excluding this industry, the following order emerged.

Cuttack

Metal Products	129
Food Products	53
Wood Products	36
Chemical Products	36
Mineral Products	29

Balasore

Wood Products	40
Mineral Products	28
Food Products	19
Hosiery and Ready-made Garments	16
Metal Products	15

Keonjhar

Wood Products	32
Rubber and Plastics	17
Metal Products	15
Food Products	15
Hosiery and Ready-made Garments	13

It will be seen that of the above first five industries the following were commonly significant in each of the districts:

- (a) Metal Products;
- (b) Food Products; and
- (c) Wood Products.

The above were common among the first five industries. It was therefore, decided to select these 3 industries. As regards the other two industries it was decided that we should choose those industries which are significant among atleast two districts. Thus, for example, Mineral Products industry is among the first five in Cuttack and Balasore districts but not included among the first five industries in Keonjhar. It was however, decided to include that industry for Keonjhar.

Another industry which is common among the first five industries in two districts only is Hosiery and Readymade Garments. These districts are Balasore and Keonjhar. But this industry is not significant in Cuttack. However, it was decided to include that industry for Cuttack also.

These five industries accounted for a total of 252 units out of a total of 394 units in Cuttack, a total of 118 units out of a total of 199 units in Balasore and a total of 88 units out of a total of 167 units in Keonjhar district. The respective percentage for Cuttack is 63.95, for Balasore 59.30 and for Keonjhar 52.70.

Incidentally of these 5 industries, Metal products, Wood products, Food products, Mineral products were among the first four most important industries at the State-level also. Together with the Hosiery and Readymade Garments, which had 93 units these 5 industries accounted for 1272 units out of a total of 2062 units in Orissa, the percentage being 61.68.

#### VI. SAMPLING TECHNIQUE

Our universe consists of three different districts taken together. There are in total 760 industrial units

belonging to the 16 industries as shown in Table.

II.2. Of the 760 units the five industries which we have selected for intensive analysis together have a share of 460 units in total. The district-wise break-up is as follows:

Cuttack - 254; Balasore - 118; Keonjhar - 88.

Considering 30 per cent non-response, we decided to make the enumeration for 115 units for all the districts taken together so that a minimum number of 80 units were covered.

We allotted the 115 units among the three districts having strictly kept the number of units in the respective districts as the rationale. A coverage of 25 per cent in each district distributed the 115 units as follows:

Cuttack - 64; Balasore - 29; Keonjhar-22.

In the second stage, we allotted the total number of required sampling units for a district among the 5 industries. Here we have adopted the principle of proportional allocation. The detailed sampling break up is presented in Table II.2



TABLE II.2

## SAMPLING DESIGN

District	Food products		Wood products		Metal products		Non-metallic Mineral products		Hosiery and Ready-made Garments		Total	
	No. of units	Sample units	No. of units	Sample units	No. of units	Sample units	No. of units	Sample units	No. of units	Sample units	No. of units	Sample units
1	2	3	4	5	6	7	8	9	10	11	12	13
Cuttack	53	13	36	9	129	33	29	7	7	2	254	64
Balasore	19	5	40	10	15	3	28	7	16	4	118	29
Keonjhar	15	4	32	8	15	4	13	3	13	3	88	22
All Districts	87	22	108	27	159	40	70	17	36	9	460	115
	(100.00)	(25.00)	(100)	(25.00)	(100)	(25.00)	(100)	(25.00)	(100.00)	(25.00)		

Incidentally, we have a coverage of around 25 per cent in the different industries also.

## VII. METHODOLOGY AND QUESTIONNAIRE

Our study of industrial entrepreneurship in the small-scale industries of Orissa necessarily involves a study of small-scale industrial units established by the entrepreneurs.

The industrial unit established by a person bears the imprint of his decisions and actions. It is largely shaped by his entrepreneurial and managerial skill and ability. It is the business acumen of the person concerned which steers a concern through many an odds and ends. Therefore by studying industrial units, we would be taking some view of entrepreneurship. Entrepreneurship as such can hardly be evaluated. But the activities in which an entrepreneur engages himself can be evaluated.

The questionnaire had to be designed with the above objective in view. In addition to questions on entrepreneurial perception and action pattern a set of questions was addressed to collect informations regarding the establishment of entrepreneur, incentives and supporting facilities offered by the promotional agencies,

initial and operational problems of entrepreneur, growth of the unit with respect to the major variables such as total production, total labour employed, total capital, total fixed capital, total working capital, etc. and qualitative development of the units. In addition we also attempted to collect data on financial activities of entrepreneur, these being the important kind of activities of entrepreneur. The balance sheet and profit and loss statement are the important financial statements for appraising the economic conditions of the business units and the risks attached thereto (See Appendix C).

A set of questions sought - data on the personal profile and socio-economic background of entrepreneurs like age, education, religion, caste and community, type of family and the number of family members, principal occupation and business experience and technical background of entrepreneur and so on. Collection of data on these variables were necessary to provide a backdrop for the emergence of entrepreneurship. These variables largely condition entrepreneurship in the formative period and have lasting effects on its future growth. It is believed that the children born and brought up under a family tradition of business and entrepreneurship

would do well as entrepreneurs. Younger age, practical experience and technical training also stand them in good stead, in their industrial career.

The above bio-characteristic and influencing variables are mutually inter-acting and interlinked. They exercise a pull on industrial entrepreneurship and the strength of such pull can hardly be gauged. Consequently it was decided to base our analysis on the number and percentage of entrepreneurs influenced by such factors.

Another aspect of entrepreneurship which is difficult to quantify is the manner of perception of opportunity by the entrepreneur. Nevertheless it is an important entrepreneurial aspect. In the special context of industrial underdevelopment of Orissa with no tradition in business and entrepreneurship it is pertinent to know how the opportunity of establishing the unit came to an entrepreneur and how he could perceive it or how he was helped to perceive it.

In addition to the question on perception of opportunity some questions were asked on the factors that attracted the entrepreneur for taking the risk in manufacturing business, how did he become assured of the feasibility and viability of the unit and what experience

had been useful for his present career. All these are the relevant subjective judgements which the entrepreneur has to make prior to the actual establishment of the unit. Answers to the above queries were qualitative in nature. Therefore, it was decided to base this part of our analysis on the percentage.

Questions on the establishment of entrepreneur, incentives and supporting facilities, initial and operational problems, growth of industrial units over time, capital and finance and composition of output were in contrast of an objective and quantitative nature. Our analysis relating to the above aspects form a large part of the study. It is hoped that the objective and quantitative nature of the data collected would adequately compensate for the subjective and qualitative nature of the data collected on other aspects as stated earlier. The performance of the units was decided to be examined on the socio-economic criteria of capital-labour, capital-output and other relevant ratios as well as on the financial characteristics (such as growth of assets, output, etc) and financial ratios (such as stability, turnover and profitability ratios, etc). It was also decided to consult published materials of Orissa Small-scale Industries Association, Orissa Young Entrepreneurs' Association and other agencies

in which ministers, Government officials, representatives of entrepreneurs' associations and others have discussed the various issues in depth and have expressed their views.

### Comments

The relevant details of entrepreneurs and their units are presented in the Tables. However, in view of the focus of this study being on a comparative account of industrially advanced, backward and more backward districts comments in the text are restricted to highlighting such a position. In cases of non-availability of data comments have been given where data were available atleast for two districts.

## VIII. FIELD EXPERIENCE

The basic data for study were collected with the help of a structured questionnaire. It was not possible to establish contact earlier with the respondents through letters as their names and addresses were not available. Consequently many of the respondents of the far-off districts like Keonjhar and Balasore had to be approached for the first time without any prior intimation. Cuttack City being nearer to the Utkal University, Vani Vihar, Bhubaneswar, some of

the units located in the city could be contacted earlier. But contact could not be established with the respondents belonging to distant places of Cuttack district like Jajpur, Kendrapada, Jagatsinghpur, Bhatimunda and Balikuda. They were also approached without prior intimation.

In many cases interview was granted straight-way and questionnaire completely covered. Only in few cases the respondents were approached several times for granting an interview either because the respondents were too busy or were not very enthusiastic to supply the informations promptly.

The diffusion of the sample units over a wider area in each of the districts of Cuttack, Balasore and Keonjhar posed a problem for us. We had to move to very distant places like Jajpur, Jagatsinghpur, Kendrapada and Bhatimunda in Cuttack district, Nilgiri, Remuna, Nabra, Chandabali, Basudebpur, Dhamnagar in Balasore district and Keonjhargarh, Joda and Barbil in Keonjhar district by public bus and then to locate the units using cycle rickshaw for many kilometres.

In the field investigation we had the advantage of collecting information about our respondents and their units from the people in the neighbourhood; government

officials and owners of the other industrial units. Even though a particular industrialist was hesitant to discuss his own affairs with us he was very vocal about other industrialists' affairs. We were surprised to know that each knew a great deal about others' family background, history of establishment of the unit, how one has amassed fortune or has suffered losses and ultimately ruined and so on. Officials of the District Industries Centre of Cuttack, Balasore and Keonjhar districts and well informed people of the locality where the unit was established could provide a lot of information about the units concerned because of their long association with them.

The informations collected from the above sources helped us in cross-checking the data. We could also collect informations about closed units and contact their owners. In view of the high mortality rate of the small units such data were important. J.C. Sandesara points out that a study of the causes of failure may also throw important light on the inhibiting factors and provide important guidelines for countervailing measures. This, for example, is especially true of small industries where failures are more frequent and the State more ready to help out.<sup>8</sup>

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8. Sandesara, J.C., Ibid., p.45.



But we could not obtain informations about some units in food products and Metal products industries. These were the so-called 'ghost units'. The number of such units were 3 in Food Products and 3 in Metal products of Cuttack district. During field investigation it was gathered from the informed sources that some such units in connivance with some officials of the Industry Department registered themselves under fake names just for black-marketing raw materials. During the course of our discussion on problems of small industry development in the State, several respondents pointed out how blackmarketing in raw materials with some agents from Calcutta was rampant. Besides, it was difficult to locate units for want of name and address of the proprietors concerned in certain cases. Some units did not have sign boards and on enquiry they gave the same name. Names like 'Das Furniture' and 'Sahu Metal Works' were very confusing as in the particular localities there were many persons with 'Das' surname manufacturing furniture or with 'Sahu' surname manufacturing metal products.

There was one unit in Hosiery and Readymade Garments and another unit in Metal products which were really repair shops but were flourishing small scale

units in the past. Data from these units were collected to highlight, among other things, the circumstances under which these had been reduced to mere repair shops.

Field investigation started in the first week of January 1979 and ended in the first week of August 1979.

#### IX. COVERAGE OF THE STUDY

It was originally planned to cover a total number of 115 units. But data could be collected for 81 units which constitute 70 per cent of the total as shown in Table II.3. The remaining 34 units (30 per cent) could not be covered for the following reasons.

At the all-district level 19 units were closed units; 6 units were 'ghost units'; 6 units refused to supply information and the entrepreneurs of the remaining 3 units were out of station.

At the district level, it was found that the number of closed units (7) was higher in Balasore than in Keonjhar (4). Cuttack had still larger number of closed units (8). Six 'ghost units' were found in Cuttack district only. These were the units mentioned

TABLE II.3

NUMBER OF UNITS COVERED - RESPONSE AND NON-RESPONSE

District	Food Products			Wood Products			Metal Products		
	Sample units	Completed units	Non-response	Sample units	Completed units	Non-response	Sample units	Completed units	Non-response
1	2	3	4	5	6	7	8	9	10
Cuttack	13 (100.00)	8 (61.54)	5 (38.46)	9 (100.00)	5 (55.56)	4 (44.44)	33 (100.00)	25 (75.76)	8 (24.24)
Balasore	5 (100.00)	5 (100.00)	-	10 (100.00)	6 (60.00)	4 (40.00)	3 (100.00)	3 (100.00)	-
Keonjhar	4 (100.00)	2 (50.00)	2 (50.00)	8 (100.00)	5 (62.50)	3 (37.50)	4 (100.00)	4 (100.00)	-
All Dists,	22 (100.00)	15 (68.18)	7 (31.82)	27 (100.00)	16 (59.26)	11 (40.74)	40 (100.00)	32 (80.00)	8 (20.00)

(contd.)

TABLE II.3 (contd.)

District	Non-metallic Mineral Products			Hosiery and Ready-made Garments			Total		
	Sample units	Completed units	Non-response	Sample units	Completed units	Non-response	Sample units	Completed units	Non-response
	11	12	13	14	15	16	17	18	19
Cuttack	7 (100.00)	5 (71.43)	2 (28.57)	2 (100.00)	2 (50.00)	-	64 (100.00)	45 (70.31)	19 (29.69)
Balasore	7 (100.00)	5 (71.43)	2 (28.57)	4 (100.00)	2 (50.00)	2 (50.00)	29 (100.00)	21 (72.51)	8 (27.59)
Keonjhar	3 (100.00)	2 (66.67)	1 (33.33)	3 (100.00)	2 (66.67)	1 (33.33)	22 (100.00)	15 (68.18)	7 (31.82)
All Districts	17 (100.00)	12 (70.59)	5 (29.41)	9 (100.00)	6 (66.67)	3 (33.33)	115 (100.00)	81 (70.43)	34 (29.59)

in the 'Directory of Industries in Orissa, 1975'. But on field investigation, it was found that no such units did exist in reality.

The number of entrepreneurs unwilling to furnish data was higher in Cuttack (3) than in Keonjhar (2) than in Balasore (1). Two entrepreneurs of Cuttack and one entrepreneur of Keonjhar were out of station.

(TABLE II.4)

X. DEFINITIONS

Assets

Assets are the items owned by the industrial units. Total Assets consist of net fixed assets, other assets and current assets. Fixed assets are those which are not convertible into cash in the ordinary course of business. These are of permanent nature and continue to be used in the production for several years. Fixed assets consist of land, building, plant, machinery, tools and equipments, furniture and fixture and other assets such as office equipments and vehicles, etc. Net fixed assets are gross fixed assets minus accumulated depreciation. Gross fixed assets refer to the value of the fixed assets at the time of purchase or installation.

TABLE II.4  
REASONS FOR NON-RESPONSE

District	Food Products				Wood Products				Metal Products				Non-metallic Mineral products				Hosiery and Readymade Garments				Total			
	Closed	Ghost	Unwilling	Out-station	Closed	Ghost	Unwilling	Out-station	Closed	Ghost	Unwilling	Out-station	Closed	Ghost	Unwilling	Out-station	Closed	Ghost	Unwilling	Out-station	Closed	Ghost	Unwilling	Out-Station
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Cuttack	2	3	-	-	1	-	2	1	4	3	-	1	1	-	1	-	-	-	-	-	8	6	3	2
Balasore	-	-	-	-	3	-	1	-	-	-	-	-	2	-	-	-	2	-	-	-	7	-	1	-
Keonjhar	2	-	-	-	-	-	2	1	-	-	-	-	1	-	-	-	1	-	-	-	4	-	2	1
All Dists	4	3	-	-	4	-	5	2	4	3	-	1	4	-	1	-	3	-	-	-	19	6	6	3

Current Assets consist of inventories, cash in hand and at the banks and loans and advances. Inventories include raw materials, finished and semi-finished products and by-products. Loans and Advances include sundry debtors, advance tax payments, loans and advances to employees, etc. Total current assets refer to the value of all these assets, whereas net current assets refer to the value arrived at after deducting the value represented by current liabilities and provisions which include sundry creditors, loans and advances, provision for taxation, etc.

Other assets consist of assets not included either in fixed or current assets. Investments in subsidiaries and affiliates, deposits with various bodies for water and electricity connections and intangible assets are included in it.

Total net assets are the sum of net fixed assets, net current assets and other assets.

### Liabilities

Liabilities are the items owed by industrial units.

Total liabilities consist of equity capital, long/medium-term loans and short-term loans. Equity capital represents the proprietors' interests in the industrial

units. It includes owners' paid-up-capital and reserves. Equity capital is the internal liability of industrial units whereas long and medium-term loans are the external liabilities, Government, State Financial Corporation, Commercial banks, co-operative banks and others give these loans, the duration of which exceeds one year. On the other hand short-term loans are given by the commercial banks, co-operative banks, indigenous banks, friends and relatives and others. These loan obligations have to be met usually within one year. Moreover on certain items only the interest is paid.

Total output includes net sales, stock of finished and semi-finished products, other income and work done for others. Net Sales is arrived at deducting commission paid and excise. Stock of finished and semi-finished products is arrived at by deducting opening stock from closing stock. Other income consists of interest, rent and dividends accruing to the industrial units. In addition, income from job-work, repairing and servicing is also included.

The term value added refers to the net income produced by the industrial units, and is arrived at by deducting the expenses of basic raw materials, power, other materials, miscellaneous expenses, work done for



others and depreciation from the value of output. Thus value added is the sum total of values represented by rent, wages, interest and profits.

Rent is paid for the lease of land, building, plant and machinery, etc. In wages are included wages, salaries, benefits paid to the employees and management remuneration. Interest includes both long and short-term interest paid for long and short-term loans. Profits are residual in nature. In profits are included both taxes and provisions for taxes and hence are termed as gross profits. Surplus refers to value added less rent less wages and thus covers interest and profits.

### Ratios

A 'ratio' is simply one number expressed in terms of another number. It is arrived at by dividing one number, the base, by the other number. A 'percentage' is also a kind of ratio in which the base is taken as equal to one hundred and the quotient is expressed as per hundred of the base. It is also expressed in 'times' and 'proportions'.

The following ratios have been computed for our study:

Profitability ratios, turn-over ratios, liquidity ratios, stability and solvency ratios, output to capital ratios, value added, wages and surplus each per worker and capital-labour ratios.

These have been explained in detail at the appropriate places.

### Growth

Growth is studied through both percentage increase and compound rate of increase per annum in total assets, fixed assets, equity capital, output and employment for the four year period 1975-76 to 1978-79.

The formula used for calculating the percentage increase is:

$$\frac{Y_c - Y_o}{Y_o} \times 100$$

The formula used for calculating the compound rate of increase is:

$$Y_c = Y_o \left(1 + \frac{r}{100}\right)^t$$

where

Y<sub>c</sub> = current year  
 Y<sub>o</sub> = initial year  
 r = rate of change  
 t = time period

## XI. SOME LIMITATIONS

The present study eschews completely the psychological aspect of the study and concentrates on socio-economic aspects. In fact, at one stage we thought of identifying the characteristics of the entrepreneurs from the points of view of their entrepreneurial orientation, entrepreneurial achievements and entrepreneurial commitments. But for unavoidable difficulties this could not be done.

Another limitation was that some units did not maintain proper accounts. In such cases data were collected from the respondents by asking several questions.

However, this is a handicap suffered by researchers on small-scale industry in general.

## XII. CHAPTER SCHEME

The following is, in brief, the chapter scheme of this study. The study has ten chapters:

Chapter I highlights the importance of the study of entrepreneurship and makes out a case for such a study in the small industry sector in Orissa. The chapter presents the relevant findings of other researchers in this field and identifies the existing gaps in these

works in order to give an appropriate focus to the present study. Also, the economic environment of the districts constituting the study area is briefly reviewed to provide the setting under which entrepreneurs work. Chapter II presents the design of the study. Starting with a definition of an entrepreneur, it describes the empirical part of the study. Chapter III portrays the socio-economic background of entrepreneurs with personal information gathered from them about their place of birth, rural/urban upbringing, age, family origin, caste and community, economic status of family, level of education and technical training and practical experience. These factors contribute significantly to the development of entrepreneurship. Chapter IV makes an attempt to study the inception level factors and entrepreneurial activities and problems at the initial stage. Chapter V analyses the general features of industrial units of entrepreneurs and Chapter VI their operational problems.

Since a study on entrepreneurship by necessity involves an analysis of the functioning of the manufacturing units that are the creation of entrepreneurs the following three chapters present the performance of the units from financial and socio-economic points of view. Chapter VII analyses the financial position of the

industrial units of entrepreneurs. It includes an analysis of the assets, liabilities, output and the value added of the industrial units. Financial and economic performance of the industrial units of entrepreneurs have been analysed in Chapter VIII. This has been done in terms of certain financial and economic ratios. The financial ratios considered are profitability ratios, turn-over ratios, liquidity ratios and stability and solvency ratios. The economic ratios considered are output to capital ratios, value added, wages and surplus each per worker ratios and capital-labour ratios. In Chapter IX an attempt has been made to evaluate industrial entrepreneurship by the contributions entrepreneurs make towards quantitative and qualitative growth of industrial units run by them. To evaluate the quantitative growth both percentage changes and compound growth rates of certain important variables, namely, total assets, fixed assets, equity capital, total output and employment have been worked out for the period 1975-76 to 1978-79. The qualitative growth changes are evaluated on the criteria of expansion of the old unit and market, improvement in design and lay out and introduction of new technology and production.

Finally Chapter X summarises the main findings of the empirical sections, tests the hypotheses and offers some explanations and policy suggestions.

## CHAPTER III

### SOCIO-ECONOMIC BACKGROUND OF ENTREPRENEURS

Socio-economic factors have a vital bearing on the formation of entrepreneurial ability and qualities. Factors, such as the place of birth, rural/urban upbringing, age, family origin, caste and community, economic status of family, level of education and practical experience and technical training shape and determine entrepreneurship by affecting the personality structure from the early age of the entrepreneur. A child born and brought up in a family tradition of business and entrepreneurship and own experience of risk taking and money making would prove to be, it is believed, more successful as an entrepreneur than another without such training and experience. Age, social and economic status of the family and the level of education also contribute significantly to the development of entrepreneurship.

#### I. PLACE OF BIRTH

Out of a total of 72 entrepreneurs, 33 (46 per cent) were born in the place where they had established

their units. A sizeable group of 22 entrepreneurs (31 per cent) had their origin in other States of India. 14 entrepreneurs (19 per cent) had their native place in the district (which excludes the same place) and only 3 entrepreneurs (4 per cent) belonged to the State (which excludes the same district) where they had established their units.

Of those born in the same place Cuttack had higher percentage (54 ) than Balasore (41) than Keonjhar (29). Of those born in other States, Keonjhar had higher percentage (57) than Balasore (25) than Cuttack (20).

At the all-district level in all but Hosiery and Readymade Garments industry the proportion of the entrepreneurs born in the same place was higher than the proportion born in other States.

At the industry level, the percentage of those born in the same place was higher in Wood products (80), than Food products (71) than Non-metallic Mineral products and Hosiery and Readymade Garments (50 each) than Metal Products (43) of Cuttack. Such percentage was higher in Non-metallic Mineral products (60) than in Food products (50) than in Wood products (40) of Balasore. In Keonjhar the percentage of those born in the same place was higher in Metal products (50) than in Wood



products (40). It is significant to note that in Non-metallic Mineral Products and Hosiery and Readymade Garments industries of Cuttack and in Hosiery and Readymade Garments industry of Balasore all the entrepreneurs were born within the district whereas in Metal Products of Balasore and Food, Non-metallic Mineral Products and Hosiery and Readymade Garments industries of Keonjhar all the entrepreneurs were born in other States.

(Table III.1)

## II. HOME STATE OF MIGRATED ENTREPRENEURS

Out of a total of 23 migrated entrepreneurs a larger number of 6 (26 per cent) were from Gujarat, 4 (17 per cent) each from Rajasthan and other States; and 3 (13 per cent) each from Punjab, Bihar and West Bengal. One lone entrepreneur from Bangladesh has been left out of account.

Of the 6 entrepreneurs from Gujarat a greater number (3) had their units in Keonjhar than in Cuttack (2) than in Balasore (1); of the 4 entrepreneurs from Rajasthan a greater number (3) had their units in Balasore than in Cuttack (1) and of the 4 entrepreneurs of other States an equal number (2) had their units each in Balasore and Keonjhar. All the 3 entrepreneurs from

TABLE III.1  
PLACE OF BIRTH OF ENTREPRENEURS

District	Food Products					Wood Products					Metal Products				
	Same place	Same Dist.	Same State	Other State	Sub-Total	Same place	Same Dist.	Same State	Other State	Sub-Total	Same place	Same Dist.	Same State	Other State	Sub-Total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Cuttack	5 (71.42)	-	1 (14.29)	1 (14.29)	7* (100.00)	4 (80.00)	-	-	1 (20.00)	5 (100.00)	10 (43.47)	6 (26.09)	1 (4.35)	6 (26.09)	23 (100.00)
Balasore	2 (50.00)	1 (25.00)	-	1 (25.00)	4 (100.00)	2 (40.00)	1 (20.00)	1 (20.00)	1 (20.00)	5 (100.00)	-	-	-	2 (100.00)	2 (100.00)
Keonjhar	-	-	-	2 (100.00)	2 (100.00)	2 (40.00)	1 (20.00)	-	2 (40.00)	5 (100.00)	2 (50.00)	1 (25.00)	-	1 (25.00)	4 (100.00)
All Dists.	7 (53.85)	1 (7.69)	1 (7.69)	4 (30.77)	13 (100.00)	8 (53.33)	2 (13.33)	1 (6.67)	4 (26.67)	15 (100.00)	12 (41.38)	7 (24.14)	1 (3.45)	9 (31.03)	29 (100.00)

(contd.)

TABLE A - III.1 (contd.)

District	Non-Metallic Mineral products					Hosiery and Readymade Garments					Total				
	Same place	Same Dist.	Same State	Other State	Sub-total	Same place	Same Dist.	Same State	Other State	Sub-total	Same place	Same Dist.	Same State	Other State	Sub-total
	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Cuttack	2 (50.00)	2 (50.00)	-	-	4 (100.00)	1 (50.00)	1 (50.00)	-	-	2 (100.00)	22 (53.66)	9 (21.95)	2 (4.88)	8 (19.51)	41 (100.00)
Balasore	3 (60.00)	-	-	2 (40.00)	5 (100.00)	-	1 (100.00)	-	-	1 (100.00)	7 (41.18)	3 (17.65)	1 (5.88)	6 (25.29)	17 (100.00)
Keonjhar	-	-	-	1 (100.00)	1 (100.00)	-	-	-	2 (100.00)	2 (100.00)	4 (28.57)	2 (14.29)	-	2 (57.14)	14 (100.00)
All Dists.	5 (50.00)	2 (20.00)	-	3 (30.00)	10 (100.00)	1 (20.00)	2 (40.00)	-	2 (40.00)	5 (100.00)	33 (45.83)	14 (19.44)	3 (4.17)	22 (30.56)	72* (100.00)

\* One entrepreneur was from Bangladesh.

Bihar had their units in Keonjhar, the district being adjacent to Bihar and all the 3 entrepreneurs from Punjab had their units in Cuttack. Single entrepreneur from Bangladesh had his unit in Cuttack.

(TABLE III.2)

As regards the reasons for migration it was found that out of a total of 23 migrated entrepreneurs a majority of 10 (43 per cent) had come to Orissa for business purpose; 8 (35 per cent) for factory work; 4 (17 per cent) for service; and only 1 (4 per cent) for establishing the factory.

Of those who came for business, Cuttack had a majority (5) than Balasore (4) than Keonjhar (1); of those who came for factory work Keonjhar had a majority (5) than Cuttack (3); and of those who came for service Balasore and Keonjhar had 2 each. The only entrepreneur who came for establishing factory on enquiry reported that he had come to Orissa for establishing a factory as there was ample scope for industrial development in the State. Another entrepreneur was brought to Orissa as a worker in a Government owned factor by an I.A.S., officer. Still another was brought by an industrialist as a mechanic for his factory. Ferro-manganese plant at

TABLE C - III.2

HOME STATE OF MIGRATED ENTREPRENEURS

District	Food Products		Wood Products		Metal Products	
	1	2	3	4	5	6
Rajasthan	1	2	3	4	5	6
Gujarat	1	3	1	2	1	3
Punjab	1	4	1	1	1	2
Bihar	1	5	1	1	1	1
W.Bengal	1	6	1	1	1	1
Other States	1	7	1	1	1	1
Sub-total	1	8	1	4	1	9
Rajasthan	1	9	1	1	1	1
Gujarat	1	10	1	1	1	1
Punjab	1	11	1	1	1	1
Bihar	1	12	1	1	1	1
W.Bengal	1	13	1	1	1	1
Other States	1	14	1	1	1	1
Sub-total	1	15	1	4	1	9
Rajasthan	1	16	1	1	1	1
Gujarat	1	17	1	1	1	1
Punjab	1	18	1	1	1	1
Bihar	1	19	1	1	1	1
W.Bengal	1	20	1	1	1	1
Other States	1	21	1	1	1	1
Sub-total	1	22	1	5	1	9
Cuttack	-	-	-	-	-	-
Balasore	(100.00)	-	-	-	-	-
Keonjhar	-	-	-	-	-	-
All Dists.	1	1	3	1	5	1

(contd.)

TABLE C- III.2 (contd.)

District	Non-metallic Mineral Products		Hosiery and Readymade Garments		Total
Cuttack	23	Rajasthan	-	-	-
	24	Gujarat	-	-	-
	25	Punjab	-	-	-
	26	Bihar	-	-	-
	27	W.Bengal	-	-	-
	28	Other States	-	-	-
	29	Sub-total	-	-	-
	30	Rajasthan	-	-	-
	31	Gujarat	-	-	-
	32	Punjab	-	-	-
33	Bihar	-	-	-	
34	W.Bengal	-	-	-	
35	Other States	-	-	-	
36	Sub-total	-	-	-	
37	Rajasthan	1	1	2	
38	Gujarat	2	2	4	
39	Punjab	3	3	6	
40	Bihar	-	-	-	
41	W.Bengal	1	1	2	
42	Other States	2	2	4	
43	Sub-total	9	9	18	
Balasore	-	-	-	-	-
Keonjhar	-	-	-	-	-
1	1	(100.00)	1	1	(100.00)
2	2	(100.00)	2	2	(100.00)
3	3	(100.00)	3	3	(100.00)
4	4	(100.00)	4	4	(100.00)
5	5	(100.00)	5	5	(100.00)
6	6	(100.00)	6	6	(100.00)
7	7	(100.00)	7	7	(100.00)
8	8	(100.00)	8	8	(100.00)
9	9	(100.00)	9	9	(100.00)
10	10	(100.00)	10	10	(100.00)
11	11	(100.00)	11	11	(100.00)
12	12	(100.00)	12	12	(100.00)
13	13	(100.00)	13	13	(100.00)
14	14	(100.00)	14	14	(100.00)
15	15	(100.00)	15	15	(100.00)
16	16	(100.00)	16	16	(100.00)
17	17	(100.00)	17	17	(100.00)
18	18	(100.00)	18	18	(100.00)
19	19	(100.00)	19	19	(100.00)
20	20	(100.00)	20	20	(100.00)
21	21	(100.00)	21	21	(100.00)
22	22	(100.00)	22	22	(100.00)
23	23	(100.00)	23	23	(100.00)
24	24	(100.00)	24	24	(100.00)
25	25	(100.00)	25	25	(100.00)
26	26	(100.00)	26	26	(100.00)
27	27	(100.00)	27	27	(100.00)
28	28	(100.00)	28	28	(100.00)
29	29	(100.00)	29	29	(100.00)
30	30	(100.00)	30	30	(100.00)
31	31	(100.00)	31	31	(100.00)
32	32	(100.00)	32	32	(100.00)
33	33	(100.00)	33	33	(100.00)
34	34	(100.00)	34	34	(100.00)
35	35	(100.00)	35	35	(100.00)
36	36	(100.00)	36	36	(100.00)
37	37	(100.00)	37	37	(100.00)
38	38	(100.00)	38	38	(100.00)
39	39	(100.00)	39	39	(100.00)
40	40	(100.00)	40	40	(100.00)
41	41	(100.00)	41	41	(100.00)
42	42	(100.00)	42	42	(100.00)
43	43	(100.00)	43	43	(100.00)
44	44	(100.00)	44	44	(100.00)
45	45	(100.00)	45	45	(100.00)
46	46	(100.00)	46	46	(100.00)
47	47	(100.00)	47	47	(100.00)
48	48	(100.00)	48	48	(100.00)
49	49	(100.00)	49	49	(100.00)
50	50	(100.00)	50	50	(100.00)
51	51	(100.00)	51	51	(100.00)
52	52	(100.00)	52	52	(100.00)
53	53	(100.00)	53	53	(100.00)
54	54	(100.00)	54	54	(100.00)
55	55	(100.00)	55	55	(100.00)
56	56	(100.00)	56	56	(100.00)
57	57	(100.00)	57	57	(100.00)
58	58	(100.00)	58	58	(100.00)
59	59	(100.00)	59	59	(100.00)
60	60	(100.00)	60	60	(100.00)
61	61	(100.00)	61	61	(100.00)
62	62	(100.00)	62	62	(100.00)
63	63	(100.00)	63	63	(100.00)
64	64	(100.00)	64	64	(100.00)
65	65	(100.00)	65	65	(100.00)
66	66	(100.00)	66	66	(100.00)
67	67	(100.00)	67	67	(100.00)
68	68	(100.00)	68	68	(100.00)
69	69	(100.00)	69	69	(100.00)
70	70	(100.00)	70	70	(100.00)
71	71	(100.00)	71	71	(100.00)
72	72	(100.00)	72	72	(100.00)
73	73	(100.00)	73	73	(100.00)
74	74	(100.00)	74	74	(100.00)
75	75	(100.00)	75	75	(100.00)
76	76	(100.00)	76	76	(100.00)
77	77	(100.00)	77	77	(100.00)
78	78	(100.00)	78	78	(100.00)
79	79	(100.00)	79	79	(100.00)
80	80	(100.00)	80	80	(100.00)
81	81	(100.00)	81	81	(100.00)
82	82	(100.00)	82	82	(100.00)
83	83	(100.00)	83	83	(100.00)
84	84	(100.00)	84	84	(100.00)
85	85	(100.00)	85	85	(100.00)
86	86	(100.00)	86	86	(100.00)
87	87	(100.00)	87	87	(100.00)
88	88	(100.00)	88	88	(100.00)
89	89	(100.00)	89	89	(100.00)
90	90	(100.00)	90	90	(100.00)
91	91	(100.00)	91	91	(100.00)
92	92	(100.00)	92	92	(100.00)
93	93	(100.00)	93	93	(100.00)
94	94	(100.00)	94	94	(100.00)
95	95	(100.00)	95	95	(100.00)
96	96	(100.00)	96	96	(100.00)
97	97	(100.00)	97	97	(100.00)
98	98	(100.00)	98	98	(100.00)
99	99	(100.00)	99	99	(100.00)
100	100	(100.00)	100	100	(100.00)

Joda in Keonjhar district attracted all the entrepreneurs who migrated as factory workers.

( TABLE III.3 )

III. URBAN AND RURAL BACKGROUND

It is generally believed that children of urban areas do well as entrepreneurs due to their exposure to and inter-action with the business and manufacturing milieu of urban centres. In contrast, the children of rural areas are prone to suffer from technological and managerial deficiencies due to the fact that at a time when their perceptions of physical world are formed they lack the benefits of urban environment.

Out of a total of 73 entrepreneurs a greater number of 41 (56 per cent) had rural background and the remaining 32 (44 per cent) had urban background. Orissa being a rural State such difference in rural-urban background is easily explained. A striking feature was that, the proportion of entrepreneurs with rural background to those with urban background, increased with the backwardness of the districts. In Cuttack, the proportion was lower (50 per cent) than in Balasore (53 per cent) than in Keonjhar (79 per cent).

TABLE III.3

REASONS FOR MIGRATION OF ENTREPRENEURS

District	FOOD PRODUCTS			WOOD PRODUCTS			METAL PRODUCTS									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Cuttack		Business					Business					Business				
		Factory work					Factory work					Factory work				
		Estt. of Industry					Estt. of Industry					Estt. of Industry				
		Service					Service					Service				
		Sub-total					Sub-total					Sub-total				
Balasore																
Keonjhar																
All Districts																

(contd.)



TABLE C III.3 (contd)

District	NON-METALLIC MINERAL PRODUCTS					HOSIERY AND READYMADE GARMENTS					TOTAL				
	17	18	19	20	21	22	23	24	25	26		27	28	29	30
Cuttack	Business	-	-	-	-	-	-	-	-	-	(55.56) <sup>5</sup>	(33.33) <sup>5</sup>	(1.11) <sup>1</sup>	-	(100.00) <sup>5</sup>
	Factory work	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Estt. of Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-	-	-	(55.56) <sup>5</sup>	(33.33) <sup>5</sup>	(1.11) <sup>1</sup>	-
Balasore	Business	-	-	-	(100.00) <sup>2</sup>	-	-	-	-	-	(66.67) <sup>4</sup>	-	-	(33.33) <sup>2</sup>	(100.00) <sup>5</sup>
	Factory work	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Estt. of Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	(100.00) <sup>2</sup>	-	-	-	-	-	-	(66.67) <sup>4</sup>	-	(33.33) <sup>2</sup>	(100.00) <sup>5</sup>
Keonjhar	Business	(100.00) <sup>1</sup>	-	-	-	-	(100.00) <sup>2</sup>	-	-	-	(12.50) <sup>1</sup>	(62.50) <sup>5</sup>	-	(25.00) <sup>2</sup>	(100.00) <sup>8</sup>
	Factory work	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Estt. of Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	(100.00) <sup>1</sup>	-	-	-	-	(100.00) <sup>2</sup>	-	-	-	(12.50) <sup>1</sup>	(62.50) <sup>5</sup>	-	(25.00) <sup>2</sup>	(100.00) <sup>8</sup>
All Districts	Business	(33.33) <sup>1</sup>	-	-	(66.67) <sup>2</sup>	(100.00) <sup>3</sup>	(100.00) <sup>2</sup>	-	-	-	(43.48) <sup>10</sup>	(34.78) <sup>8</sup>	(4.35) <sup>1</sup>	(17.39) <sup>4</sup>	(100.00) <sup>23</sup>
	Factory work	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Estt. of Industry	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	(33.33) <sup>1</sup>	-	-	(66.67) <sup>2</sup>	(100.00) <sup>3</sup>	(100.00) <sup>2</sup>	-	-	-	(43.48) <sup>10</sup>	(34.78) <sup>8</sup>	(4.35) <sup>1</sup>	(17.39) <sup>4</sup>	(100.00) <sup>23</sup>

At the all-district level, in all but Food Products industry, percentages of those with rural background were higher than those with urban background.

At the industry level the percentage of those who had rural background varied between 50 and 100 in all but Wood Products of Cuttack and in all but Food Products of Balasore and in all industries of Keonjhar. In Hosiery and Readymade Garments all entrepreneurs and in Wood Products a high percentage (80) of the entrepreneurs of Keonjhar and Balasore had rural background and in Non-metallic Mineral Products all entrepreneurs of Keonjhar and Cuttack had rural background. In Food Products while all the entrepreneurs of Keonjhar had rural background, all the entrepreneurs of Balasore had urban background.

(TABLE III.4)

IV. AGE AT ENTRY INTO INDUSTRY

Age is considered to be a factor associated with entrepreneurship in the sense that at a younger age an entrepreneur's ability to take risk and organise an enterprise may be high. The entrepreneur also possesses the physical capability to bear strain and stress.

TABLE - III.4

## URBAN AND RURAL BACKGROUND OF ENTREPRENEURS

District	Food Products			Wood Products			Metal Products		
	Urban	Rural	Sub-total	Urban	Rural	Sub-total	Urban	Rural	Sub-total
1	2	3	4	5	6	7	8	9	10
Cuttack	4(50.00)	4 (50.00)	8 (100.00)	4(80.00)	1(20.00)	5(100.00)	11 (47.83)	12 (52.17)	23 (100.00)
Balasore	4(100.00)	4 (100.00)	4 (100.00)	1(20.00)	4(80.00)	5(100.00)	1 (50.00)	1 (50.00)	2 (100.00)
Keonjhar	-	2(100.00)	2 (100.00)	1(20.00)	4 (80.00)	5(100.00)	2 (50.00)	2 (50.00)	4 (100.00)
All Dists.	8 (57.14)	6 (42.86)	14 (100.00)	6 (40.00)	9(60.00)	15(100.00)	14 (48.28)	15 (51.72)	29 (100.00)

(contd.)

TABLE ① - III.4 (contd.)

Districts	Non-metallic Mineral Products			Hosiery and Readymade Garments			Total		
	Urban	Rural	Sub-total	Urban	Rural	Sub-total	Urban	Rural	Sub-total
	11	12	13	14	15	16	17	18	19
Cuttack	-	4 (100.00)	4 (100.00)	1 (50.00)	1 (50.00)	2 (100.00)	21 (50.00)	21 (50.00)	42 (100.00)
Balasore	2 (40.00)	3 (60.00)	5 (100.00)	-	1 (100.00)	1 (100.00)	8 (47.06)	9 (52.94)	17 (100.00)
Keonjhar	-	1 (100.00)	1 (100.00)	-	2 (100.00)	2 (100.00)	3 (21.43)	11 (78.57)	14 (100.00)
All Dists.	2 (20.00)	8 (80.00)	10 (100.00)	1 (20.00)	4 (80.00)	5 (100.00)	32 (43.84)	41 (56.16)	73 (100.00)

Entrepreneurs belonging to older age group may not exhibit such propensity.

Of the 70 entrepreneurs, for whom the data on age at entry into industry was available, a majority of 25 (36 per cent) had their entry at the age of 30 years or below; the next group of 22 (31 per cent) entered the industry at the age of 31 to 40 years; the next group of 18 (26 per cent) at the age of 41 to 50 years; and only a very small number of 5 (7 per cent) entered the industry at the age of 51 and above.

Considering columns 27 and 28 together, it is found that the percentage of those who entered the industry at the age of 30 years or below to 40 years was higher in Cuttack (71) than in Keonjhar (64) than in Balasore (57). Similarly, considering columns 29 and 30 together, it is found that the percentage of those who entered at the age of 41 years and above was higher in Balasore (43) than in Keonjhar (36) than in Cuttack (29).

At the all-district level, it is found that the percentage of those who entered at the age of 30 and below to 40 years was higher in Hosiery and Readymade Garments (80) than in Non-metallic Mineral Products (78) than in Metal Products (72) than in Wood Products (62) than in Food Products (50).

Districtwise, at the industry level, the percentage of those who entered at the age of 40 or below was higher both in Hosiery and Readymade Garments (100) and Non-metallic Mineral Products (100) industries than in Metal Products (78) than in Wood Products (60) than in Food Products (38) of Cuttack. In Balasore, this percentage was higher in Food Products (75) than in Wood Products (67) than in Metal (50) and Non-metallic Mineral Products (50). In Keonjhar it was higher in Non-metallic Mineral Products (100) than in Wood (60) than in Food (50), Metal (50) and Hosiery and Readymade Garments (50).

Of those who were in the age group of 40 years and below in Food Products, Balasore had a higher percentage (75) than Keonjhar (50) than Cuttack (38); of those who were in Wood Products, Balasore again had a higher percentage (67) than Cuttack (60) and Keonjhar (60); of those who were in Metal Products, Cuttack had a higher percentage (78) than Balasore (50) and Keonjhar (50); of those who were in Non-metallic Mineral Products, Cuttack (100) and Keonjhar (100) had higher percentages than Balasore; and of those who were in Hosiery and Readymade Garments Cuttack and Balasore had all.

(TABLE III.5)

TABLE - III.5

AGE AT WHICH ENTREPRENEURS ENTERED INTO INDUSTRY

District	Food Products						Wood Products					Metal Products				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
		30 and above	31 to 40 years	41 to 50 years	51 and above	Subtotal	30 and above	31 to 40 years	41 to 50 years	51 and above	Sub-total	30 and above	31 to 40 years	41 to 50 years	51 and above	Sub-total
Cuttack	1	1	2	5	-	8	3	-	2	-	5	11	7	4	1	23
		(12.50)	(25.00)	(62.50)	-	(100.00)	(60.00)	-	(40.00)	-	(100.00)	(47.83)	(30.43)	(17.39)	(4.35)	(100.00)
Balasure	2	1	1	-	4	1	1	1	-	3	1	-	1	-	2	
		(50.00)	(25.00)	(25.00)	-	(100.00)	(33.33)	(33.33)	(33.33)	(100.00)	(50.00)	-	(50.00)	-	(100.00)	
Keonjhar	-	1	-	-	2	-	3	1	1	5	1	1	1	1	4	
		(50.00)	-	-	(100.00)	-	(60.00)	(20.00)	(20.00)	(100.00)	(25.00)	(25.00)	(25.00)	(25.00)	(100.00)	
All Dists.	3	4	6	1	14	4	4	4	1	13	13	8	6	2	29	
		(21.43)	(28.57)	(42.86)	(7.14)	(100.00)	(30.77)	(30.77)	(30.77)	(7.69)	(100.00)	(44.83)	(27.58)	(20.69)	(6.90)	(100.00)

(contd.)

TABLE - VIII.5 (contd)

District	Non-metallic Mineral Products					Hosiery and Readymade Garments					Total				
	30 and above	31 to 40 years	41 to 50 years	51 and above	Sub-total	30 and above	31 to 40 years	41 to 50 years	51 and above	Sub-total	30 and above	31 to 40 years	41 to 50 years	51 and above	Sub-total
Cuttack	-	(100.00) 4	-	-	(100.00) 4	(100.00) 2	-	-	-	(100.00) 2	(40.48) 17	(30.95) 13	(26.19) 11	(2.38) 1	(100.00) 42
Balasore	1 (25.00)	1 (25.00)	2 (50.00)	1 -	4 (100.00)	1 -	-	-	1 (100.00)	1 (100.00)	5 (35.71)	5 (21.43)	5 (35.71)	1 (7.15)	14 (100.00)
Keonjhar	1 (100.00)	-	-	-	1 (100.00)	1 (50.00)	1 (50.00)	-	-	2 (100.00)	5 (21.43)	6 (42.85)	2 (14.29)	3 (21.43)	14 (100.00)
All Dists.	2 (22.22)	5 (55.56)	2 (22.22)	-	9 (100.00)	3 (60.00)	1 (20.00)	-	1 (20.00)	5 (100.00)	25 (35.71)	22 (31.43)	18 (25.71)	5 (7.14)	70 (100.00)



## V. FAMILY STRUCTURE AND SIZE

Out of a total of 70 entrepreneurs a greater number of 36 had single family and 34 had joint family. Of those, who had single family, a higher percentage (78) had family members between 5 to 9 and of those who had joint family, a higher percentage (74) had family members of 10 and above. Other percentages were negligible.

Inter-district differences indicate that in case of single family with 5 to 9 members Balasore had higher percentage of entrepreneurs (100) than Cuttack (73) than Keonjhar (71). Balasore also had higher percentage of entrepreneurs (86) than Cuttack (75) than Keonjhar (57) in respect of joint family with members 10 and above.

At the all district level, percentages of entrepreneurs living in single family with 5 to 9 members and those living in joint family with 10 and above were high in all industries.

At the industry level, the percentage of entrepreneurs living in single family with 5 to 9 members was higher in Food (100) and Non-metallic Mineral Products (100) than in Metal Products (67) than in Wood Products (50) of Cuttack. Percentage of entrepreneurs of the district

living in joint family with 10 and above members was higher in Wood (100) and Non-metallic Mineral Products (100) than in Food (75) than in Metal Products (73). In Balasore, in the former category the percentage of entrepreneurs was equal in all industries (100), except of course Metal Products, whereas in the latter category in Wood (100), Metal (100) and Non-metallic Mineral Products (100) the percentage was higher than in Food Products (67). In Keonjhar, in the first category, Metal Products had higher percentage (100) than Wood Products (67) than Hosiery and Readymade Garments (50), whereas in the second category the percentage was higher in Food (100) than in Wood (50) and Metal Products (50).

Intra-industry comparisons indicate that in Food and Non-metallic Mineral Products both Cuttack and Balasore had equal percentage (100) of entrepreneurs in the first category and Keonjhar none; in Wood Products both districts had higher percentage (100) than Keonjhar (50) in the second category; in Non-metallic Mineral Products Cuttack (100) and Balasore (100) had equal percentage and Keonjhar none and in Hosiery and Readymade Garments no district had any entrepreneur in the second category; in Wood Products and Hosiery and Readymade Garments, Balasore had higher percentage (100) of entrepreneurs

in the first category and in Metal Products higher percentage (100) of entrepreneurs in the second category than the other districts; and in Metal Products Keonjhar had higher percentage (100) of entrepreneurs in the first category and in Food Products Keonjhar had higher percentage (100) of entrepreneurs in the second category than the other districts.

(TABLE III.6)

VI. MONTHLY INCOME

Out of a total of 70 entrepreneurs, 9 (13 per cent) had family income below Rs 500; 34 (49 per cent) in the income range of Rs 501 to Rs 1000; 13 (19 per cent) in the income range of Rs 1001 to Rs 1500 and 14 (20 per cent) in the income range of Rs 1501 to Rs 2000 and above per month.

Of those with family income below Rs 1000 a higher percentage was found in Keonjhar (79) than in Balasore (64) than in Cuttack (55) and of those with family income above Rs 1000 higher percentage was found in Cuttack (45) than in Balasore (36) than in Keonjhar (21). There was thus variation in the income status of entrepreneur's family according to the backwardness of the districts.

TABLE III.6

ENTREPRENEURS' FAMILY STRUCTURE AND SIZE

District	Food Products					Wood Products											
	Single Family			Joint Family		Single Family			Joint Family								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Cuttack	Less than 5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5 - 9	4	-	-	-	1	5	4	1	1	-	-	-	-	-	3	3
	10 and above	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-
	Subtotal	4	4	-	-	-	1	5	4	1	1	-	2	-	-	3	3
		(100.00)	(100.00)	-	-	-	(25.00)	(75.00)	(100.00)	(50.00)	(50.00)	-	(100.00)	(100.00)	-	(100.00)	(100.00)
Balasore	Less than 5	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5 - 9	1	-	-	-	1	2	3	1	2	1	2	2	-	1	1	1
	10 and above	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-
	Subtotal	1	1	-	-	-	1	2	3	1	2	1	2	2	-	1	1
		(100.00)	(100.00)	-	-	-	(33.33)	(66.67)	(100.00)	(50.00)	(100.00)	(100.00)	(100.00)	(100.00)	-	(100.00)	(100.00)
Keonjhar	Less than 5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5 - 9	-	-	-	-	-	2	2	-	2	1	2	2	-	1	1	2
	10 and above	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-
	Subtotal	-	-	-	-	-	2	2	-	-	2	1	2	2	-	1	2
		-	-	-	-	-	(100.00)	(100.00)	-	-	(66.67)	(33.33)	(100.00)	(100.00)	(50.00)	(50.00)	(100.00)
All Distts.	Less than 5	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	5 - 9	5	-	-	-	2	7	9	1	5	1	7	7	-	1	5	6
	10 and above	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-
	Subtotal	5	5	-	-	2	7	9	1	5	1	7	7	2	1	5	6
		(100.00)	(100.00)	-	-	(22.22)	(77.78)	(100.00)	(14.29)	(71.42)	(14.29)	(100.00)	(100.00)	(100.00)	(16.67)	(83.33)	(100.00)

(contd.)

TABLE III A- 6(contd.)

District	Metal Products								Non-metallic Mineral Products							
	Single Family				Joint Family				Single Family				Joint Family			
	Less than 5	5-9	10 and above	Sub-total	Less than 5	5-9	10 and above	Sub-total	Less than 5	5-9	10 and above	Sub-total	Less than 5	5-9	10 and above	Sub-total
18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	
Cuttack	2 (16.67)	8 (66.67)	2 (16.66)	12 (100.00)	-	3 (27.27)	8 (72.73)	11 (100.00)	-	3 (100.00)	-	3 (100.00)	-	-	1 (100.00)	1 (100.00)
Balasore	-	-	-	-	-	-	2 (100.00)	2 (100.00)	-	3 (100.00)	-	3 (100.00)	-	-	1 (100.00)	1 (100.00)
Keonjhar	-	2 (100.00)	-	2 (100.00)	-	1 (50.00)	1 (50.00)	2 (100.00)	-	-	-	-	-	1 (100.00)	-	1 (100.00)
All Dists.	2 (14.29)	10 (71.42)	2 (14.29)	14 (100.00)	-	4 (26.67)	11 (73.33)	15 (100.00)	-	6 (100.00)	-	6 (100.00)	-	1 (33.33)	2 (66.67)	3 (100.00)

(contd.)

TABLE III.6 (contd.)

District	Hosiery and Readymade Garments				Total			
	Single Family		Joint Family		Single Family		Joint Family	
	Less than 5	5 - 9	10 and above	Subtotal	Less than 5	5 - 9	10 and above	Subtotal
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)
	Less than 5	5 - 9	10 and above	Subtotal	Less than 5	5 - 9	10 and above	Subtotal
	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)
Cuttack	1	-	-	1	1	-	-	1
	(100.00)			(100.00)	(100.00)			(100.00)
Balasore	-	1	-	1	-	-	-	-
		(100.00)		(100.00)				(18.18)
								(72.73)
								(9.09)
								(100.00)
								(5.00)
								(20.00)
								(75.00)
								(100.00)
Keonjhar	-	1	1	2	-	-	-	-
		(50.00)	(50.00)	(100.00)				
								(100.00)
								(14.29)
								(85.71)
								(100.00)
All Dists.	1	2	1	4	1	-	-	1
	(25.00)	(50.00)	(25.00)	(100.00)	(100.00)			(100.00)
								(11.11)
								(77.78)
								(28.57)
								(100.00)
								(2.94)
								(23.53)
								(73.53)
								(100.00)
								(100.00)

\*3 Entrepreneurs belonging to industrial co-operatives are left out of account.

At the all-district level, except for Food Products in which equal percentage of entrepreneurs (50) was found in the lower income range of below Rs 1000 and higher income range of above Rs 1000 in all other industries the proportion of those belonging to lower income range was very high relative to those belonging to higher income range.

At the industry level in Cuttack it was found that the percentage of entrepreneurs belonging to lower income group was higher in Hosiery and Readymade Garments (100) than in Wood Products (60) than in Metal Products (57) than in Non-metallic Mineral Products (50) than in Food Products (38) and those belonging to higher income group was higher in Food Products (63) than in Non-metallic Mineral Products (50) than in Metal Products (43) than in Wood Products (40); in Balasore the percentage of those in the lower income group was higher in Hosiery and Readymade Garments (100) and Non-metallic Mineral Products (100) than in Wood Products (67) than in Food Products (50) and in the higher income group it was higher in Metal Products (100) than in Food Products (50) than in Wood Products (33); in Keonjhar the percentage in the former group was higher in Food (100) and Hosiery and Readymade Garments (100) than in Wood Products (80) than in Metal Products (75) and in the latter group it was higher in Non-metallic Mineral

Products (100) than in Metal Products (25) than in Wood Products (20).

Intra-industry comparisons reveal that in Food Products the percentage of those belonging to lower income group was higher in Keonjhar (100) than in Balasore (50) than in Cuttack (38) and of those belonging to higher income group was higher in Cuttack (63) than in Balasore (50); in Wood Products the percentage of those belonging to lower income group was higher in Keonjhar (80) than in Balasore (67) than in Cuttack (60) and the percentage of those belonging to higher income group was higher in Cuttack (40) than in Balasore (33) than in Keonjhar (20); in Metal Products the percentage of those belonging to the lower income group was higher in Keonjhar (75) than in Cuttack (57) and of those belonging to the higher income group was higher in Balasore (100) than in Cuttack (43) than in Keonjhar (25); in Non-metallic Mineral Products the percentage of those belonging to the lower income group was higher in Balasore (100) than in Cuttack (50) and those belonging to the higher income group was higher in Keonjhar (100) than in Cuttack (50); and in Hosiery and Readymade Garments all the families of entrepreneurs were in the lower income group in all districts.

(TABLE III.7)



TABLE III A.7

MONTHLY INCOME OF THE FAMILY OF ENTREPRENEURS

District	Food Products						Wood Products					Metal Products				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Below 500	1	1	1	1	1	1										
	2	2	2	2	2	2										
	3	3	3	3	3	3										
	4	4	4	4	4	4										
	5	5	5	5	5	5										
	6	6	6	6	6	6										
501-1000	7	7	7	7	7	7										
	8	8	8	8	8	8										
	9	9	9	9	9	9										
	10	10	10	10	10	10										
	11	11	11	11	11	11										
1001 to 1500	12	12	12	12	12	12										
	13	13	13	13	13	13										
	14	14	14	14	14	14										
	15	15	15	15	15	15										
	16	16	16	16	16	16										
1501 to 2000 and above	17	17	17	17	17	17										
	18	18	18	18	18	18										
	19	19	19	19	19	19										
	20	20	20	20	20	20										
	21	21	21	21	21	21										
Subtotal	22	22	22	22	22	22										
	23	23	23	23	23	23										
	24	24	24	24	24	24										
	25	25	25	25	25	25										
	26	26	26	26	26	26										
Balasore	27	27	27	27	27	27										
	28	28	28	28	28	28										
	29	29	29	29	29	29										
	30	30	30	30	30	30										
	31	31	31	31	31	31										
Keonjhar	32	32	32	32	32	32										
	33	33	33	33	33	33										
	34	34	34	34	34	34										
	35	35	35	35	35	35										
	36	36	36	36	36	36										
All dists.	37	37	37	37	37	37										
	38	38	38	38	38	38										
	39	39	39	39	39	39										
	40	40	40	40	40	40										
	41	41	41	41	41	41										

(contd.)

TABLE III.7 (contd.)

District	Non-metallic Mineral Products					Hosiery and Readymade Garments					Total				
	17	18	19	20	21	22	23	24	25	26		27	28	29	30
	Below 500	501-1000	1001-1500	1501 - 2000 and above	Subtotal	Below 500	501-1000	1001-1500	1501 - 2000 and above	Subtotal	Below 500	501-1000	1001 - 1500	1501 - 2000 and above	Subtotal
Cuttack	-	2	1	1	4	-	2	-	-	2	6	17	7	12	42
		(50.00)	(25.00)	(25.00)	(100.00)		(100.00)			(100.00)	(14.28)	(40.48)	(16.67)	(28.57)	(100.00)
Balasore	-	4	-	-	4	-	1	-	-	1	1	8	5	-	14*
		(100.00)			(100.00)		(100.00)			(100.00)	(7.14)	(57.14)	(35.72)		(100.00)
Keonjhar	-	-	1	-	1	2	-	-	-	2	2	9	1	2	14
			(100.00)		(100.00)	(100.00)				(100.00)	(14.29)	(64.29)	(7.14)	(14.29)	(100.00)
All Dists.	-	6	2	1	9	2	3	-	-	5	9	34	13	14	70
		(66.67)	(22.22)	(11.11)	(100.00)	(40.00)	(60.00)			(100.00)	(12.86)	(48.57)	(18.57)	(20.00)	(100.00)

\*NA-3

## VII. PRINCIPAL OCCUPATION

Family occupation has positive influence on industrial entrepreneurship. Persons belonging to the family of business and industry do better as industrial entrepreneurs than those brought up in the family of farmers and service holders.

Out of a total of 73 entrepreneurs a larger number 28 (38 per cent) had agriculture as the principal family occupation; 19 (26 per cent) business; 11 (15 per cent) industry; 9 (12 per cent) service and 6 (8 per cent) other occupations.

Of those belonging to the family of agriculture, Balasore had a higher percentage (47) than Keonjhar (43) than Cuttack (33); of those belonging to business and industry, Cuttack and Keonjhar had higher percentage (43) than Balasore (35); and of those belonging to service holders Balasore had a higher percentage (18) than Cuttack (12) than Keonjhar (7).

At the all-district level, it is found that higher percentage of entrepreneurs had agriculture as the principal family occupation in Non-metallic Mineral Products (70) and Hosiery and Readymade Garments (80) than other occupations; and a higher percentage of

entrepreneurs had business and industry as principal family occupation in Food (43), Wood (60) and Metal Products (41) than agriculture and other occupations.

At the industry level, in Cuttack higher percentage of entrepreneurs had agriculture as the principal family occupation in Non-metallic Mineral Products (100) than in Hosiery and Readymade Garments (50) than in Food Products (38) than in Metal Products (26) and higher percentage had business and industry as principal family occupation in Wood Products (80) than in Food (50) and Hosiery and Readymade Garments (50) than in Metal Products (43); in Balasore higher percentage had agriculture as their family occupation in Hosiery and Readymade Garments (100) than in Wood (60) and Non-metallic Mineral Products (60) than in Food Products (50) and in Keonjhar higher percentage had agriculture as family occupation in Hosiery and Readymade Garments (100) than in Food Products (50) than in Wood Products (40) than in Metal Products (25) and higher percentage had business and industry as family occupation in Non-metallic Mineral Products (100) than in Wood Products (60) than in Metal Products (50).

Intra-industry comparisons indicate that in Hosiery and Readymade Garments Keonjhar and Balasore had higher

percentages with agriculture as family occupation (100) than Cuttack (50) and no entrepreneur had business and industry background; in Non-metallic Mineral Products Cuttack had higher percentage of entrepreneurs with agriculture (100) than Balasore (60) and Keonjhar had higher percentage with business and industry (100) than Balasore (40); in Metal Products, Balasore had higher percentage with agriculture (50) than Cuttack (26) than Keonjhar (25) and Keonjhar had higher percentage with business and industry (50) than Cuttack (43); in Wood Products Balasore had higher percentage with agriculture (60) than Keonjhar (40) and Cuttack had higher percentage with business and industry (80) than Keonjhar (60) than Balasore (40); and in Food Products Keonjhar had higher percentage with agriculture (50) than Cuttack (38) and with business and industry as principal family occupation Cuttack Balasore had equal percentage of entrepreneurs (50).

(TABLE III.8)

VIII. R E L I G I O N

Out of a total of 73 entrepreneurs, a greater number 65 (89 per cent) were Hindus and the remaining 8 (11 per cent) were Muslims.

TABLE III.8

PRINCIPAL OCCUPATION OF ENTREPRENEURS' FAMILY

District	Food Products							Wood Products						Metal Products																			
1	2	Agriculture	3	4	-	14	5	6	-	7	8	9	10	11	12	13	14	15	16	17	18	19											
	3	Business																															
	4	Industry																															
	5	Service																															
	6	Other occupation																															
	7	Subtotal																															
	8	Agriculture																															
9	Business																																
10	Industry																																
11	Service																																
12	Other occupation																																
13	Subtotal																																
14	Agriculture																																
15	Business																																
16	Industry																																
17	Service																																
18	Other occupation																																
19	Subtotal																																
Cuttack	3	(37.50)	4	(50.00)	-	-	1	(12.50)	-	8	(100.00)	1	(20.00)	3	(60.00)	-	1	(20.00)	5	(100.00)	6	(26.09)	7	(30.44)	3	(13.04)	3	(13.04)	4	(17.39)	23	(100.00)	
Balasore	-	-	2	(50.00)	-	-	2	(50.00)	-	4	(100.00)	3	(60.00)	1	(20.00)	5	(100.00)	1	(50.00)	1	(50.00)	1	(26.09)	-	-	-	1	(50.00)	1	(13.04)	2	(100.00)	
Keonjhar	1	(50.00)	-	-	-	-	1	(50.00)	-	2	(100.00)	2	(40.00)	1	(20.00)	5	(100.00)	2	(40.00)	1	(20.00)	1	(25.00)	-	-	2	(50.00)	1	(25.00)	4	(100.00)		
All Dists.	4	(28.57)	6	(42.86)	-	-	4	(28.54)	-	14	(100.00)	5	(33.33)	3	(20.00)	6	(40.00)	1	(6.67)	15	(100.00)	8	(27.59)	7	(24.14)	5	(17.24)	4	(13.79)	5	(17.24)	29	(100.00)

(contd.)

TABLE III.8 (contd.)

District	Non-metallic Mineral Products					Hosiery and Readymade Garments					Total					
Cuttack	20	Agriculture	4	(100.00)	1	(50.00)	14	(33.33)	6	(14.29)	5	(11.90)	5	(11.91)	42	(100.00)
	21	Business	-		-		-		-		-		-		-	
	22	Industry	-		-		-		-		-		-		-	
	23	Service	-		-		-		-		-		-		-	
	24	Other occupation	-		-		-		-		-		-		-	
	25	Subtotal	4	(100.00)	1	(50.00)	2	(100.00)	14	(33.33)	6	(14.29)	5	(11.90)	5	(11.91)
	26	Agriculture	1	(50.00)	1	(100.00)	8	(47.06)	5	(29.41)	1	(5.88)	3	(17.65)	17	(100.00)
	27	Business	-		-		-		-		-		-		-	
	28	Industry	-		-		-		-		-		-		-	
	29	Service	1	(50.00)	1	(100.00)	2	(100.00)	2	(100.00)	4	(28.57)	1	(7.14)	14	(100.00)
30	Other occupation	-		-		-		-		-		-		-		
31	Subtotal	2	(100.00)	1	(100.00)	2	(100.00)	8	(47.06)	5	(29.41)	1	(5.88)	3	(17.65)	
32	Agriculture	6	(42.86)	2	(100.00)	6	(42.86)	2	(14.29)	4	(28.57)	1	(7.14)	1	(7.14)	
33	Business	2	(100.00)	2	(100.00)	2	(100.00)	2	(100.00)	2	(100.00)	2	(100.00)	2	(100.00)	
34	Industry	1	(100.00)	1	(100.00)	1	(100.00)	1	(100.00)	1	(100.00)	1	(100.00)	1	(100.00)	
35	Service	1	(100.00)	1	(100.00)	1	(100.00)	1	(100.00)	1	(100.00)	1	(100.00)	1	(100.00)	
36	Other occupation	1	(100.00)	1	(100.00)	1	(100.00)	1	(100.00)	1	(100.00)	1	(100.00)	1	(100.00)	
37	Subtotal	14	(100.00)	2	(100.00)	6	(42.86)	2	(14.29)	4	(28.57)	1	(7.14)	1	(7.14)	
Balasore	3	Agriculture	3	(60.00)	1	(100.00)	8	(47.06)	5	(29.41)	1	(5.88)	3	(17.65)	17	(100.00)
	2	Business	2	(40.00)	1	(100.00)	2	(100.00)	2	(100.00)	4	(28.57)	1	(7.14)	14	(100.00)
	-	Industry	-		-		-		-		-		-		-	
	-	Service	-		-		-		-		-		-		-	
	-	Other occupation	-		-		-		-		-		-		-	
	5	Subtotal	5	(100.00)	1	(100.00)	2	(100.00)	2	(100.00)	4	(28.57)	1	(7.14)	14	(100.00)
	1	Agriculture	1	(100.00)	1	(100.00)	2	(100.00)	2	(100.00)	4	(28.57)	1	(7.14)	14	(100.00)
Keonjhar	1	Business	1	(100.00)	1	(100.00)	2	(100.00)	2	(100.00)	4	(28.57)	1	(7.14)	14	(100.00)
	-	Industry	-		-		-		-		-		-		-	
	-	Service	-		-		-		-		-		-		-	
	-	Other occupation	-		-		-		-		-		-		-	
	1	Subtotal	1	(100.00)	1	(100.00)	2	(100.00)	2	(100.00)	4	(28.57)	1	(7.14)	14	(100.00)
	2	Agriculture	2	(100.00)	1	(100.00)	6	(42.86)	2	(14.29)	4	(28.57)	1	(7.14)	14	(100.00)
	1	Business	1	(100.00)	1	(100.00)	2	(100.00)	2	(100.00)	4	(28.57)	1	(7.14)	14	(100.00)
All Dists.	7	Agriculture	7	(70.00)	4	(80.00)	28	(38.36)	19	(26.03)	11	(15.07)	9	(12.33)	73	(100.00)
	3	Business	3	(30.00)	4	(80.00)	28	(38.36)	19	(26.03)	11	(15.07)	9	(12.33)	73	(100.00)
	-	Industry	-		-		-		-		-		-		-	
	-	Service	-		-		-		-		-		-		-	
	-	Other occupation	-		-		-		-		-		-		-	
	10	Subtotal	10	(100.00)	4	(80.00)	28	(38.36)	19	(26.03)	11	(15.07)	9	(12.33)	73	(100.00)
	4	Agriculture	4	(80.00)	4	(80.00)	28	(38.36)	19	(26.03)	11	(15.07)	9	(12.33)	73	(100.00)

Of the Hindus Cuttack had a higher percentage (90) than Balasore (88) than Keonjhar (86); and of the Muslims Keonjhar had a higher percentage (14) than Balasore (12) than Cuttack (10).

At the all-district level, the proportion of those who were Hindus was higher than the proportion of those who were Muslims in all industries.

(TABLE III.9)

#### VIII. CASTE AND COMMUNITY\*

A study of Caste and Community background of entrepreneurs has been an important aspect of the study of entrepreneurship in industry. Some of the studies come to the conclusion that caste and community have very little impact on the emergence of entrepreneurship while other studies find a positive correlation between them.

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\* Almost all Indians belong to some group, community or jati, normally endogamous, to which are connected certain stereo-types, traditions, occupational directions, attitudes, and social positions. Many of these communities are, in fact, castes as narrowly defined; but others are separate religions or nationalities, or somewhat more flexible groupings. The cultures of a group of castes may be so similar that they will be considered in the estimation of outsiders as one community. Sociologists call such a group of castes or jatis - a 'jati cluster'.

Timberg, Thomas, A. The Marwaris: From Traders to Industrialists, Vikas Publishing House, Pvt. Ltd., 1978, p.5.



TABLE III.9

## RELIGION OF ENTREPRENEURS

District	Food Products				Wood Products				Metal Products			
	Hindu	Muslim	Others	Sub-total	Hindu	Muslim	Others	Sub-total	Hindu	Muslim	Others	Sub-total
1	2	3	4	5	6	7	8	9	10	11	12	13
Cuttack	7 (87.50)	1 (12.50)	-	8 (100.00)	5 (100.00)	-	-	5 (100.00)	20 (86.96)	3 (13.04)	-	23 (100.00)
Balasore	3 (75.00)	1 (25.00)	-	4 (100.00)	4 (80.00)	1 (20.00)	-	5 (100.00)	2 (100.00)	-	-	2 (100.00)
Keonjhar	2 (100.00)	-	-	2 (100.00)	5 (100.00)	-	-	5 (100.00)	4 (100.00)	-	-	4 (100.00)
All Districts	12 (85.71)	2 (14.29)	-	14 (100.00)	14 (93.33)	1 (6.67)	-	15 (100.00)	26 (89.66)	3 (10.34)	-	29 (100.00)

(contd.)

TABLE III.9 (contd.)

District	Non-metallic Mineral Products				Hosiery and Readymade Garments				Total			
	Hindu	Muslim	Others	Subtotal	Hindu	Muslim	Others	Subtotal	Hindu	Muslim	Others	Subtotal
	14	15	16	17	18	19	20	21	22	23	24	25
Cuttack	4	-	-	4	2	-	-	2	38	4	-	42
	(100.00)			(100.00)	(100.00)			(100.00)	(90.48)	(9.52)		(100.00)
Balasore	5	-	-	5	1	-	-	1	15	2	-	17
	(100.00)			(100.00)	(100.00)			(100.00)	(88.24)	(11.76)		(100.00)
Keonjhar	1	-	-	1	-	2	-	2	12	2	-	14
	(100.00)			(100.00)		(100.00)		(100.00)	(85.71)	(14.29)		(100.00)
All Districts	10	-	-	10	3	2	-	5	65	8	-	73
	(100.00)			(100.00)	(60.00)	(40.00)		(100.00)	(89.04)	(10.96)		(100.00)

Our purpose here is to throw some light on the above issue.

#### OTHER STATES

Twenty three cases of entrepreneurs from other States have been presented in a separate Table for the sake of convenience. Obviously, most of the entrepreneurs coming from outside the State of Orissa were from the reputed business communities, belonging to different regions of India. Much has been written about the regional and communal character of entrepreneurship in India\*.

Gujarat, Rajasthan, Punjab and Uttar Pradesh are noted for the traditional homes of entrepreneurs in India. Also the immigrant entrepreneurs belong to certain traditional business communities like Bania, Vaishya, Khatri, Kayastha and Maheswari. Biswa Karma caste is the traditional artisan caste and persons belonging to this caste specialise in carpentry. Similarly the muslims also belong to trading communities. But not so are the Brahmins and the Kshatriyas. The Brahmins belong to the priest class whereas the Kshatriyas belong to the warrior class.

#### (TABLE III.10)

\* For details see - Choudhury, Asim, Private Economic Power in India, Peoples' Publishing House, New Delhi; Agarwal, V.K. Initiative Enterprise and Economic Choices in India, M.M. Publishers, Pvt. Ltd., New Delhi; and Timberg, Thomas, A. The Marwaris, op. cit.,

TABLE III.10

## CASTE AND COMMUNITY OF ENTREPRENEURS ( OTHER STATES )

District	Bihar		Gujarat			Punjab		Rajasthan		Uttar Pradesh		West Bengal		Total
	Biswa Karma	Muslim	Bania	Kshatriya	Khatri	Biswa Karma	Kakar	Maheswari	Brahmin	Vaishya	Agarwal Vaishya	Brahmin	Kayastha	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Cuttack	-	-	2	-	-	2	1	3	-	-	1	-	-	9
Balasore	-	-	-	1	-	-	-	-	1	2	2	-	-	6
Keonjhar	1	2	-	2	1	-	-	-	-	-	-	1	1	8
All Dists.	1	2	2	3	1	2	1	3	1	2	3	1	1	23

## ORISSA

Of the remaining 50 entrepreneurs belonging to the State of Orissa, a majority of 16 (32 per cent) belonged to the artisan group; 9 (18 per cent) to the Khandayat Group; 7 (14 per cent) to 'others' group; 6 (12 per cent) to the Karana and Muslim groups; 4 (8 per cent) to the Brahmin group; and only 2 (4 per cent) to the Kshatriya group.

Of the above groups, Brahmins, Kshatriya, Artisan and Muslim need no explanation. But the Karana and Khandayat caste groups are typical to Orissa and call for some observations.

Persons belonging to the Karana Caste were working as Accountants to the Kings and Zamindars of Orissa. Khandayats had the specialised occupation of fighting battles for the kings whenever the need arose. In time of peace, they were engaged in farming.

Of those belonging to the artisan group Keonjhar had higher percentage (50) than Cuttack (36) than Balasore (9); of those belonging to the Khandayat group Cuttack had a higher percentage (24) than Balasore (9) and Keonjhar had none; of those belonging to the mixed bag of 'others' Balasore had <sup>higher</sup> percentage (36) than Keonjhar (17) than Cuttack (6); of those belonging to the Karana group Cuttack had higher percentage (15) than Balasore (9)

and Keonjhar had none; and of those belonging to the Muslim Group, Balasore had higher percentage (18) than Cuttack (12) and Keonjhar had none. Other groups were not so significant. At the all-district level the percentage of artisan group was higher than other groups in Food (33), Wood (45) and Metal Products (45); percentage of the Khandayat group was higher than other groups in Non-metallic Mineral Products (57); and percentage of both the Khandayat (33) and 'others' (33) were higher than other groups in the Hosiery and Readymade Garments.

At the industry level, higher percentages of entrepreneurs in Food (50), Wood (50) and Metal Products (41) were found in the artisan group, and in non-metallic mineral products higher percentage (75) was found in Khandayat group than in other groups. In Balasore no group was significant, and in Keonjhar both in Wood and Metal Products (67 per cent each) the artisan group was significant.

Intra-industry comparisons indicate that in Food Products (50) of Cuttack, Wood and Metal Products (67 each) of Keonjhar, the artisan group had higher percentages of entrepreneurs than in other districts. In Non-metallic Mineral Products of Cuttack the Khandayat group had higher percentage (75) of entrepreneurs than in other districts.

The entrepreneurs belonging to the artisan group were in direct line with the traditional family occupation. That is to say, their occupation was caste assigned. But not so were the entrepreneurs belonging to the Khandayat, Karana and other groups. It may, therefore, be observed that the emergence of industrial entrepreneurship cannot be explained only by social factors.

(TABLE III.11)

LEVEL OF EDUCATION

In a small scale industrial unit an entrepreneur has to act in various capacities. He should know something of every thing he is expected to do. He is not expected to be a specialist in technical, financial and other related matters. He is rather a 'generalist'. As such it is necessary that he should be able to read and write and should have some knowledge of accounting and related skills. An entrepreneur should also have some amount of on-the-job training.

We consider first both formal and technical education as distinct from technical training and practical experience.

TABLE III 0.11

## CASTE AND COMMUNITY OF ENTREPRENEURS (ORISSA)

District	Food Products					Wood Products										
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	Brahmin	Kshatriya	Karana	Khandayat	Artisan	Muslim	Others	Sub-total	Brahmin	Kshatriya	Karana	Khandayat	Artisan	Muslims	Others	Subtotal
Cuttack	-	-	-	1	3	1	1	6	-	-	-	1	2	-	1	4
				(16.67)	(50.00)	(16.67)	(16.67)	(100.00)				(25.00)	(50.00)		(25.00)	(100.00)
Balasore	1	-	-	-	-	1	1	2	1	-	1	1	1	1	-	4
	(33.33)					(33.33)	(33.33)	(100.00)	(25.00)		(25.00)	(25.00)	(25.00)	(25.00)		(100.00)
Keonjhar	-	-	-	-	-	-	-	-	-	(33.33)	-	-	-	-	-	-
ALL Dists	1	-	-	1	3	2	2	9	1	1	1	1	5	1	1	11
	(31.11)			(11.11)	(33.33)	(22.22)	(22.22)	(100.00)	(9.09)	(9.09)	(9.09)	(9.09)	(45.46)	(9.09)	(9.09)	(100.00)
										(33.33)			(66.67)			(100.00)

(contd.)



TABLE III.11 (contd.)

District	Metal Products										Non-metallic Mineral Products						
	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	
	Brahmin								Brahmin								
	Kshatriya								Kshatriya								
	Karana								Karana								
	Khandayat								Khandayat								
	Artisan								Artisan								
	Muslim								Muslim								
	Others								Others								
	Subtotal								Subtotal								
Cuttack	-	1	4	2	7	3	-	17	-	-	1	3	-	-	-	4	
		(5.88)	(23.53)	(11.76)	(41.18)	(17.66)		(100.00)			(25.00)	(75.00)				(100.00)	
Balasore	-	-	-	-	-	-	-	-	-	-	-	1	-	-	2	3	
												(33.33)			(66.67)	(100.00)	
Keonjhar	1	-	-	1	2	-	-	3	-	-	-	-	-	-	-	1	
	(33.33)				(66.67)			(100.00)									
All Dists.	1	1	4	2	9	3	-	20	-	-	1	4	-	-	2	7	
	(5.00)	(5.00)	(6.00)	(10.00)	(45.00)	(15.00)		(100.00)			(14.29)	(57.14)			(28.57)	(100.00)	

(contd.)

TABLE III.11 (contd.)

District	Hosiery and Readymade Garments		Total						
Cuttack	34	Brahmin	1	(50.00)	1	(3.03)	42	Brahmin	
	35	Kshatriya	-	-	1	(3.03)	43	Kshatriya	
	36	Karana	-	-	5	(15.15)	44	Karana	
	37	Khandayat	1	(50.00)	8	(24.25)	45	Khandayat	
	38	Artisan	-	-	12	(36.36)	46	Artisan	
	39	Muslim	-	-	4	(12.12)	47	Muslim	
	40	Others	-	-	2	(6.06)	48	Others	
	41	Subtotal	2	(100.00)	33	(100.00)	49	Subtotal	
	Balasore	-	-	1	(100.00)	2	(18.18)	1	1
		-	-	1	(100.00)	1	(100.00)	2	1
		-	-	1	(100.00)	1	(9.09)	1	1
-		-	1	(100.00)	1	(9.09)	1	1	
-		-	1	(100.00)	1	(9.09)	1	1	
-		-	1	(100.00)	2	(18.18)	2	2	
-		-	4	(36.36)	4	(36.36)	4	4	
-		-	11	(100.00)	11	(100.00)	11	11	
Keonjhar		-	-	1	(100.00)	1	(16.67)	1	1
		-	-	1	(100.00)	1	(16.67)	1	1
		-	-	1	(100.00)	1	(9.09)	1	1
	-	-	1	(100.00)	1	(9.09)	1	1	
	-	-	3	(100.00)	3	(50.00)	3	3	
	-	-	4	(16.67)	4	(16.67)	4	4	
	-	-	2	(16.67)	2	(16.67)	2	2	
	-	-	6	(12.00)	6	(12.00)	6	6	
	-	-	9	(18.00)	9	(18.00)	9	9	
	-	-	16	(32.00)	16	(32.00)	16	16	
	-	-	6	(12.00)	6	(12.00)	6	6	
-	-	7	(14.00)	7	(14.00)	7	7		
-	-	50	(100.00)	50	(100.00)	50	50		
All Dists.	1	-	1	(33.33)	3	(100.00)	4	(8.00)	
	-	-	1	(33.33)	2	(4.00)	2	(4.00)	
	-	-	1	(33.33)	6	(12.00)	6	(12.00)	
	-	-	1	(33.33)	9	(18.00)	9	(18.00)	
	-	-	1	(33.33)	16	(32.00)	16	(32.00)	
	-	-	1	(33.33)	6	(12.00)	6	(12.00)	
	-	-	1	(33.33)	7	(14.00)	7	(14.00)	
	-	-	1	(33.33)	50	(100.00)	50	(100.00)	

Out of a total of 73 entrepreneurs, a majority of 24 (33 per cent) had high school/intermediate level of education; 20 (27 per cent) had primary/middle school level of education; 13 (18 per cent) had graduate/post-graduate-general education; 12 (16 per cent) were illiterate and the remaining 4 (5 per cent only) had graduate/post-graduate-technical education.

Of those who belonged to illiterate and primary/middle school categories Keonjhar had higher percentage (71) than Cuttack (38) than Balasore (35); of those who belonged to high/intermediate category Cuttack had higher percentage (38) than Balasore (35) than Keonjhar (14); and of those who belonged to graduate/postgraduate, both general and technical categories, Balasore had higher percentage (29) than Cuttack (24) than Keonjhar (14).

At the all-district level, the percentages of those who were illiterate or had primary/middle school level of education were higher in Wood (60), Hosiery and Readymade Garments (60) and Metal Products (45) than the other categories; in Non-metallic Mineral Products the percentage of those who belonged to high/intermediate category was higher; and in Food Products both the former and latter categories had higher percentages (36) than other categories.

At the industry level, in Cuttack, the percentage of those who were illiterate or had primary/middle school level of education was higher in Wood Products (60) than in Metal Products (43) than in Food Products (38); the percentage of those who had high/intermediate level of education was higher in Hosiery and Readymade Garments (100) than in Non-metallic Mineral Products (50) and Food Products (50) than in Wood Products (40) than in Metal Products (26); and the percentage of those who had graduate/post-graduate, both general and technical level of education, was higher in Non-metallic Mineral Products (50) than in Metal Products (30) than in Food Products (13).

In Balasore the percentage of those who belonged to illiterate or primary/middle school categories was higher in Hosiery and Readymade Garments (100) than in Non-metallic Mineral Products (40) and Wood Products (40) than in Food Products (25); the percentage of those who belonged to high/intermediate category was higher in Non-metallic Mineral Products (60) than in Metal Products (20); and the percentage of those who belonged to the categories of graduate/post-graduate, both general and technical, was higher in Food Products (50) and Metal Products (50) than in Wood Products (40).

In Keonjhar the percentage of those who belonged to illiterate or primary/middle school categories was higher in Hosiery and Readymade Garments (100) than in Wood Products (80) than in Metal Products (75) than in Food Products (50). Other percentages were

not very significant.

Intra-industry comparisons indicate that Keonjhar had high percentages in Food (50), Wood (80) and Metal Products (75) in the categories of illiterate or primary/middle school level of education and both Keonjhar and Balasore (100) in Hosiery and Readymade Garments; Balasore had high percentages in the categories of graduate/post-graduate, both general and technical, in Food (50), Wood (40) and Metal Products (50) and high percentages in the category of high/intermediate in Metal (50) and Non-metallic Mineral Products (60) and Cuttack had high percentages in Food (50), Wood (40) and Hosiery and Readymade Garments (100) in the category of high/intermediate level of education.

(TABLE III.12)

TECHNICAL TRAINING AND PRACTICAL EXPERIENCE

Technical training, occasional courses and practical experience are also the variables that determine entrepreneurship in small-scale industries. It is generally noticed that entrepreneurs with technical training and practical experience do better as entrepreneurs than others without such training or experience. These may also partly compensate for the lack of general and technical education of entrepreneurs.

TABLE III.12  
LEVEL OF EDUCATION OF ENTREPRENEURS

District	Food Products						Wood Products					
	Illi- tera- te	Primary/ Middle	High/ Inter- mediate	Gradua- te/Post- Graduate (Gen.)	Graduate- PostGra- duate (Tech.)	Sub- total	Illi- tera- te	Prima- ry/ Middle	High/ Inter- mediate	Gra- duate/ Post- Gradu- ate (Gen.)	Gradu- ate/ Post- Gra- duate (Tech.)	Sub- total
1	2	3	4	5	6	7	8	9	10	11	12	13
Cuttack	-	3 (37.50)	4 (50.00)	1 (12.50)	-	8 (100.00)	1 (20.00)	2 (40.00)	2 (40.00)	-	-	5 (100.00)
Balasore	-	1 (25.00)	1 (25.00)	2 (50.00)	-	4 (100.00)	1 (20.00)	1 (20.00)	1 (20.00)	2 (40.00)	-	5 (100.00)
Keonjhar	1 (50.00)	-	-	-	1 (50.00)	2 (100.00)	1 (20.00)	3 (60.00)	1 (20.00)	-	-	5 (100.00)
All Dists.	1 (7.14)	4 (28.57)	5 (35.72)	3 (21.43)	1 (7.14)	14 (100.00)	3 (20.00)	6 (40.00)	4 (26.67)	2 (13.33)	-	15 (100.00)

(contd.)

TABLE III.12(contd.)

Districts	Metal Products					Non-metallic Mineral Products					Sub-total	
	Illi- tera- te	Prima- ry/ Middle	High/ Inter- mediate	Gradu- ate/ Post- Gradu- ate (Gen.)	Gradu- ate/ Post- Gradu- ate (Tech.)	Sub- total	Illi- tera- te	Pri- mary/ middle	High/ Inter- mediate	Gra- duate/ Post- Gra- duate (Gen.)		Gradu- ate/ Post- Gradu- ate (Tech.)
	14	15	16	17	18	19	20	21	22	23	24	25
Cuttack	4 (17.39)	6 (26.09)	6 (26.09)	4 (17.39)	3 (13.04)	23 (100.00)	-	-	2 (50.00)	2 (50.00)	-	4 (100.00)
Balasore	-	-	1 (25.00)	1 (50.00)	-	4 (100.00)	-	2 (40.00)	3 (60.00)	-	-	5 (100.00)
Keonjhar	1 (25.00)	2 (50.00)	1 (25.00)	-	-	4 (100.00)	-	-	-	1 (100.00)	-	1 (100.00)
All Dists.	5 (17.24)	8 (27.59)	8 (27.59)	5 (17.24)	3 (10.34)	29 (100.00)	-	2 (20.00)	5 (50.00)	3 (30.00)	-	10 (100.00)

(contd.)

TABLE III.12(contd.)

Districts	Hosiery and Readymade Garments						Total					
	Illi- tera- te	Pri- mary/ Middle	High/ Inter- mediate	Gra- duate/ Post- Gradu- ate (Gen.)	Gradu- ate/ Post- Gradu- ate (Tech.)	Sub- total	Illi- tera- te	Pri- mary/ Middle	High/ Inter- mediate	Gra- duate/ Post- Gradu- ate (Gen.)	Gra- duate/ Post- Gradu- ate (Tech.)	Sub- total
	26	27	28	29	30	31	32	33	34	35	36	37
Cuttack	-	-	2 (100.00)	-	-	2 (100.00)	5 (11.90)	11 (26.19)	16 (38.10)	7 (16.67)	3 (7.14)	42 (100.00)
Balasore	1 (100.00)	-	-	-	-	1 (100.00)	2 (11.77)	4 (23.53)	6 (35.29)	5 (29.11)	-	17 (100.00)
Keonjhar	2 (100.00)	-	-	-	-	2 (100.00)	5 (35.72)	5 (35.72)	2 (14.29)	1 (7.14)	1 (7.14)	14 (100.00)
All Dists.	3 (60.00)	-	2 (40.00)	-	-	5 (100.00)	12 (16.44)	20 (27.40)	24 (32.88)	13 (17.80)	4 (5.48)	73 (100.00)



Out of a total of 73 entrepreneurs, a greater number of 36 (49 per cent) had practical experience whereas 14 (19 per cent) had technical training/occasional courses; and 23 (32 per cent) had no such training or experience.

Of those who had practical experience, Keonjhar had a higher percentage (57) than Cuttack (52) than Balasore (35); of those who had technical training/occasional courses Cuttack had higher percentage (21) than Balasore (18) than Keonjhar (14); and of those who had no such training/experience Balasore had a higher percentage (47) than Keonjhar (29) than Cuttack (26).

At the all-district level, in Food Products the percentage of those who had neither technical training nor practical experience was as high as 79 followed by Non-metallic Mineral Products (50). Percentage of those with technical training and occasional courses was almost negligible in all industries. In respect of practical experience, the percentage in Hosiery and Readymade Garments (100) was higher than in Metal Products (59) than in Wood Products (53) than in Non-metallic Mineral Products (40) than in Food Products (14).

At the industry level, in Cuttack, the percentage of those who had no technical training/experience was higher in Food Products (75) than in Non-metallic Mineral

Products (50); percentage of those who had technical training/occasional courses was higher in Wood (40) than in Non-metallic Mineral Products (25) than in Metal (22) than in Food Products (13); and the percentage of those who had practical experience was higher in Hosiery and Readymade Garments (100) than in Metal (65) than in Wood (60) than in Non-metallic Mineral Products (25) than in Food Products (13). In Balasore the percentage of those who had no training/experience was higher in Food (75) than in Non-metallic Mineral Products (60) than in Metal (50) than in Wood Products (20), the percentage of those who had technical training/occasional courses was higher in Metal (50) than in Wood Products (40); and the percentage of those who had practical experience was higher in Hosiery and Readymade Garments (100) than in Non-metallic Mineral Products (40) and Wood Products (40) than in Food Products (25). In Keonjhar, the percentage of those who had no such training/experience, was higher in Food (100) than in Metal (25) than in Wood Products (20); the percentage of those who had practical experience was higher in Hosiery and Readymade Garments (100) and in Non-metallic Mineral Products than in Wood (60) than in Metal Products (50).

Intra-industry comparisons indicate that in Food Products all the districts had a very high percentage of

entrepreneurs who had neither technical training nor practical experience, in Hosiery and Readymade garments all the entrepreneurs of all the districts had practical experience; in Wood Products high percentage of entrepreneurs of Cuttack (60) and Keonjhar (60) had practical experience than Balasore (40) and so also in Metal Products.

(TABLE III.13)

A Comparative Statement of Entrepreneurs with  
Higher Level of Education and those  
- with Technical Training and  
Practical Experience

By entrepreneurs with higher level of education we mean those who have passed atleast High School Certificate Examination. It can be seen from Table III.14 that except in Non-metallic Mineral Products of Keonjhar and Hosiery and Readymade Garments of Cuttack where the percentage of entrepreneurs with higher level of education was high the percentage of entrepreneurs, with technical training and practical experience was low and vice versa. This means that less number of entrepreneurs with higher level of education had technical training and practical experience.

(TABLE III.14)

TABLE III.13

## TECHNICAL TRAINING/PRACTICAL EXPERIENCE OF ENTREPRENEURS

Districts	Food Products				Wood Products				Metal Products			
	None	Technical Training/Occasional courses	Practical experience	Sub-total	None	Technical training/Occasional courses	Practical experience	Sub-total	None	Technical Training/Occasional courses	Practical experience	Sub-total
1	2	3	4	5	6	7	8	9	10	11	12	13
Cuttack	6 (75.00)	1 (12.50)	1 (12.50)	8 (100.00)	-	2 (40.00)	3 (60.00)	5 (100)	3 (13.04)	5 (21.74)	15 (65.22)	23 (100.00)
Balasore	3 (75.00)	-	1 (25.00)	4 (100.00)	1 (20.00)	2 (40.00)	2 (40.00)	5 (100)	1 (50.00)	1 (50.00)	-	2 (100.00)
Keonjhar	2 (100.00)	-	-	2 (100.00)	1 (20.00)	1 (20.00)	3 (60.00)	5 (100)	1 (25.00)	1 (25.00)	2 (50.00)	4 (100.00)
All Dists.	11 (78.57)	1 (7.14)	2 (14.29)	14 (100.00)	2 (13.33)	5 (33.33)	8 (53.34)	15 (100)	5 (17.24)	7 (24.14)	17 (58.62)	29 (100.00)

(contd.)

TABLE III.13 (contd)

Districts	Non-metallic Mineral Products				Hosiery & Ready-made Garments				Total			
	None	Technical training/Occasional courses	Practical experience	Sub-total	None	Technical training/Occasional courses	Practical experience	Sub-total	None	Technical training/Occasional courses	Practical experience	Sub-total
	14	15	16	17	18	19	20	21	22	23	24	25
Cuttack	2	1	1	4	-	-	2	2	11	9	6	42
	(50.00)	(25.00)	(25.00)	(100.00)			(100.00)	(100.00)	(26.19)	(21.43)	(52.38)	(100.00)
Balasore	3	-	2	5	-	-	1	1	8	3	6	17
	(60.00)		(40.00)	(100.00)			(100.00)	(100.00)	(47.06)	(17.65)	(35.29)	(100.00)
Keonjhar	-	-	1	1	-	-	2	2	4	2	8	14
			(100.00)	(100.00)			(100.00)	(100.00)	(28.57)	(14.29)	(57.14)	(100.00)
All Dists.	5	1	4	10	-	-	5	5	23	14	36	73
	(50.00)	(10.00)	(40.00)	(100.00)			(100.00)	(100.00)	(31.51)	(19.18)	(49.31)	(100.00)

(contd.)

TABLE III.14

A COMPARATIVE STATEMENT OF ENTREPRENEURS WITH HIGHER LEVEL OF EDUCATION  
AND THOSE WITH TECHNICAL TRAINING AND PRACTICAL EXPERIENCE

District	Food Products		Wood Products		Metal Products		Non-metallic Mineral Products		Hosiery and Readymade Garments	
	a	b	a	b	a	b	a	b	a	b
1	2	3	4	5	6	7	8	9	10	11
Cuttack	62.50	25.00	40.00	100.00	56.52	86.96	100.00	50.00	100.00	100.00
Balasore	75.00	25.00	60.00	80.00	100.00	50.00	60.00	40.00	Nil	100.00
Keonjhar	50.00	Nil	20.00	80.00	25.00	75.00	100.00	100.00	Nil	100.00

a = Percentage of entrepreneurs with higher level of education.

b = Percentage of entrepreneurs with technical training and practical experience.

## MAIN FINDINGS

- (1) Cuttack had a higher percentage of entrepreneurs who were the sons of the soil followed by Balasore and Keonjhar. On the other hand, Keonjhar had a higher percentage of entrepreneurs born in other States of India, viz. Gujarat, Rajasthan and Punjab, etc. than Balasore than Cuttack.
- (2) The proportion of entrepreneurs with rural background to those with urban background increased with the backwardness of the districts. In all the districts and industries the percentage of entrepreneurs with rural background varied between 50 and 100 per cent except in Wood Products of Cuttack and Food Products of Balasore.
- (3) The percentage of those who entered the industry at the age of 40 years or below was higher in Cuttack than in Keonjhar than in Balasore. The percentage of those who entered at the age of 41 years and above was higher in Balasore than in Keonjhar than in Cuttack.
- (4) Both in single family with 5 to 9 members and joint family with 10 and above members Balasore had higher percentage of entrepreneurs than Cuttack than Keonjhar.
- (5) Higher percentage of entrepreneurs in the lower income group was found in Keonjhar than in Balasore than in Cuttack and those belonging to the higher income group a higher percentage of entrepreneurs was found in Cuttack than in Balasore than in Keonjhar. This implies that there was variation in the income status of entrepreneurs' family according to the backwardness of the districts.

- (6) Balasore had high percentage of entrepreneurs whose principal family occupation was both agriculture and service whereas Cuttack and Keonjhar had high percentage of entrepreneurs whose principal family occupation was business and industry.
- (7) Most of the entrepreneurs coming from other States of India were from reputed business communities. Of the inside the State entrepreneurs Keonjhar had a higher percentage in the artisan group than Cuttack than Balasore; Cuttack had higher percentage in the Khandayat and the Karan groups; and Keonjhar had none; and Balasore had higher percentage in the muslim group and Keonjhar had none.
- (8) As regards the level of education, of those who belonged to illiterate and primary/middle school categories Keonjhar had higher percentage than Cuttack than Balasore; of those who belonged to high/intermediate category Cuttack had higher percentage than Balasore than Keonjhar; and of those who belonged to graduate/post graduate - both general and technical categories, Balasore had higher percentage than Cuttack than Keonjhar.
- (9) Of those who had practical experience, Keonjhar had higher percentage than Cuttack than Balasore; of those who had technical training/occasional courses Cuttack had higher percentage than Balasore than Keonjhar; and of those who had none Balasore had higher percentage than Keonjhar than Cuttack.



## CHAPTER IV

### INCEPTION LEVEL FACTORS, ENTREPRENEURIAL ACTIVITIES AND PROBLEMS

The inception period is a crucial phase in the development of industrial entrepreneurship. Problems and decisions of this period demand a good deal of thinking and actions on the part of the entrepreneurs.

The problems of entrepreneurs at this formative period are manifold, e.g. correct perception of market opportunities, balancing of encouraging and discouraging factors, risk taking and decisions regarding feasibility and viability of the units, etc. Besides, problems of finance, raw materials, labour, plant and machinery, production technology and marketing are also encountered by the entrepreneurs. This chapter highlights the above problems.

Obviously, some of the above problems are subjective and psychological while others are objective in nature.

#### I. PERCEPTION OF MARKET OPPORTUNITIES

A number of factors had influenced the entrepreneurs of our study in their perception of market opportunities.

These factors are classified into market study/information, advice, similar business or family business and own skill and experience in the line.

In our sample, a few entrepreneurs were found to have undertaken a detailed market study prior to arriving at any decision. Only market information had helped some to perceive the opportunities. The information filtered to the entrepreneurs through the retailers of products, newspaper reports or simply by the observation of on-going industrial units in the locality. Advice of friends and relatives, father and other members of the family had helped some to perceive the opportunities. In other cases, either the entrepreneurs had changed over to the present manufacturing business from similar business or family business had been converted into small scale industrial units through registration with the Director of Industries. Own skill and experience in the line also had helped some to perceive the opportunities. There were, however, some exceptional cases in our sample. These were units organised on co-operative basis, government owned units and units inherited by respondents. Such cases could not be classified under the above categories, as it was difficult to know during the field investigation how the market opportunities were perceived

for such units. We have classified them under the category of 'not known'.

Out of a total of 73 entrepreneurs a majority of 21 (29 per cent) perceived the opportunities based on own skill and experience; 16 (22 per cent) based on market study/information; 16 (22 per cent) based on similar business/family business; 13 (18 per cent) based on advice; and in 7 (10 per cent) cases it was 'not known'.

Of those who perceived the opportunities based on own skill and experience Cuttack had higher percentage (31) than Balasore (29) than Keonjhar (21); of those who perceived the opportunities based on market study/information Cuttack again had higher percentage (26) than Balasore (24) than Keonjhar (7); of those who perceived the opportunities based on similar business/family business Keonjhar had higher percentage (36) than Cuttack (24) than Balasore (6); and of those who perceived the opportunities based on advice Keonjhar again had higher percentage (21) than Cuttack (19) than Balasore (12).

At the all-district level, in Food Industry higher percentage belonged to the category of market study/information (36); in Wood industry to own skill and experience (33); in Metal industry to similar business/family business (31); in Non-metallic Mineral Products industry both to

advice (30) and own skill and experience (30) and in Hosiery and Readymade Garments to own skill and experience (60) than the other categories.

At the industry level, in Cuttack, of those who based their perception on market study/information higher percentage belonged to food (38) than Metal (30) than Non-metallic Mineral products (25); of those who based on advice higher percentage belonged to Hosiery and Readymade Garments (50) than Non-metallic Mineral (25) and Food (25) than Wood (20) than Metal products (13); of those who based on similar business/family business higher percentage belonged to Wood (40) than Metal (26) than Non-metallic Mineral (25) than Food Products (13); and of those who based on own skill and experience higher percentage belonged to Hosiery and Readymade Garments (50) than Wood (40) than Metal (30) than Food (25) and Non-metallic Mineral Products (25). In Balasore, of those who based on market study/information higher percentage belonged to Food (50) and Metal Products (50) than Wood Products (20); of those who based on own skill and experience higher percentage belonged to Hosiery and Readymade Garments (100) than Non-metallic Mineral (40) than Food (25) than Wood Products (29). In Keonjhar, of those who based their perception on advice higher percentages

belonged to Food (50) and Hosiery and Readymade Garments (50) than Metal Products (25); of those who based on similar business/family business higher percentage belonged to Non-metallic Mineral Products (100) than Metal (50) and Food (50) than Wood Products (20); and of those who based on own skill and experience higher percentage belonged to Hosiery and Readymade Garments (50) than Wood Products (40).

Intra-industry comparisons do not show any significant results.

#### ( TABLE IV.1 )

### II. ENCOURAGING FACTORS

Once the opportunities for establishing the industrial units were perceived by the entrepreneurs it was pertinent to enquire what factors encouraged them in the process of starting the industrial units and what factors discouraged. During the field investigation an attempt was made to identify such factors.

Ten encouraging factors were suggested to the respondents and each respondent was asked to indicate three of these factors that were most encouraging to him and marking them in order of importance in which he felt these factors to be encouraging. Weighted scores were then calculated for each of the factors by giving a weightage of three

TABLE IV.1

FACTORS IN PRECEPTION OF MARKET OPPORTUNITIES

District	Food Products		Wood Products					Metal Products											
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Cutack	Market study/information	(37.50)	2																
	Advice	(25.00)	2																
	Similar business/family business	(12.50)	1																
	Own skill and experience	(25.00)	2																
	Not known		-																
	Subtotal	(100.00)	8																
Balasore	Market study/information	(50.00)	2					(20.00)	1										
	Advice	-	-																
	Similar business/family business	-	-																
	Own skill and experience	(25.00)	1					(20.00)	1										
	Not known	(25.00)	1																
	Subtotal	(100.00)	4					(20.00)	1										
Keonjhar	Market study/information	(50.00)	1																
	Advice		-																
	Similar business/family business	(50.00)	1																
	Own skill and experience		-																
	Not known		-																
	Subtotal	(100.00)	2																
All Districts	Market study/information	(35.71)	5					(20.00)	2										
	Advice	(21.43)	3																
	Similar business/family business	(14.29)	2																
	Own skill and experience	(21.43)	3																
	Not known	(7.14)	1																
	Subtotal	(100.00)	14					(20.00)	2										
All Districts	Market study/information	(13.33)	2																
	Advice	(6.67)	1																
	Similar business/family business	(20.00)	3					(20.00)	1										
	Own skill and experience	(33.33)	5					(40.00)	2										
	Not known	(26.67)	4					(60.00)	3										
	Subtotal	(100.00)	15					(100.00)	5										
All Districts	Market study/information	(27.59)	8					(50.00)	1										
	Advice	(13.79)	4																
	Similar business/family business	(31.03)	9					(50.00)	2										
	Own skill and experience	(24.14)	7																
	Not known	(3.45)	1					(25.00)	1										
	Subtotal	(100.00)	29					(100.00)	4										

(contd.)

TABLE IV.1 (contd)

Districts	Non-metallic Products-Mineral			Hosiery and Garments-Ready-made			Total						
	Market study/information	Advice	Similar business/family business	Own skill & experience	Not known	Subtotal	Market study/information	Advice	Similar business/family business	Own skill and experience	Not known	Subtotal	
Cuttack	20	1	(25.00)	1	(25.00)	2	32	11	(26.19)	11	(26.19)	32	
	21	1	(25.00)	1	(25.00)	2	33	8	(19.05)	8	(19.05)	33	
	22	1	(25.00)	1	(25.00)	2	34	10	(23.81)	10	(23.81)	34	
	23	1	(25.00)	1	(25.00)	2	35	13	(30.95)	13	(30.95)	35	
	24	-	-	-	-	-	36	-	-	-	-	36	
	25	4	(100.00)	4	(100.00)	8	37	-	-	-	-	37	
	26	-	-	-	-	-							
	27	1	(50.00)	1	(50.00)	2							
	28	-	-	-	-	-							
	29	1	(50.00)	1	(50.00)	2							
Balasore	30	-	-	-	-	-							
	31	2	(100.00)	2	(100.00)	4							
	32	4	(23.53)	4	(23.53)	8							
	33	2	(11.77)	2	(11.77)	4							
	34	1	(5.88)	1	(5.88)	2							
	35	5	(29.41)	5	(29.41)	10							
	36	5	(29.41)	5	(29.41)	10							
	37	17	(100.00)	17	(100.00)	34							
	Keonjhar	38	1	(100.00)	1	(100.00)	2						
		39	4	(50.00)	4	(50.00)	8						
40		1	(50.00)	1	(50.00)	2							
41		2	(100.00)	2	(100.00)	4							
42		1	(23.53)	1	(23.53)	2							
43		3	(11.77)	3	(11.77)	6							
44		1	(5.88)	1	(5.88)	2							
45		5	(29.41)	5	(29.41)	10							
46		5	(29.41)	5	(29.41)	10							
47		14	(100.00)	14	(100.00)	28							
All Districts	48	1	(10.00)	1	(10.00)	2							
	49	3	(30.00)	3	(30.00)	6							
	50	2	(20.00)	2	(20.00)	4							
	51	3	(30.00)	3	(30.00)	6							
	52	1	(10.00)	1	(10.00)	2							
	53	10	(100.00)	10	(100.00)	20							
	54	2	(40.00)	2	(40.00)	4							
	55	2	(40.00)	2	(40.00)	4							
	56	1	(10.00)	1	(10.00)	2							
	57	10	(100.00)	10	(100.00)	20							
All Districts	58	2	(40.00)	2	(40.00)	4							
	59	3	(60.00)	3	(60.00)	6							
	60	5	(100.00)	5	(100.00)	10							
	61	16	(21.92)	16	(21.92)	32							
	62	13	(17.81)	13	(17.81)	26							
	63	16	(21.92)	16	(21.92)	32							
	64	21	(28.76)	21	(28.76)	42							
	65	7	(9.59)	7	(9.59)	14							
	66	73	(100.00)	73	(100.00)	146							

points to the most encouraging factor and two and one to the next most encouraging factors in that order. The weighted scores for each of the factors were added up for all the respondents and the encouraging factors were ranked on the basis of the total weighted scores for each factor. This has been done industry-wise for each district. To find out the all-industry ranking of encouraging factors districtwise total weighted scores of all the five industries relating to each factor were added and ranks were assigned on the basis of the total for each factor. Similarly to find out the all-industry and all-district ranking on total weighted scores of all the five industries relating to each factor for all the three districts were added and ranks were assigned on the basis of the total for each factor. To find out all district ranking industry-wise total weighted scores relating to each factor for all the three districts in each industry were added and ranks were determined on the basis of the total for each factor.

At the all-district and industry level, out of a total of 10 factors, family ranked first (weighted score - 165); friends ranked second (weighted score - 83); and relative ranked third (weighted score - 77) as the encouraging factors.



Inter-district differences indicate that family ranked first and friends third as the encouraging factors in Cuttack, Balasore and Keonjhar with weighted scores of 99 and 48, 37 and 22 and 29 and 13 respectively. Relatives ranked second in Cuttack and Keonjhar with weighted scores of 53 and 16 respectively whereas location ranked second in Balasore with weighted score of 24. At the all district level, in Food Products family (36), relatives (23) and location (15); in Wood Products family (30), friends (13) and relatives (12); in Metal Products Family (60), friends (25) and relatives (24); in Non-metallic Mineral products friends (17), family (15) and location (11); and in Hosiery and Readymade Garments family (18), friends (15) and relatives (8) ranked first, second and third respectively.

District-wise, at the industry level, family ranked first in Wood, Metal, Non-metallic Mineral and Hosiery and Readymade Garments; friends ranked second in Wood, Metal and Hosiery and Readymade Garments and relatives ranked third in Metal Products and Hosiery and Readymade Garments of Cuttack. In Balasore family ranked first in Food, Wood and Hosiery and Readymade Garments; and friends ranked second in Food Products and Hosiery and Readymade Garments industries. In Keonjhar family ranked first in Food, Wood,

and Hosiery and Readymade Garments; and friends ranked second in Food Products and Hosiery and Readymade Garments industries. In Keonjhar family ranked first in Food, Wood, Metal and Hosiery and Readymade Garments; relatives ranked second in Wood and Metal Products and friends ranked second in Food Products and Hosiery and Readymade Garments.

Intra-industry comparisons reveal that family ranked first in Wood Products and Hosiery and Readymade Garments of all the districts, in Food Products of Balasore and Keonjhar, and in Metal Products of Cuttack and Keonjhar. Friends ranked second in Hosiery and Readymade Garments of all the districts and in Food Products of Balasore and Keonjhar. Relatives ranked third in Hosiery and Readymade Garments of Cuttack and Keonjhar and in Metal Products of Cuttack and Balasore.

#### (TABLE IV.2)

### III. DISCOURAGING FACTORS

Entrepreneurs' ranking of discouraging factors was also calculated in the manner as explained above.

At the all district and industry level, out of a total of the same 10 factors, respondents, ranked resources first (weighted score - 142), labour second (weighted

TABLE IV.2  
ENTREPRENEURES' RANKING OF ENCOURAGING FACTORS

District	Food Products										Wood Products									
	Family	Relatives	Friends	Industrial lists	Industrial institutions	Resources	Location	Competition	Labour	Any other	Family	Relatives	Friends	Industrial lists	Industrial institutions	Resources	Location	Competition	Labour	Any other
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
<u>Cuttack</u>																				
Weighted score	21	23	6	3	0	3	12	0	0	4	11	3	8	2	0	3	0	0	2	7
Rank	2	1	4	6	-	6	3	-	-	5	1	4	2	5	-	4	-	-	5	3
<u>Balasore</u>																				
Weighted score	11	0	4	0	0	3	3	2	0	4	11	2	3	0	0	0	8	3	0	0
Rank	1	-	2	-	-	3	3	4	-	2	1	4	3	-	-	-	2	3	-	-
<u>Keonjhar</u>																				
Weighted score	4	0	3	4	3	0	0	0	0	4	8	7	2	2	3	3	3	0	6	0
Rank	1	-	2	1	2	-	-	-	-	1	1	2	5	5	4	4	4	-	3	-
<u>All Districts</u>																				
Weighted score	36	23	13	7	3	6	15	2	0	12	30	12	13	4	3	6	11	3	8	7
Rank	1	2	4	6	8	7	3	9	-	5	1	3	2	8	9	7	4	9	5	6

(contd.)

TABLE IV.2 (contd.)

District	Metal Products										Non-metallic Mineral Products										
	Family	Relatives	Friends	Industrial lists	Industrial institutions	Resources	Location	Competition	Labour	Any other	Family	Relatives	Friends	Industrial lists	Industrial institutions	Resources	Location	Competition	Labour	Any other	
	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	
<u>Cuttack</u>																					
Weighted score	53	16	23	7	16	15	6	8	2	16	7	6	5	0	3	0	2	0	0	4	
Rank	1	3	2	6	3	4	7	5	8	3	1	2	3	-	5	-	6	-	-	4	
<u>Balasore</u>																					
Weighted score	3	2	0	0	0	0	0	0	0	0	8	4	12	0	0	3	9	0	0	0	
Rank	2	3	-	-	-	-	1	-	-	-	3	4	1	-	-	5	2	-	-	-	
<u>Keonjhar</u>																					
Weighted score	10	6	2	0	4	3	0	0	2	0	0	0	0	0	0	0	0	0	0	0	
Rank	1	2	5	-	3	4	-	-	5	-	-	-	-	-	-	-	-	-	-	-	
<u>All Districts</u>																					
Weighted score	66	24	25	7	20	18	10	8	4	16	15	10	17	0	3	3	11	0	0	4	
Rank	1	3	2	9	4	5	7	8	10	6	2	4	1	-	6	6	3	-	-	5	

(contd.)

TABLE IV.2 (Contd.)

District	Hosiery and Readymade Garments										Total									
	Family	Relatives	Friends	Industrial lists	Industrial institutions	Resources	Location	Competition	Labour	-Any other	Family	Relatives	Friends	Industrial lists	Industrial institutions	Resources	Location	Competition	Labour	Any other
	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61
<u>Cuttack</u>																				
Weighted score	7	5	6	0	0	0	0	0	0	0	99	53	48	12	19	21	20	8	4	31
Rank	1	3	2	-	-	-	-	-	-	-	1	2	3	8	7	5	6	9	10	4
<u>Balasore</u>																				
Weighted score	4	0	3	0	0	2	0	0	0	0	37	8	22	0	0	8	24	5	0	4
Rank	1	-	2	-	-	3	-	-	-	-	1	4	3	-	-	4	2	5	-	6
<u>Keonjhar</u>																				
Weighted score	7	3	6	0	0	0	2	0	0	0	29	16	13	6	10	6	5	0	8	4
Rank	1	3	2	-	-	-	-	-	-	-	1	2	3	6	4	6	7	-	5	8
<u>All Districts</u>																				
Weighted score	18	8	15	0	0	2	2	0	0	0	165	77	83	18	29	35	49	13	12	39
Rank	1	3	2	-	-	4	4	-	-	-	1	3	2	8	7	6	4	9	10	5

score - 81), and competition third (weighted score - 70) as the most discouraging factors in the process of starting the industrial units.

Inter-district differences indicate that resources ranked first in Cuttack, Balasore and Keonjhar with weighted scores of 86, 30 and 26 respectively. In Cuttack and Balasore whereas labour ranked second with weighted scores of 54 and 22 respectively in Keonjhar competition ranked second with weighted score of 19. In Cuttack 'any other' with weighted score of 51; and in Balasore competition with weighted score of 17; and in Keonjhar location with weighted score of 16 were ranked as the third most discouraging factors.

At the all-district level in Food Products, resources (32), 'any other' (23) and labour (17); in Wood Products, resources (21), competition (17) and family (11); in Metal Products resources (52) labour (34) and industrialists (31); in Non-metallic Mineral Products, labour (18), resources (17) and competition (9); and in Hosiery and Readymade Garments, resources (10), location (8), industrial institutions (7) ranked first, second and third respectively.

Districtwise, at the industry level, resources ranked first in Food, Metal, Non-metallic Mineral Products

and Hosiery and Readymade Garments; 'any other' ranked second in Food and Non-metallic Mineral Products; and industrial institutions ranked third in Wood Products and Hosiery and Readymade Garments in Cuttack; resources ranked first in Food, Wood and Metal Products; competition ranked third in Food, Metal and Non-metallic Mineral Products and labour ranked second in Metal and Hosiery and Readymade Garments industries of Balasore; resources ranked first in Food, Wood and Metal Products; location ranked third in Wood and Metal Products; competition ranked second in Wood, Metal and Hosiery and Readymade Garments industries of Keonjhar.

Intra-industry comparisons indicate that in Food Products resources ranked first in all the districts; competition ranked third in Balasore and Keonjhar, 'any other' ranked second in Cuttack and Keonjhar; in Wood Products resources ranked first in Balasore and Keonjhar; competition ranked second in all the districts; in Metal Products resources ranked first in all the districts; labour ranked second in Cuttack and Balasore; and in Non-metallic Mineral Products labour ranked first in Cuttack and Balasore.

(TABLE IV.3)

TABLE IV.3  
ENTREPRENEURS' RANKING OF DISCOURAGING FACTORS

District	Food Products										Wood Products									
	Family	Relatives	Friends	Industrialists	Industrial institutions	Resources	Location	Competition	Labour	Any other	Family	Relatives	Friends	Industrialists	Industrial institutions	Resources	Location	Competition	Labour	Any other
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
<u>Cuttack</u>																				
Weighted score	0	0	0	5	4	20	0	7	15	17	0	0	0	2	3	2	3	5	2	9
Rank	-	-	-	5	6	1	-	4	3	2	-	-	-	4	3	4	3	2	4	1
<u>Balasore</u>																				
Weighted score	0	4	0	0	3	7	2	3	2	2	4	0	0	2	0	8	0	5	2	0
Rank	-	2	-	-	3	1	4	3	4	4	3	-	-	4	-	1	-	2	4	-
<u>Keonjhar</u>																				
Weighted score	0	0	0	0	4	5	2	3	0	4	7	2	0	0	0	11	6	7	3	0
Rank	-	-	-	-	2	1	4	3	-	2	2	5	-	-	-	1	3	2	4	-
<u>All Districts</u>																				
Weighted score	0	4	0	5	11	32	4	13	17	23	11	2	0	4	3	21	9	17	7	9
Rank	-	7	-	6	5	1	7	4	3	2	3	8	-	6	7	1	4	2	5	4

(contd.)



TABLE IV.3 (contd.)

District	Metal Products										Non-metal Mineral Products									
	Family	Relatives	Friends	Industrialists	Industrial institutions	Resources	Location	Competition	Labour	Any other	Family	Relatives	Friends	Industrialists	Industrial institutions	Resources	Location	Competition	Labour	Any other
	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41
<u>Cuttack</u>																				
Weighted score	4	6	2	25	12	41	11	20	31	19	4	0	3	2	0	6	0	2	6	4
Rank	9	8	10	3	6	1	7	4	2	5	2	-	3	4	-	1	-	4	1	2
<u>Balasore</u>																				
Weighted score	0	0	0	0	0	4	0	2	3	0	3	0	0	0	4	11	0	7	12	0
Rank	-	-	-	-	-	1	-	3	2	-	5	-	-	-	4	2	-	3	1	-
<u>Keonjhar</u>																				
Weighted score	0	0	0	6	2	7	4	6	0	0	0	0	0	0	0	0	0	0	0	0
Rank	-	-	-	2	4	1	3	2	-	-	-	-	-	-	-	-	-	-	-	-
<u>All Districts</u>																				
Weighted score	4	6	2	31	14	52	15	28	34	19	7	0	3	2	4	17	0	9	18	4
Rank	9	8	10	3	7	1	6	4	2	5	4	-	6	7	5	2	-	3	1	5

(contd.)

TABLE IV.3 (contd)

District	Hosiery and Readymade Garments										Total									
	Family	Relatives	Friends	Industrial- lists	Industrial institutions	Resources	Location	Competition	Labour	Any other	Family	Relatives	Friends	Industrial- lists	Industrial institutions	Resources	Location	Competition	Labour	Any other
	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61
<u>Cuttack</u>																				
Weighted score	0	0	0	4	3	7	2	0	0	2	8	6	5	38	22	86	16	34	54	51
Rank	-	-	-	2	3	1	4	-	-	4	8	9	10	4	6	1	7	5	2	3
<u>Balasore</u>																				
Weighted score	0	0	0	4	0	0	2	0	3	0	7	4	3	10	10	30	4	17	22	2
Rank	-	-	-	1	-	-	3	-	2	-	5	6	7	4	4	1	6	3	2	8
<u>Keonjhar</u>																				
Weighted score	4	0	0	0	4	3	4	3	0	0	11	2	0	6	10	26	16	19	5	4
Rank	1	-	-	-	1	2	1	2	-	-	4	9	-	6	5	1	3	2	7	8
<u>All Districts</u>																				
Weighted score	4	0	0	8	7	10	8	3	3	2	26	12	8	54	42	142	36	70	81	57
Rank	4	-	-	2	3	1	2	5	5	6	8	9	10	5	6	1	7	3	2	4

## IV. FACTORS IN RISK-TAKING

Since manufacturing business is risky, entrepreneurs were asked to state which of such factors attracted them for taking risks as profit made by others in similar concerns; shortage of such goods and higher demand in the market; facility in obtaining financial, technical and such other help; professional skill and experience in the line; own capital strength; absence of competitive market and 'any other' source of attraction.

Out of a total of 73 entrepreneurs, a majority of 23 (32 per cent) were attracted by shortage of goods; 18 (25 per cent) by profit made by others in similar concerns; 17 (23 per cent) by own professional skill and experience; 8 (11 per cent) by other factors; 4 (5 per cent) by absence of competitive market; 2 (3 per cent) by capital strength; and only 1 (1 per cent) by facilities in obtaining financial and technical help.

Inter-district comparisons reveal that of those who were attracted by shortage of goods Balasore had a higher percentage (47) than Keonjhar (29) than Cuttack (26); of those who were attracted by profit made by others in similar concerns Cuttack had a higher percentage (33)

than Balasore (18) than Keonjhar (7); and of those who were attracted by own professional skill and experience Keonjhar had a higher percentage (43) than Cuttack (24) than Balasore (6). Other factors were not so important.

At the all-district level shortage of goods in Food, Metal and Non-metallic Mineral Products; Profit in Wood Products; and professional skill and experience in Hosiery and Readymade Garments attracted the highest percentages of entrepreneurs for risk-taking in manufacturing business. Profit in food and Non-metallic Mineral Products and Professional skill and experience in Wood and Metal Products attracted the second highest percentages of entrepreneurs.

At the industry level, in Cuttack, percentage of those who were attracted by professional skill and experience was higher in Hosiery and Readymade Garments (100) than in Wood Products (40) than in Metal Products (22) than in Food Products (13); percentage of those who were attracted by profit was higher in Wood Products (60) than in Non-metallic Mineral Products (50) than in Food Products (38) than in Metal Products (26); and the percentage of those who were attracted by shortage of goods was higher in Food (38) than in Metal (30) than in Non-metallic Mineral Products (25). In Balasore, percentage

of those who were attracted by shortage of goods was higher in Non-metallic Mineral Products (60) than in Metal (50) and Food Products (50) than in Wood Products (40); and in Keonjhar, the percentage of those who were attracted by shortage of goods was higher in Non-metallic Mineral Products (100) than in Food (50) and Hosiery and Readymade Garments (50) than in Metal Products (25).

Intra-industry differences indicate that in Food Products percentage of those attracted by shortage of goods was higher in Keonjhar (50) and Balasore (50) than in Cuttack (38); in Wood Products percentage of those attracted by profit made by others in similar concern was higher in Cuttack (60) than in Balasore (20) and Keonjhar (20); in Metal Products percentage of those attracted by shortage of goods was higher in Balasore (50) than in Cuttack (30) than in Keonjhar (25); in Non-metallic Mineral Products percentage of those attracted by shortage of goods was higher in Keonjhar (100) than in Balasore (60) than in Cuttack (25); and in Hosiery and Readymade Garments percentage of those attracted by professional skill and experience was higher in Cuttack (100) and Balasore (100) than in Keonjhar (50).

(TABLE IV.4).

TABLE IV.4  
FACTORS IN RISK-TAKING

District		Food Products		Wood Products		
Cuttack	1	Profit	3	(37.50)	3	(60.00)
	2	Shortage of goods	3	(37.50)	-	-
	3	Financial and technical help	-	-	-	-
	4	Own skill & experience	1	(12.50)	2	(40.00)
	5	Capital strength	-	-	-	-
	6	Absence of competition	1	(12.50)	-	-
	7	Any other	-	-	-	-
	8	Sub-total	8	(100.00)	5	(100.00)
	9					
Balasore	1	Profit	1	(25.00)	2	(40.00)
	2	Shortage of goods	2	(50.00)	2	(40.00)
	3	Financial and technical help	-	-	-	-
	4	Own skill & experience	4	(100.00)	2	(40.00)
	5	Capital strength	1	(25.00)	5	(100.00)
Keshonjhar	1	Profit	1	(25.00)	1	(20.00)
	2	Shortage of goods	1	(50.00)	2	(40.00)
	3	Financial and technical help	-	-	-	-
	4	Own skill & experience	2	(40.00)	1	(20.00)
	5	Capital strength	1	(20.00)	3	(60.00)
All Dists.	4	Profit	4	(100.00)	5	(100.00)
	6	Shortage of goods	6	(50.00)	2	(40.00)
	7	Financial and technical help	-	-	-	-
	8	Own skill & experience	2	(50.00)	4	(60.00)
	9	Capital strength	1	(20.00)	1	(20.00)
All Dists.	10	Profit	10	(28.57)	15	(100.00)
	11	Shortage of goods	6	(42.86)	2	(13.33)
	12	Financial and technical help	-	-	-	-
	13	Own skill & experience	2	(14.29)	4	(26.67)
	14	Capital strength	1	(7.14)	1	(6.57)
All Dists.	15	Absence of competition	1	(7.14)	3	(20.00)
	16	Any other	1	(7.14)	1	(6.57)
	17	Sub-total	14	(100.00)	15	(100.00)
	18					
	19					

(contd.)

TABLE IV.4 (contd.)

Districts	Metal Products					Non-metallic Mineral Products					
Cuttack	Profit	18	6	(26.09)	1	26	2	(50.00)	1	(30.00)	
	Shortage of goods	19	7	(30.43)	1	27	1	(25.00)	5	(50.00)	
	Financial & technical help	20	1	(4.35)	1	28	-	-	-	-	
	Own skill and experience	21	5	(21.74)	1	29	-	-	-	-	
	Capital strength	22	1	(4.35)	1	30	-	-	-	-	
	Absence of competition	23	1	(4.35)	1	31	1	(25.00)	1	(10.00)	
	Any other	24	2	(8.69)	1	32	-	-	1	(10.00)	
	Subtotal	25	23	(100.00)	2	33	4	(100.00)	10	(100.00)	
	Balasore	Profit	-	1	(26.09)	1	26	1	(20.00)	5	(100.00)
		Shortage of goods	-	1	(30.43)	3	27	3	(60.00)	5	(100.00)
Financial & technical help		-	1	(4.35)	1	28	1	(4.35)	1	(4.35)	
Own skill and experience		-	1	(21.74)	1	29	1	(21.74)	1	(21.74)	
Capital strength		-	1	(4.35)	1	30	1	(4.35)	1	(4.35)	
Keonjhar	Profit	-	1	(26.09)	1	26	1	(20.00)	1	(10.00)	
	Shortage of goods	-	1	(30.43)	3	27	3	(60.00)	1	(10.00)	
	Financial & technical help	-	1	(4.35)	1	28	1	(4.35)	1	(4.35)	
	Own skill and experience	-	2	(21.74)	1	29	1	(21.74)	1	(21.74)	
	Capital strength	-	1	(4.35)	1	30	1	(4.35)	1	(4.35)	
All Dists.	Profit	6	6	(20.69)	3	33	3	(30.00)	10	(100.00)	
	Shortage of goods	9	9	(31.03)	5	33	5	(50.00)	10	(100.00)	
	Financial & technical help	1	1	(3.45)	1	33	1	(3.45)	1	(3.45)	
	Own skill and experience	7	7	(24.14)	1	33	1	(24.14)	1	(24.14)	
	Capital strength	1	1	(3.45)	1	33	1	(3.45)	1	(3.45)	

(contd.)

TABLE IV.4(contd.)

District	Hosiery and Readymade Garments										Total									
	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49				
Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Shortage of goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Financial and technical help	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Own skill & experience	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Capital strength	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Absence of competition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Sub-total	(20.00)	(50.00)	(50.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(33.33)	(26.19)	(2.38)	(23.81)	(2.38)	(7.15)	(4.76)	(100.00)				
Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Shortage of goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Financial and technical help	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Own skill and experience	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Capital strength	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Absence of competition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Sub-total	(24.66)	(7.14)	(28.57)	(17.65)	(47.06)	(5.88)	(7.14)	(100.00)	(24.66)	(31.50)	(1.37)	(23.29)	(2.74)	(5.48)	(10.96)	(100.00)				
Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Shortage of goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Financial and technical help	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Own skill and experience	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Capital strength	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Absence of competition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Sub-total	(80.00)	(50.00)	(50.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(24.66)	(31.50)	(1.37)	(23.29)	(2.74)	(5.48)	(10.96)	(100.00)				
Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Shortage of goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Financial and technical help	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Own skill and experience	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Capital strength	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Absence of competition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Sub-total	(20.00)	(50.00)	(50.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(24.66)	(31.50)	(1.37)	(23.29)	(2.74)	(5.48)	(10.96)	(100.00)				
Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Shortage of goods	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Financial and technical help	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Own skill and experience	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Capital strength	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Absence of competition	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Any other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Sub-total	(20.00)	(50.00)	(50.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(24.66)	(31.50)	(1.37)	(23.29)	(2.74)	(5.48)	(10.96)	(100.00)				



## V. FACTORS CREATING CONFIDENCE IN THE FEASIBILITY AND VIABILITY OF THE UNITS

Prior to the establishment of the unit it is necessary that entrepreneur should have enough of confidence in the possibility of organising an industrial unit to exploit the market opportunity perceived by him. He should find some basis for pinning his faith on the feasibility and continued existence of the unit.

To highlight on the above aspect of entrepreneurship informations were sought from entrepreneurs as to what created confidence in the feasibility and viability of the units and the relevant data collected have been classified as under:

Essential commodity, Own experience in the line anticipated demand, on experimental basis and 'any other'.

Out of a total of 73 entrepreneurs, a larger number of 32 (44 per cent) were confident of the feasibility and viability of the units based on their own experience in the line; 16 (22 per cent) based on anticipated demand; 10 (14 per cent) based on essentiality of commodity to be manufactured; 9 (12 per cent) based on other factors; and 6 (8 per cent) based on experimental basis.

Of those who belonged to own experience in the line group, Keonjhar had higher percentage (64) than Cuttack (40) than Balasore (35); of those who belonged to anticipated demand group Cuttack had higher percentage (26) than Keonjhar (21) than Balasore (12); and of those who belonged to essential commodity group, Balasore had higher percentage (18) than Keonjhar (14) than Cuttack (12). Other factors were not that important. At the all-district level, highest percentages of entrepreneurs in Wood, Metal and Non-metallic Mineral Products were confident due to their own experience in the line of manufacture; in Food Products due to essentiality of the commodities; and in Hosiery and Readymade Garments due to both factors.

District-wise, at the industry level, in Cuttack the percentage of those who belonged to essential commodity group was higher in Hosiery and Readymade Garments (50) than in Food Products (38) than in Metal Products (4); the percentage of those who belonged to own experience group was higher in Wood Products (100) than in Metal Products (43) than in Non-metallic Products (25) than in Food Products (13); and the percentage of those who belonged to anticipated demand group, was higher

in Food Products (38) than in Metal Products (30) than in Non-metallic Mineral Products (25); in Balasore, the percentage of those who belonged to essential commodity group was higher in Hosiery and Readymade Garments (100) than in Food Products (50); and the percentage of those who belonged to own experience group was higher in Metal Products (50) than in Wood Products (40) and Non-metallic Mineral Products (40) than in Food Products (25); and in Keonjhar the percentage of those who belonged to essential commodity group was higher in Food Products (50) than in Metal Products (25); the percentage of those who belonged to own experience group was higher in Non-metallic Mineral Products (100) and Hosiery and Readymade Garments (100) than in Wood Products (60) than in Food Products (50) and Metal Products (50); and the percentage of those who belonged to anticipated demand group was higher in Wood Products (40) than in Metal Products (25).

Intra-industry comparisons reveal that the proportion of those who belonged to own experience in the line group was higher in Keonjhar (50 per cent) than in Balasore (25 per cent) than in Cuttack (13 per cent) in Food Products. It was higher in Cuttack (100 per cent) than in Keonjhar (60 per cent) than in Balasore (40 per cent) in Wood Products; was higher in Keonjhar (50 per cent) and Balasore

(50 per cent) than in Cuttack (43 per cent) in Metal Products; was higher in Keonjhar (100 per cent) than in Balasore (40 per cent) than Cuttack (25 per cent) in Non-metallic Mineral Products; and was higher in Balasore (100 per cent) than Cuttack (50 per cent) in Hosiery and Readymade Garments.

( TABLE IV.5 )

VI. IMPORTANT MOTIVES IN ENTERING INTO INDUSTRY

It was interesting to know what important motives entrepreneurs had in mind in entering into industry. Four important motives, viz., profit motive, achievement motive, social status motive and independence motive were suggested to the entrepreneurs. Besides, entrepreneurs were also free to state other motives they had in mind.

Out of a total of 73 entrepreneurs a greater number 39 (53 per cent) had profit motive; 17 (23 per cent) had independence motive; 5 (7 per cent) had achievement motive; 5 (7 per cent) had social status motive; and 4 (5 per cent) had other motives.

TABLE IV.5

FACTORS / CREATING CONFIDENCE IN THE FEASIBILITY AND VIABILITY OF THE UNITS

	Food Products							Wood Products						
	1	2	3	4	5	6	7	8	9	10	11	12	13	
		Essential commodity						Essential commodity						
		Own experience						Own experience						
		Anticipated demand						Anticipated demand						
		On experimental basis						On experimental basis						
		Any other						Any other						
		Sub-total						Sub-total						
Cuttack	3	(37.50)	1	(12.50)	3	(37.50)	8	(100.00)	5	(100.00)	1	(13.33)	5	(100.00)
Balasore	2	(50.00)	1	(25.00)	1	(25.00)	4	(100.00)	2	(40.00)	1	(60.00)	5	(100.00)
Keonjhar	1	(50.00)	1	(50.00)	1	(50.00)	2	(100.00)	3	(60.00)	2	(40.00)	5	(100.00)
All Dists.	6	(42.86)	3	(21.43)	3	(21.43)	14	(100.00)	10	(66.67)	2	(13.33)	15	(100.00)

(contd.)

TABLE IV.5 (contd.)

District	Metal Products										Non-metallic Mineral Products					
	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
Cuttack	1	10	7	4	1	23	-	1	1	1	1	4				
	(4.35)	(43.48)	(30.43)	(17.39)	(4.35)	(100.00)		(25.00)	(25.00)	(25.00)	(25.00)	(100.00)				
	Essential commodity	Own experience	Anticipated demand	On experimental basis	Any other	Sub-total	Essential commodity	Own experience	Anticipated demand	On experimental basis	Any other	Sub-total				
	14	15	16	17	18	19	20	21	22	23	24	25				
	Balasore	1	1	1	1	2	1	2	2	1	1	5				
	(4.35)	(43.48)	(30.43)	(17.39)	(4.35)	(100.00)		(25.00)	(25.00)	(25.00)	(25.00)	(100.00)				
	Essential commodity	Own experience	Anticipated demand	On experimental basis	Any other	Sub-total	Essential commodity	Own experience	Anticipated demand	On experimental basis	Any other	Sub-total				
	Keionjhar	1	2	1	1	1	4	1	1	1	1	1				
	(25.00)	(50.00)	(25.00)		(50.00)	(100.00)		(40.00)	(40.00)		(20.00)	(100.00)				
	Essential commodity	Own experience	Anticipated demand	On experimental basis	Any other	Sub-total	Essential commodity	Own experience	Anticipated demand	On experimental basis	Any other	Sub-total				
All Dists.	2	13	8	4	2	29	-	4	3	1	2	10				
(6.90)	(44.83)	(27.58)	(13.79)	(6.90)	(100.00)		(40.00)	(30.00)	(10.00)	(20.00)	(100.00)					
Essential commodity	Own experience	Anticipated demand	On experimental basis	Any other	Sub-total	Essential commodity	Own experience	Anticipated demand	On experimental basis	Any other	Sub-total					

(contd.)

TABLE IV.5 (Contd.)

District	Hosiery and Readymade Garments						Total					
	Essential commodity	Own experience	Anticipated demand	On experimental basis	Any other	Sub-total	Essential commodity	Own experience	Anticipated demand	On experimental basis	Any other	Sub-total
Cuttack	1	-	-	1	-	2	5	17	11	6	3	42
	(50.00)			(50.00)		(100.00)	(11.90)	(40.48)	(26.19)	(14.29)	(7.14)	(100.00)
Balasore	1	-	-	-	-	1	3	6	2	1	6	17
	(100.00)					(100.00)	(17.65)	(35.29)	(11.77)		(35.29)	(100.00)
Keonjhar	-	2	-	-	-	2	2	6	3	-	-	14
		(100.00)				(100.00)	(14.29)	(64.28)	(21.43)			(100.00)
ALL Dists.	2	2	-	1	-	5	10	30	16	6	9	73
	(40.00)	(40.00)		(20.00)		(100.00)	(13.70)	(43.83)	(21.92)	(8.22)	(12.33)	(100.00)

Of those who had profit motive a higher proportion belonged to Keonjhar (71 per cent) than Cuttack (52 per cent) than Balasore (41 per cent); of those who had independence motive higher proportion belonged to Balasore (29 per cent) than Cuttack (24 per cent) than Keonjhar (14 per cent) and of those who had social status motive higher proportion belonged to Keonjhar (14 per cent) than Balasore (6 per cent) than Cuttack (5 per cent). It is significant to note that all the 5 entrepreneurs with achievement motive belonged to the advanced district of Cuttack.

At the all-district level profit motive had the highest percentage and independence motive the second highest percentage of entrepreneurs in all the five industries.

At the industry level, districtwise, in Cuttack Hosiery and Readymade Garments had higher percentage of entrepreneurs with profit motive (100) than Wood Products (80) than Food (50) and Non-metallic Mineral Products (50) than Metal Products (43); and Non-metallic Mineral Products had higher percentage of entrepreneurs with independence motive (50) than Food Products (25) than Metal Products (22); in Balasore Non-metallic Mineral Products had the higher percentage of entrepreneurs with profit motive (80) than Food (50) than Wood Products (20); and



Hosiery and Readymade Garments had the higher percentage of entrepreneurs with independence motive (100) than Metal Products (50) than Wood Products (40) than Food Products (25); and in Keonjhar, Non-metallic Mineral Products (100) and Hosiery and Readymade Garments (100) had higher percentage of entrepreneurs with profit motive than Wood Products (60) than Metal Products (50).

Intra-industry comparisons indicate that in Hosiery and Readymade Garments of Cuttack and Keonjhar all the entrepreneurs had profit motive whereas in Balasore all the entrepreneurs had independence motive (100); in Non-metallic Mineral Products the percentage was higher in Keonjhar (100) than Balasore (80) than Cuttack (50); in Metal Products the percentage was higher in Keonjhar (50) than in Cuttack (43); in Wood Products the percentage was higher in Cuttack (80) than in Keonjhar (60) than in Balasore (20); and in Food Products the percentage was higher in Keonjhar (100) than in Balasore (50) and Cuttack (50). Percentages of other motives were not that significant.

(TABLE IV.6)

VII. TIME LAG BETWEEN THE PERCEPTION OF OPPORTUNITY AND THE ACTUAL ESTABLISHMENT OF THE UNIT

Some time necessarily elapses between the perception of market opportunity and the final establishment

TABLE IV.6

## IMPORTANT MOTIVES IN ENTERING INTO INDUSTRY

District	Food Products								Wood Products							Metal Products								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
Cuttack		Profit																						
		Achievement																						
		Social status																						
		Independence																						
		Any other																						
		Not Applicable																						
		Sub-total																						
Balasore		Profit																						
		Achievement																						
		Social status																						
		Independence																						
		Any other																						
		Not Applicable																						
		Sub-total																						
Keonjhar		Profit																						
		Achievement																						
		Social status																						
		Independence																						
		Any other																						
		Not Applicable																						
		Sub-total																						
All Dists.		Profit																						
		Achievement																						
		Social status																						
		Independence																						
		Any other																						
		Not Applicable																						
		Sub-total																						

(contd.)

TABLE IV.6 (contd.)

District	Non-metallic Mineral Products					Hosiery and Readymade Garments					Total										
	Profit	Achievement	Social Status	Independence	Any other	Profit	Achievement	Social status	Independence	Any other	Profit	Achievement	Social status	Independence	Any other	Not applicable	Sub-total				
Cuttack	23 (50.00)	24	25	26 (50.00)	27	28	29 (100.00)	30	31	32	33 (100.00)	34	35	36 (100.00)	37 (52.38)	38 (11.91)	39 (4.76)	40 (23.81)	41 (7.14)	42	43 (100.00)
Balasore	4 (80.00)	-	-	-	-	1 (20.00)	5 (100.00)	-	-	1 (100.00)	-	-	1 (100.00)	7 (41.18)	-	1 (5.88)	5 (29.41)	1 (5.88)	3 (17.65)	17 (100.00)	
Keonjhar	1 (100.00)	-	-	-	-	-	2 (100.00)	-	-	-	-	-	-	10 (71.42)	-	2 (14.29)	2 (14.29)	-	-	14 (100.00)	
ALL Dists.	7 (70.00)	-	-	2 (20.00)	-	1 (10.00)	10 (100.00)	4 (80.00)	-	1 (20.00)	-	-	5 (100.00)	39 (53.42)	5 (6.85)	5 (6.85)	17 (23.29)	4 (5.48)	3 (4.11)	73 (100.00)	

of the industrial unit. But the time lag varies depending upon the nature of the industry, size of the unit to be established, type of product to be manufactured, facilities available in the area and so on. We have tried to find out differences if any between the districts under study with respect to the time lag. Out of the total of 73 units a higher number of 29 (40 per cent) had time lag between 1 to 2 years; 19 (26 per cent) between 1 to 4 months; 5 (7 per cent) between 5 to 11 months; 2 (3 per cent) 5 years and above; and 1 (1 per cent) 3 to 4 years. For 17 units (23 per cent) information on time lag was not available.

Of the units with time lag between 1 to 2 years Cuttack had higher percentage (48) than Balasore (29) and Keonjhar (29) and of the units with a time lag of 1 to 4 months Keonjhar (29) and Balasore (29) had higher percentage than Cuttack (24).

The high percentage of non-availability of data need some explanation. As stated above 23 per cent of entrepreneurs in the aggregate did not have the data on time lag. Such percentage for Keonjhar was higher (43) than Balasore (35) than Cuttack (12). On verification of individual questionnaire it was discovered that -

- (1) in a few cases the perception of opportunity and the establishment of the unit were in so quick succession that entrepreneurs did not feel that there was a time lag;
- (2) certain units belonging to Wood and Metal Products got themselves registered with the Director of Industries and achieved the status of modern small scale units. Owners of such units could not give information on time lag as the unit had come into existence long time past.
- (3) certain units were inherited units, units on lease and units transferred on sale and hence no information was available;
- (4) some units belonging to industrial co-operatives could not give any information on time lag.

(TABLE IV.7)

VIII. ENTREPRENEURIAL ACTIVITIES AFTER  
THE PERCEPTION OF OPPORTUNITIES

The time lag between the perception of market opportunities and the final establishment of the units has been discussed. But the time lag is less important than the manner of utilisation of this period. We attempt to highlight the manner in which entrepreneurs had utilised this period.

Data collected for the purpose have been classified as: immediately started, made necessary arrangements, waited for an opportunity, explored the possibilities and "any other activity".

TABLE IV.7

TIME LAG BETWEEN THE PERCEPTION OF OPPORTUNITY AND THE ACTUAL ESTABLISHMENT OF THE UNITS

District	Food Products								Wood Products					Metal Products								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Cuttack	4	1	2	-	1	-	-	8	2	1	2	-	-	-	5	2	3	13	1	-	4	23
	(50.00)	(12.50)	(25.00)		(12.50)			(100.00)	(40.00)	(20.00)	(40.00)				(100.00)	(8.70)	(13.04)	(56.52)	(5.35)		(17.39)	(100.00)
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
	1 - 4 months	5-11 months	1-2 years	3-4 years	5 years and above	Not available	Sub-total	1-4 months	5-11 months	1-2 years	3-4 years	5 years and above	Not available	Sub-total	1-4 months	5-11 months	1-2 years	3-4 years	5 years and above	Not available	Sub-total	
	Keonjhar	1	-	1	-	-	-	2	2	1	2	-	-	1	5	1	-	1	-	1	5	4
	(50.00)		(50.00)			(25.00)	(25.00)	(100.00)	(20.00)		(20.00)			(60.00)	(100.00)	(50.00)		(25.00)			(50.00)	(100.00)
	Balasore	-	-	-	2	-	1	1	4	1	-	-	-	3	5	1	-	-	-	-	1	2
	(50.00)	(12.50)	(25.00)	(25.00)	(12.50)			(100.00)	(40.00)	(20.00)	(40.00)			(60.00)	(100.00)	(8.70)	(13.04)	(56.52)	(5.35)		(17.39)	(100.00)
ALL DISTS	5	1	5	-	2	1	14	5	1	5	-	-	4	15	3	3	14	1	-	8	29	
(35.72)	(7.14)	(35.72)		(14.28)	(7.14)	(100.00)	(33.33)	(6.67)	(33.33)				(26.67)	(100.00)	(10.34)	(10.34)	(48.28)	(3.45)		(27.59)	(100.00)	

(contd.)

TABLE IV.7 (contd.)

District	Non-metallic Mineral Products						Hosiery and Readymade Garments						Total							
	23	24	25	26	27	28	30	31	32	33	34	35		36	37	38	39	40	41	42
	1-4months	5-11 mths	1-2 years	3-4 years	5 years & above	Not avail-able	1-4 months	5-11mths	1-2 years	3-4 years	5 years & above	Not avail-able	Sub-total	1-4months	5-11 mths	1-2 years	3-4 years	5 years & above	Not avail-able	Sub-total
Cuttack	2	-	1	-	-	1	1	4	-	-	-	-	2	10	5	20	1	1	5	42
	(50.00)	-	(25.00)	-	-	(25.00)	(100.00)	(100.00)	-	-	-	-	(100.00)	(23.81)	(11.91)	(47.61)	(2.38)	(2.38)	(11.91)	(100.00)
Balasore	3	-	1	-	-	1	-	5	-	-	-	-	1	5	-	5	-	1	6	17
	(60.00)	-	(20.00)	-	-	(20.00)	(100.00)	(100.00)	-	-	-	-	(100.00)	(29.41)	-	(29.41)	-	(5.88)	(35.30)	(100.00)
Keonjhar	-	-	-	-	-	1	1	1	-	-	-	1	2	4	-	4	-	-	6	14
	-	-	-	-	-	(100.00)	(100.00)	(50.00)	-	-	-	(50.00)	(100.00)	(28.57)	-	(28.57)	-	-	(42.86)	(100.00)
All Dists	5	-	2	-	-	3	10	1	-	-	1	5	19	5	29	1	2	17	73	
	(50.00)	-	(20.00)	-	-	(30.00)	(100.00)	(20.00)	-	-	(20.00)	(100.00)	(26.03)	(6.85)	(39.73)	(1.37)	(2.74)	(23.29)	(100.00)	

Some started the units immediately. This is not unlikely in case of some kind of small-scale industrial units. A furniture making unit can be started by a carpenter with his hand tools and a few planks from the saw mills. A steel trunk manufacturing unit or a readymade garments unit can be started in similar fashion. These units involved simple technology and little capital investment. No prior planning is necessary for these units. A person skilled in the line can immediately start the unit. Gestation period is negligible in all these cases. Some made necessary arrangements for starting the units during this period. Arrangements had to be made for factory shed, for finance from banks and other financial institutions, recruiting trained labourers (in some cases even from outside the State), for the purchase of raw materials and final sale of products and also for water, electricity, etc. Others had to wait for an opportunity to come for starting their units. Some of them were students who had to wait till the examinations were over and others were service holders who waited for the most opportune time to quit their jobs. A few entrepreneurs took some time for exploring the possibilities of establishing the units. These persons were mostly the factory workers from outside the State of Orissa. In 'any other activity' group are included entrepreneurs who were engaged



in similar business. While in the business they thought of starting related manufacturing unit and made necessary arrangements for it. They took some time to entrust the responsibility of the old business mostly to family members to free themselves to look after the establishment of the new units exclusively. Such entrepreneurs were found among the timber merchants, food grain dealers and service-holders. The explanations given above also hold good for units for which informations were not available.

Out of a total of 73 entrepreneurs a larger number 30 (41 per cent) made necessary arrangements; 14 (19 per cent) immediately started; 5 (7 per cent) were engaged in "any other activity"; 4 (5 per cent) waited for an opportunity; and 3 (4 per cent) explored the possibilities of establishing the units. Informations for 17 (23 per cent) entrepreneurs were not available.

Of those who made necessary arrangements, Cuttack had higher percentage (57) than Balasore (24) than Keonjhar (24); and of those who started immediately Keonjhar had higher percentage (29) than Balasore (24) than Cuttack (14). Of the 5 entrepreneurs who were engaged in other activities 3 belonged to Cuttack (of whom 2 were in Metal Products and 1 in Wood Products), 1 belonged to Balasore in Hosiery and Readymade Garments and 1 belonged

to Keonjhar in Wood Products. Of the 4 entrepreneurs who waited for an opportunity to come, 3 belonged to Cuttack (of whom 1 each was in Food, Wood and Metal Products) and the only entrepreneur of Balasore was in Food Products. Cuttack, Balasore and Keonjhar had each 1 entrepreneur who explored the possibilities and they were in Metal, Non-metallic Mineral and Food Products respectively.

A higher proportion of those who immediately started belonged to food (50 per cent) and wood products (40 per cent) of Keonjhar; Metal (50 per cent) and Non-metallic Mineral Products (40 per cent) of Balasore; and in Hosiery and Readymade Garments they were equally divided between Cuttack and Keonjhar (50 per cent each). It is significant to note that those who made necessary arrangements had higher percentage in all the industries of Cuttack than in Balasore and Keonjhar.

(TABLE IV.8)

#### IX. INITIAL PROBLEMS OF ENTREPRENEURS

We have analysed entrepreneurs' ranking of discouraging factors. But all these were in the realm of entrepreneurs' subjective considerations. Let us consider the problems actually faced by the entrepreneurs

TABLE IV.8  
ENTREPRENEURIAL ACTIVITIES AFTER THE PERCEPTION OF OPPORTUNITIES

District	Food Products								Wood Products							Metal Products							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Cuttack	2	5	1	-	-	-	-	8	1	2	1	-	-	5	1	14	1	1	2	4	23		
	(25.00)	(62.50)	(12.50)	-	-	-	-	(100.00)	(20.00)	(40.00)	(20.00)	-	-	(100.00)	(4.35)	(60.87)	(4.35)	(4.35)	(8.70)	(17.39)	(100.00)		
	1	1	1	1	1	1	1	2	4	1	1	1	1	5	1	15	1	1	2	8	29		
	(21.43)	(50.00)	(14.29)	(7.14)	(7.14)	(100.00)	(26.67)	(26.67)	(6.67)	(13.33)	(26.67)	(100.00)	(6.90)	(51.72)	(3.45)	(3.45)	(6.90)	(27.59)	(100.00)				
	3	7	2	1	-	1	14	4	4	1	-	2	4	15	2	15	1	1	2	8	29		
	(50.00)	(50.00)	(25.00)	(50.00)	(25.00)	(100.00)	(40.00)	(20.00)	(20.00)	(100.00)	(50.00)	(25.00)	(75.00)	(100.00)									
	1	1	1	1	1	1	2	2	1	1	1	1	1	5	4								
	(50.00)	(50.00)	(25.00)	(50.00)	(25.00)	(100.00)	(20.00)	(20.00)	(100.00)	(50.00)	(25.00)	(75.00)	(100.00)										
Balasore	2	1	1	1	1	4	1	1	5	1	1	1	1	2	1	1	1	1	1	2	2		
(25.00)	(62.50)	(12.50)	-	-	-	(100.00)	(20.00)	(40.00)	(20.00)	-	-	(20.00)	(60.00)	(100.00)	(4.35)	(60.87)	(4.35)	(4.35)	(8.70)	(17.39)	(100.00)		
1	1	1	1	1	1	2	2	1	1	1	1	1	1	5	4								
(25.00)	(50.00)	(25.00)	(50.00)	(25.00)	(100.00)	(20.00)	(20.00)	(100.00)	(50.00)	(25.00)	(75.00)	(100.00)											
1	1	1	1	1	1	2	2	1	1	1	1	1	1	5	4								
(50.00)	(50.00)	(25.00)	(50.00)	(25.00)	(100.00)	(20.00)	(20.00)	(100.00)	(50.00)	(25.00)	(75.00)	(100.00)											
Keionjhar	1	1	1	1	1	2	2	1	1	1	1	1	1	5	4								
(25.00)	(62.50)	(12.50)	-	-	-	(100.00)	(20.00)	(40.00)	(20.00)	-	-	(20.00)	(60.00)	(100.00)	(4.35)	(60.87)	(4.35)	(4.35)	(8.70)	(17.39)	(100.00)		
1	1	1	1	1	1	2	2	1	1	1	1	1	1	5	4								
(25.00)	(50.00)	(25.00)	(50.00)	(25.00)	(100.00)	(20.00)	(20.00)	(100.00)	(50.00)	(25.00)	(75.00)	(100.00)											
1	1	1	1	1	1	2	2	1	1	1	1	1	1	5	4								
(50.00)	(50.00)	(25.00)	(50.00)	(25.00)	(100.00)	(20.00)	(20.00)	(100.00)	(50.00)	(25.00)	(75.00)	(100.00)											
ALL Dists.	3	7	2	1	-	1	14	4	4	1	-	2	4	15	2	15	1	1	2	8	29		
(21.43)	(50.00)	(14.29)	(7.14)	(7.14)	(100.00)	(26.67)	(26.67)	(6.67)	(13.33)	(26.67)	(100.00)	(6.90)	(51.72)	(3.45)	(3.45)	(6.90)	(27.59)	(100.00)					
221																							

(contd.)

TABLE IV.8 (contd.)

District	Non-metallic Mineral Products			Hosiery and Readymade Garments			Total														
	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43
	Immediately started	Made necessary arrangements	Waited for an opportunity	Explored possibilities	Any other activity	Not available	Subtotal	Immediately started	Made necessary arrangements	Waited for an opportunity	Explored possibilities	Any other activity	Not available	Sub-total	Immediately started	Made necessary arrangements	Waited for an opportunity	Explored possibilities	Any other activity	Not available	Sub-total
Cuttack	1	2	-	-	-	1	4	1	1	-	-	-	-	2	6	24	3	1	3	5	42
	(25.00)	(50.00)				(25.00)	(100.00)	(50.00)	(50.00)					(100.00)	(14.29)	(57.14)	(7.14)	(2.38)	(7.14)	(11.91)	(100.00)
Balasore	2	1	-	1	-	1	5	-	-	-	-	1	-	1	4	4	1	1	1	6	17
	(60.00)	(20.00)		(20.00)		(20.00)	(100.00)					(100.00)		(100.00)	(23.53)	(23.53)	(5.88)	(5.88)	(5.88)	(35.30)	(100.00)
Keonjhar	-	-	-	-	-	1	1	1	-	-	-	-	1	2	4	2	-	1	1	6	14
						(100.00)	(100.00)	(50.00)					(50.00)	(100.00)	(28.57)	(14.29)		(7.14)	(7.14)	(42.86)	(100.00)
All Dists.	3	3	-	1	-	3	10	2	1	-	-	1	1	5	14	30	4	3	5	17	73
	(30.00)	(30.00)		(10.00)		(30.00)	(100.00)	(40.00)	(20.00)			(20.00)	(20.00)	(100.00)	(19.18)	(41.10)	(5.48)	(4.11)	(6.85)	(23.29)	(100.00)

when they started establishing the units.

Since a particular entrepreneur faced more than one problem, it was decided to calculate the percentage of each total with reference to the number of units investigated instead of adding all totals.

Out of a total of 73 entrepreneurs a larger number 32 (44 per cent) faced the problem of capital; 28 (38 per cent) faced the problem of raw materials; 16 (22 per cent) faced the problem of trained labour; 13 (18 per cent) faced the problem of Government control and regulations; 10 (14 per cent) faced the problem of technical guidance; 1 (11 per cent) faced the problem of feasibility report; and 7 (10 per cent) faced the problem of machines.

Of those who faced the problem of capital Balasore had higher percentage (53) than keonjhar (50) than Cuttack (38); of those who faced the problem of raw materials Balasore again had higher percentage (59) than Keonjhar (50) than Cuttack (26); of those who faced the problem of trained labour Keonjhar had higher percentage (29) than Cuttack (21) than Balasore (18); of those who faced the problem of Government control and regulation Keonjhar again had higher percentage (29) than Cuttack (17) than Balasore (12); and of those who faced the problem of

technical guidance both Cuttack (14) and Keonjhar (14) had higher percentages than Balasore (12). Problems of feasibility report and machines were faced by higher percentages of entrepreneurs of Cuttack than the other districts.

At the all-district level, three initial problems in order of importance were: capital (57 per cent), technical guidance (50 per cent) and trained labour (43 per cent) in Food Products; Capital (60 per cent), raw materials (40 per cent) and Government control and regulations (40 per cent) in Wood products; raw materials (31 per cent), capital (24 per cent); machines (24 per cent) and trained labour (24 per cent) in Metal Products; raw materials (70 per cent), capital (50 per cent) and trained labour (30 per cent) in Non-metallic Mineral Products; capital (60 per cent), raw materials (40 per cent) and Government control and regulations (20 per cent) in Hosiery and Readymade Garments.

At the industry level, in Cuttack district, the percentage of those who faced the problem of capital was higher in Food Products (63) than in Wood Products (60) than in Hosiery and Readymade Garments (50) than in Metal Products (26) than in Non-metallic Mineral Products (25); percentage of those who faced the problem of raw materials was higher in Non-metallic Mineral Products (50) than in

Wood Products (40) than in Food Products (38) than in Metal Products (17); the percentage of those who faced the problem of trained labour was higher in Non-metallic Mineral Products (50) than in Food Products (38) than in Metal Products (17); in Balasore the percentage of those who faced the problem of capital was higher in Hosiery and Readymade Garments (100) than in Non-metallic Mineral Products (80) than in Food Products (50) than in Wood Products (40); the percentage of those who faced the problem of raw materials was higher in Metal Products (100) and Non-metallic Mineral Products (100) than in Wood Products (60); the percentage of those who faced the problem of trained labour was higher in Metal Products (100) than in Food Products (25); in Keonjhar, the percentage of those who faced the problem of capital was higher in Wood Products (80) than in Hosiery and Readymade Garments (50) and Food Products (50) than in Metal Products (25); the percentage of those who faced the problem of raw materials was higher in Hosiery and Readymade Garments (100) than in Metal Products (75) than in Food Products (50) than in Wood Products (20); and the percentage of those who faced the problem of trained labour was higher in Food Products (100) and Non-metallic Mineral Products (100) than in Metal Products (25).

Intra-industry comparisons reveal that the percentage of those who faced the problem of capital was higher in Cuttack (63) than in Balasore (50) and Keonjhar (50); the percentage of those who faced the problem of raw materials was higher in Keonjhar (50) than in Cuttack (38) and the percentage of those who faced the problem of trained labour was higher in Keonjhar (100) than in Cuttack (38) than in Balasore (25); in Wood Products the percentage of those who faced the problem of capital was higher in Keonjhar (80) than in Cuttack (60) than in Balasore (40) and the percentage of those who faced the problem of raw materials was higher in Balasore (60) than in Cuttack (40) than in Keonjhar (20); in Metal Products the percentage of those who faced the problem of raw materials was higher in Balasore (100) than in Keonjhar (75) than in Cuttack (17); and the percentage of those who faced the problem of trained labour was higher in Balasore (100) than in Keonjhar (25) than in Cuttack (17); in Non-metallic Mineral Products the percentage of those who faced the problem of capital was higher in Balasore (80) than in Cuttack (25); the percentage of those who faced the problem of raw materials was higher in Balasore (100) than in Cuttack (50) and the percentage of those who faced the problem of trained labour was higher in Keonjhar (100) than in Cuttack (50);



and in Hosiery and Readymade Garments the percentage of those who faced the problem of capital was higher in Balasore (100) than in Cuttack (50) and Keonjhar (50).

(TABLE IV. 9)

MAIN FINDINGS

- (1) Cuttack had higher percentages of those entrepreneurs who perceived the opportunities for starting industrial units based on their own skill and experience as well as on market study/information than Balasore than Keonjhar. Keonjhar had higher percentages of those who perceived the opportunities based on similar business/family business and advice than Cuttack than Balasore.
- (2) Resources ranked first in Cuttack, Balasore and Keonjhar as the discouraging factor in starting industrial units. In Cuttack and Balasore labour and in Keonjhar competition ranked second. In Cuttack 'other factors', in Balasore competition and in Keonjhar location ranked third.
- (3) Family ranked first and friends third as the encouraging factors in starting industrial units in Cuttack, Balasore and Keonjhar. Relatives ranked second in Cuttack and Keonjhar whereas location ranked second in Balasore.
- (4) For taking risk in manufacturing business, of those who were attracted by shortages of goods, Balasore had higher percentage than Keonjhar than Cuttack; of those who were attracted by profit and by others in similar concerns Cuttack had higher percentage than Balasore than Keonjhar; and of those who were

TABLE IV.9  
INITIAL PROBLEMS OF ENTREPRENEURES

District	Food Products										Wood Products										
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		
Cuttack	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		
		Feasibility report	Capital	Machines	Raw materials	Trained labourers	Technical guidance	Govt. control and regulations	Any other problem	Units investigated	Feasibility report	Capital	Machines	Raw materials	Trained labourers	Technical guidance	Govt. control & regulation	Any other problem	Units investigated.		
	(12.50)	(62.50)	-	(37.50)	(37.50)	(50.00)	(12.50)	(100.00)	-	-	(60.00)	-	(40.00)	(40.00)	-	(40.00)	-	(100.00)	-		
	Balasore	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
			Feasibility report	Capital	Machines	Raw materials	Trained labourers	Technical guidance	Govt. control and regulations	Any other problem	Units investigated	Feasibility report	Capital	Machines	Raw materials	Trained labourers	Technical guidance	Govt. control & regulation	Any other problem	Units investigated.	
		(78.14)	(57.14)	-	(28.57)	(42.86)	(50.00)	(14.29)	(100.00)	-	-	(60.00)	-	(40.00)	(40.00)	-	(40.00)	-	(100.00)	-	
		Keonjhar	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
				Feasibility report	Capital	Machines	Raw materials	Trained labourers	Technical guidance	Govt. control and regulations	Any other problem	Units investigated	Feasibility report	Capital	Machines	Raw materials	Trained labourers	Technical guidance	Govt. control & regulation	Any other problem	Units investigated.
			(50.00)	(50.00)	-	(50.00)	(25.00)	(50.00)	(25.00)	(100.00)	-	-	(40.00)	-	(60.00)	(60.00)	-	(20.00)	-	(100.00)	-
			All Dists.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
				Feasibility report	Capital	Machines	Raw materials	Trained labourers	Technical guidance	Govt. control and regulations	Any other problem	Units investigated	Feasibility report	Capital	Machines	Raw materials	Trained labourers	Technical guidance	Govt. control & regulation	Any other problem	Units investigated.
(7.14)				(57.14)	-	(28.57)	(42.86)	(50.00)	(14.29)	(100.00)	-	-	(60.00)	-	(40.00)	(40.00)	-	(40.00)	-	(100.00)	-

TABLE IV.9 (contd.)

District	Metal Products										Non-metallic Mineral Products								
	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	
Cuttack	5	6	5	4	4	2	3	1	23	10	11	12	2	3	4	1	4		
	(21.74)	(26.09)	(21.74)	(17.39)	(17.39)	(8.70)	(13.04)	(8.35)	(100.00)	(25.00)	(25.00)	(50.00)	(50.00)	(25.00)	(25.00)	(100.00)			
	Feasibility report	Capital	Machines	Raw materials	Trained labour	Technical guidance	Govt. control and regulation	Any other problem	Units investigated	Feasibility report	Capital	Machines	Raw materials	Trained labourers	Technical guidance	Govt. control and regulation	Any other problem	Units investigated	
	Balasore	1	1	1	2	3	1	1	1	2	1	4	1	5	1	1	2	5	
		(21.74)	(26.09)	(21.74)	(17.39)	(17.39)	(8.70)	(13.04)	(8.35)	(100.00)	(25.00)	(25.00)	(50.00)	(50.00)	(25.00)	(25.00)	(100.00)		
		1	1	1	2	3	1	1	1	2	1	4	1	5	1	1	2	5	
		(21.74)	(26.09)	(21.74)	(17.39)	(17.39)	(8.70)	(13.04)	(8.35)	(100.00)	(25.00)	(25.00)	(50.00)	(50.00)	(25.00)	(25.00)	(100.00)		
		1	1	1	2	3	1	1	1	2	1	4	1	5	1	1	2	5	
	Keionjhar	1	1	1	3	1	1	1	1	4	1	1	1	1	1	1	1	1	
		(25.00)	(25.00)	(25.00)	(75.00)	(25.00)	(25.00)	(50.00)	(50.00)	(100.00)	(25.00)	(80.00)	(100.00)	(100.00)	(50.00)	(50.00)	(100.00)	(100.00)	
1		1	1	3	1	1	1	1	4	1	1	1	1	1	1	1	1		
(25.00)		(25.00)	(25.00)	(75.00)	(25.00)	(25.00)	(50.00)	(50.00)	(100.00)	(25.00)	(80.00)	(100.00)	(100.00)	(50.00)	(50.00)	(100.00)	(100.00)		
1		1	1	3	1	1	1	1	4	1	1	1	1	1	1	1	1		
ALL Dists.	6	7	7	9	7	3	4	1	29	1	5	7	3	2	3	5	10		
	(20.69)	(24.14)	(24.14)	(31.03)	(24.14)	(10.34)	(13.79)	(3.45)	(100.00)	(10.00)	(50.00)	(70.00)	(30.00)	(20.00)	(30.00)	(100.00)			
	6	7	7	9	7	3	4	1	29	1	5	7	3	2	3	5	10		
	(20.69)	(24.14)	(24.14)	(31.03)	(24.14)	(10.34)	(13.79)	(3.45)	(100.00)	(10.00)	(50.00)	(70.00)	(30.00)	(20.00)	(30.00)	(100.00)			
	6	7	7	9	7	3	4	1	29	1	5	7	3	2	3	5	10		
	(25.00)	(25.00)	(25.00)	(75.00)	(25.00)	(25.00)	(50.00)	(50.00)	(100.00)	(25.00)	(80.00)	(100.00)	(100.00)	(50.00)	(50.00)	(100.00)	(100.00)		
	(25.00)	(25.00)	(25.00)	(75.00)	(25.00)	(25.00)	(50.00)	(50.00)	(100.00)	(25.00)	(80.00)	(100.00)	(100.00)	(50.00)	(50.00)	(100.00)	(100.00)		
	6	7	7	9	7	3	4	1	29	1	5	7	3	2	3	5	10		
	(20.69)	(24.14)	(24.14)	(31.03)	(24.14)	(10.34)	(13.79)	(3.45)	(100.00)	(10.00)	(50.00)	(70.00)	(30.00)	(20.00)	(30.00)	(100.00)			
	6	7	7	9	7	3	4	1	29	1	5	7	3	2	3	5	10		
(20.69)	(24.14)	(24.14)	(31.03)	(24.14)	(10.34)	(13.79)	(3.45)	(100.00)	(10.00)	(50.00)	(70.00)	(30.00)	(20.00)	(30.00)	(100.00)				

(contd.)

TABLE IV.9 (contd.)

District	Hosiery and Readymade Garments										Total							
	38	39	40	41	42	43	44	45	46	47		48	49	50	51	52	53	54
Cuttack	-	1	-	-	-	-	1	-	2	7	16	5	11	9	6	7	3	42
	(60.00)	(50.00)	-	(40.00)	-	-	(20.00)	-	(100.00)	(10.96)	(43.84)	(9.59)	(38.36)	(21.92)	(13.70)	(17.81)	(8.22)	(100.00)
	-	1	-	2	-	-	-	-	2	8	32	7	28	16	10	13	6	73
	-	1	-	(100.00)	-	-	-	-	2	(7.14)	(50.00)	(7.14)	(50.00)	(28.57)	(14.29)	(28.57)	-	(100.00)
	-	1	-	-	-	-	-	-	1	(100.00)	(52.94)	(5.88)	(58.82)	(17.65)	(11.76)	(11.76)	(17.65)	(100.00)
	-	1	-	-	-	-	-	-	1	-	9	1	10	5	2	2	3	17
	-	1	-	-	-	-	-	-	1	(50.00)	(38.10)	(11.90)	(26.19)	(21.43)	(14.29)	(16.67)	(7.14)	(100.00)
	-	1	-	-	-	-	-	-	2	(100.00)	(16.67)	(38.10)	(11.90)	(26.19)	(21.43)	(16.67)	(7.14)	(100.00)
	-	1	-	-	-	-	-	-	2	(100.00)	(16.67)	(38.10)	(11.90)	(26.19)	(21.43)	(16.67)	(7.14)	(100.00)
	-	1	-	-	-	-	-	-	2	(100.00)	(16.67)	(38.10)	(11.90)	(26.19)	(21.43)	(16.67)	(7.14)	(100.00)
Balasore	-	1	-	-	-	-	1	-	1	9	1	10	5	2	2	2	3	17
	-	1	-	-	-	-	1	-	1	9	1	10	5	2	2	2	3	17
	-	1	-	-	-	-	1	-	1	9	1	10	5	2	2	2	3	17
	-	1	-	-	-	-	1	-	1	9	1	10	5	2	2	2	3	17
	-	1	-	-	-	-	1	-	1	9	1	10	5	2	2	2	3	17
	-	1	-	-	-	-	1	-	1	9	1	10	5	2	2	2	3	17
	-	1	-	-	-	-	1	-	1	9	1	10	5	2	2	2	3	17
	-	1	-	-	-	-	1	-	1	9	1	10	5	2	2	2	3	17
	-	1	-	-	-	-	1	-	1	9	1	10	5	2	2	2	3	17
	-	1	-	-	-	-	1	-	1	9	1	10	5	2	2	2	3	17
-	1	-	-	-	-	1	-	1	9	1	10	5	2	2	2	3	17	
Keonjhar	-	1	-	2	-	-	-	-	2	1	7	1	7	4	2	4	-	14
	-	1	-	2	-	-	-	-	2	1	7	1	7	4	2	4	-	14
	-	1	-	2	-	-	-	-	2	1	7	1	7	4	2	4	-	14
	-	1	-	2	-	-	-	-	2	1	7	1	7	4	2	4	-	14
	-	1	-	2	-	-	-	-	2	1	7	1	7	4	2	4	-	14
	-	1	-	2	-	-	-	-	2	1	7	1	7	4	2	4	-	14
	-	1	-	2	-	-	-	-	2	1	7	1	7	4	2	4	-	14
	-	1	-	2	-	-	-	-	2	1	7	1	7	4	2	4	-	14
	-	1	-	2	-	-	-	-	2	1	7	1	7	4	2	4	-	14
	-	1	-	2	-	-	-	-	2	1	7	1	7	4	2	4	-	14
-	1	-	2	-	-	-	-	2	1	7	1	7	4	2	4	-	14	
All Dists.	-	3	-	2	-	-	1	-	5	8	32	7	28	16	10	13	6	73
	(60.00)	(50.00)	-	(40.00)	-	-	(20.00)	-	(100.00)	(10.96)	(43.84)	(9.59)	(38.36)	(21.92)	(13.70)	(17.81)	(8.22)	(100.00)
	-	3	-	2	-	-	1	-	5	8	32	7	28	16	10	13	6	73
	-	3	-	2	-	-	1	-	5	8	32	7	28	16	10	13	6	73
	-	3	-	2	-	-	1	-	5	8	32	7	28	16	10	13	6	73
	-	3	-	2	-	-	1	-	5	8	32	7	28	16	10	13	6	73
	-	3	-	2	-	-	1	-	5	8	32	7	28	16	10	13	6	73
	-	3	-	2	-	-	1	-	5	8	32	7	28	16	10	13	6	73
	-	3	-	2	-	-	1	-	5	8	32	7	28	16	10	13	6	73
	-	3	-	2	-	-	1	-	5	8	32	7	28	16	10	13	6	73
-	3	-	2	-	-	1	-	5	8	32	7	28	16	10	13	6	73	

attracted by own professional skill and experience Keonjhar had higher percentage than Cuttack than Balasore.

- (5) As regards the different factors creating confidence in the feasibility and viability of the units, of those whose own experience in the line was the basis of confidence Keonjhar had higher percentage than Cuttack than Balasore. Of those for whom anticipated demand was the basis of confidence Cuttack had higher percentage than Keonjhar than Balasore; and of those for whom essentiality of the commodities was the basis of confidence Balasore had higher percentage than Keonjhar than Cuttack.
- (6) Of those who entered industry with profit motive, greater proportion belonged to Keonjhar than Cuttack than Balasore; of those who had independence motive, greater proportion belonged to Balasore than Cuttack than Keonjhar; and of those who had social status motive, greater proportion belonged to Keonjhar than Balasore than Cuttack. All the 5 entrepreneurs who entered with achievement motive belonged to Cuttack.
- (7) Cuttack had higher percentage of those units with time lag of between 1 to 2 years than Balasore than Keonjhar. Keonjhar and Balasore had higher percentages of those units with time lag of 1 to 4 months than Cuttack.
- (8) Of those who utilised the time lag for making necessary arrangements Cuttack had higher percentage than Balasore than Keonjhar; and of those

who started immediately Keonjhar had higher percentage than Balasore than Cuttack.

- (9) Balasore had higher percentages of those entrepreneurs who faced the problems of capital and raw materials than Keonjhar than Cuttack; Keonjhar had higher percentages of those entrepreneurs who faced the problem of trained labour and Government control and regulations than Cuttack and Balasore.

## CHAPTER V

### GENERAL FEATURES OF INDUSTRIAL UNITS OF ENTREPRENEURS

A study of entrepreneurship necessarily involves a study of their units. We here present some general features of these units including the incentives and supporting facilities provided by the Government and the promotional agencies. Location of the units, type of industry, ownership pattern, type of factory building, production and sale, number of shifts, employment of labour, mechanisation of production, use of motive powers and assistance received and expected by the entrepreneurs are some of the features discussed in this chapter.

The chapter is divided into three parts: Part I analyses the economic structure; Part II analyses industrial activities and Part III the incentives and supporting facilities.

#### PART I - ECONOMIC STRUCTURE

##### I. REASONS FOR STARTING SMALL UNITS

The various reasons reported by the entrepreneurs have been classified as limited market, on experimental basis, lack of finance, lack of experience, lack of know-how

and other reasons. Since each respondent stated more than one reason, percentage for each reason has been calculated with reference to the sample units.

Out of a total of 73 entrepreneurs, a greater number of 46 (63 per cent) stated that they had started small units due to lack of finance; 32 (44 per cent) due to limited market; 11 (15 per cent) on experimental basis; 10 (14 per cent) each due to lack of experience and other reasons; and only 2 (3 per cent) due to lack of know-how.

Of those who had started small units for lack of finance a much higher percentage was in Cuttack (76) than in Keonjhar (50) than in Balasore (41); of those who had started due to limited market a much higher percentage was in Keonjhar (71) than in Balasore (41) than in Cuttack (36); of those who had started on experimental basis a higher percentage was in Balasore (24) than in Cuttack (14) than in Keonjhar (7); and of those who had started for lack of experience Balasore had a higher percentage (18) than Cuttack (14) than Keonjhar (7).

At the all-district level, in Food and Non-metallic Mineral Products higher percentages had started small units due to limited market; in Wood and Metal Products higher



percentages had started due to lack of finance; and in Hosiery and Readymade Garments due to both reasons.

At the industry level, in Cuttack, the percentage of those who had started small units due to lack of finance was higher in Hosiery and Readymade Garments (100) than in Metal Products (83) than in Wood Products (80) than in Non-metallic Mineral Products (75) than in Food Products (50) and the percentage of those who had started on account of limited market was higher in Wood Products (60) than in Food, Non-metallic Mineral and Hosiery and Readymade Garments (50 each) than in Metal Products (22); in Balasore the percentage of those who had started due to lack of finance was higher in Hosiery and Readymade Garments (100) than in Wood Products (60) than in Metal Products (50) than in Food Products (25) than in Non-metallic Mineral Products (20) and the percentage of those who had started due to limited market was higher in Hosiery and Readymade Garments (100) than in Non-metallic Mineral Products (60) than in Food Products (50) than in Wood Products (20); in Keonjhar the percentage of those who had started for lack of finance was higher in Non-metallic Mineral Products (100) than in Wood Products (60) than in Metal Products (50) and Hosiery and Readymade Garments (50) and those who had started due

to limited market was higher in Food (100), Non-metallic Mineral (100) and Hosiery and Readymade Garments (100) than in Wood Products (80) than in Metal Products (25).

Intra-industry comparisons reveal that in Food (50) Wood (80) and Metal Products (83) the percentages of those who had started small units due to lack of finance were higher in Cuttack, in Non-metallic Mineral Products in Keonjhar and in Hosiery and Readymade Garments both in Cuttack (100) and Balasore (100) than in other districts; and in Food (100), Wood (80) and Non-metallic Mineral Products (100) the percentages of those who started due to limited market were higher in Keonjhar than in other districts.

#### (TABLE V.1)

#### II. LOCATION OF UNITS

Out of a total of 73 units a greater number 28 (38 per cent) had place of residence upper-most in mind while locating their units; 27 (37 per cent) were attracted by business centre consideration; 26 (36 per cent) by other reasons like sources of raw materials, government decision, to avoid competition, on the road side and more regular supply of electricity, etc., 8 (11 per cent) by industrial estate facilities; 6 (8 per cent) by better acquaintance with the place; and 5 (7 per cent) by non-existence of similar units.

TABLE V.1

REASONS FOR STARTING SMALL UNITS

District	Food Products		Wood Products	
	No. of sample units	Value	No. of sample units	Value
1				
2	Limited market			
3	On experi-mental basis			
4	Lack of finance			
5	Lack of ex-perience			
6	Lack of know-how			
7	Other rea-sons			
8	Not avail-able			
9	No. of sample units			
10	Limited mar- ket			
11	On experi- mental basis			
12	Lack of finance			
13	Lack of ex- perience			
14	Lack of know-how			
15	Other rea- sons			
16	Not avail- able			
17	No. of sam- ple units			
Cuttack				
4	(50.00)	2	(50.00)	2
3	(37.50)	1	(25.00)	1
4	(50.00)	1	(25.00)	1
1	(12.50)	1	(25.00)	1
-	-	1	(25.00)	1
-	-	-	-	-
-	-	-	-	-
8	(100.00)	4	(100.00)	4
3	(60.00)	1	(20.00)	1
-	-	1	(20.00)	1
4	(80.00)	3	(60.00)	3
-	-	1	(20.00)	1
-	-	-	-	-
1	(20.00)	2	(40.00)	2
-	-	-	-	-
5	(100.00)	5	(100.00)	5
Balasore				
2	(50.00)	2	(50.00)	2
1	(25.00)	1	(25.00)	1
1	(25.00)	1	(25.00)	1
1	(25.00)	1	(25.00)	1
4	(100.00)	4	(100.00)	4
1	(20.00)	1	(20.00)	1
1	(20.00)	1	(20.00)	1
3	(60.00)	3	(60.00)	3
1	(6.67)	1	(6.67)	1
-	-	-	-	-
3	(20.00)	3	(20.00)	3
1	(6.67)	1	(6.67)	1
15	(100.00)	15	(100.00)	15
Keonjhar				
2	(100.00)	2	(100.00)	2
-	-	-	-	-
-	-	-	-	-
1	(50.00)	1	(50.00)	1
1	(7.14)	1	(7.14)	1
-	-	-	-	-
-	-	-	-	-
14	(100.00)	14	(100.00)	14
8	(53.33)	8	(53.33)	8
1	(6.67)	1	(6.67)	1
10	(66.67)	10	(66.67)	10
1	(6.67)	1	(6.67)	1
-	-	-	-	-
3	(20.00)	3	(20.00)	3
1	(6.67)	1	(6.67)	1
15	(100.00)	15	(100.00)	15
All Dists.				
8	(57.14)	8	(57.14)	8
4	(28.57)	4	(28.57)	4
5	(35.71)	5	(35.71)	5
3	(21.43)	3	(21.43)	3
1	(7.14)	1	(7.14)	1
-	-	-	-	-
-	-	-	-	-
14	(100.00)	14	(100.00)	14
8	(53.33)	8	(53.33)	8
1	(6.67)	1	(6.67)	1
10	(66.67)	10	(66.67)	10
1	(6.67)	1	(6.67)	1
-	-	-	-	-
3	(20.00)	3	(20.00)	3
1	(6.67)	1	(6.67)	1
15	(100.00)	15	(100.00)	15

(contd.)

TABLE V - V.1 (contd.)

District	Metal Products		Non-metallic Mineral Products	
	No. of sample units	Value (Rs.)	No. of sample units	Value (Rs.)
Cuttack	Limited market	18	5	(21.74)
	On experimental basis	19	3	(13.04)
	Lack of finance	20	19	(82.61)
	Lack of experience	21	4	(17.39)
	Lack of know-how	22	-	-
	Other reasons	23	4	(17.39)
	Not available	24	-	-
	No. of sample units	25	23	(100.00)
	Limited market	26	2	(50.00)
	On experimental basis	27	-	-
Balasore	Lack of finance	28	3	(75.00)
	Lack of experience	29	1	(25.00)
	Lack of know-how	30	1	(25.00)
	Other reasons	31	-	-
	Not available	32	-	-
	No. of sample units	33	4	(100.00)
	Limited market	34	3	(60.00)
	On experimental basis	35	1	(20.00)
	Lack of finance	36	1	(20.00)
	Lack of experience	37	1	(20.00)
Keonjhar	Lack of know-how	38	3	(60.00)
	Other reasons	39	1	(20.00)
	Not available	40	1	(20.00)
	No. of sample units	41	5	(100.00)
	Limited market	42	2	(50.00)
	On experimental basis	43	1	(50.00)
	Lack of finance	44	1	(50.00)
	Lack of experience	45	1	(50.00)
	Lack of know-how	46	1	(50.00)
	Other reasons	47	1	(50.00)
All Dists.	Limited market	48	6	(20.69)
	On experimental basis	49	6	(20.69)
	Lack of finance	50	22	(75.86)
	Lack of experience	51	5	(17.24)
	Lack of know-how	52	-	-
	Other reasons	53	4	(13.79)
	Not available	54	1	(3.45)
	No. of sample units	55	29	(100.00)
	Limited market	56	6	(60.00)
	On experimental basis	57	-	-
All Dists.	Lack of finance	58	5	(50.00)
	Lack of experience	59	1	(10.00)
	Lack of know-how	60	1	(10.00)
	Other reasons	61	3	(30.00)
	Not available	62	-	-
	No. of sample units	63	10	(100.00)

(contd.)

TABLE - V.1 (contd.)

District	Hosiery and Readymade Garments											Total				
	34	35	36	37	38	39	40	41	42	43	44		45	46	47	48
Cuttack	1	-	2	-	-	-	-	2	15	6	32	6	1	5	-	42
	(50.00)		(100.00)					(100.00)	(35.71)	(14.29)	(76.19)	(14.29)	(2.38)	(11.90)		(100.00)
Balasore	1	-	1	-	-	-	-	1	7	4	7	3	1	5	-	17
	(100.00)		(100.00)					(100.00)	(41.18)	(23.53)	(41.18)	(17.65)	(5.88)	(29.41)		(100.00)
Keonjhar	2	-	1	-	-	-	-	2	10	1	7	1	-	-	2	14
	(100.00)		(50.00)					(100.00)	(71.43)	(7.14)	(50.00)	(7.14)			(14.29)	(100.00)
ALL Dists.	4	-	4	-	-	-	-	5	32	11	46	20	2	10	2	73
	(80.00)		(80.00)					(100.00)	(43.84)	(15.07)	(63.01)	(13.70)	(2.74)	(13.70)	(2.74)	(100.00)

Of those who had place of residence uppermost in mind Balasore had higher percentage (47) than Keonjhar (43) than Cuttack (33); of those who had business centre consideration Cuttack had higher percentage (45) than Balasore (35) than Keonjhar (14); and of those for whom other reasons were important Balasore had higher percentage (59) than Cuttack (31) than Keonjhar (21).

All the entrepreneurs attracted by industrial estate facilities belonged to Cuttack and 6 of them were in Metal Products and the remaining 2 in Non-metallic Mineral Products. Of the 6 entrepreneurs attracted by better acquaintance with the place 2 were in Metal Products of Cuttack and 1 in Food, 2 in Wood and 1 in Hosiery and Readymade Garments of Keonjhar. Of the 5 entrepreneurs attracted by the non-existence of other units 2 were in Food and 2 in Metal Products of Cuttack and only 1 in Metal Products of Balasore.

At the all-district level, place of residence, business centre considerations and other reasons were the important causes of location of units in almost all industries.

At the industry level, in Cuttack, the percentage of those who had place of residence uppermost in mind was higher in Hosiery and Readymade Garments (100) than in

Food (38) than in Metal (35) than in Non-metallic Mineral Products (25) and the percentage of those who were attracted by business centre considerations was higher in Wood (80) than in Food (75) than in Hosiery and Readymade Garments (50) than in Metal Products (35) and the percentage of those who were attracted by other reasons was higher in Wood (60) than in Non-metallic Mineral Products (50) than in Food (38) than in Metal Products (22); in Balasore, the percentage of those who had place of residence uppermost in mind was higher in Food (75) than in Metal (50) than in Wood (40) and Non-metallic Mineral Products (40) and the percentage of those who were attracted by business centre consideration was higher in Food (100) than in Metal (50) than in Wood Products (20) and the percentage of those who were attracted by other reasons was higher both in Hosiery and Readymade Garments (100) and Non-metallic Mineral Products (100) than in Wood (60) than in Food Products (25); in Keonjhar the percentage of those who had place of residence uppermost in mind was higher in Wood Products (60) than in Food and Metal Products (50 each) and the percentage of those who were attracted by other reasons was higher in Non-metallic Mineral Products (100) than in Metal Products (25) than in Wood Products (20).

( TABLE V. 2 )

TABLE 1 - V.2  
LOCATION OF THE UNITS

District	Food Products								Wood Products						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
		Place of residence							Place of residence						
		Better acquaintance with the place							Better acquaintance with the place						
		Business centre							Business centre						
		Industrial Estate facilities							Industrial Estate facilities						
		No unit existed							No unit existed						
		Other reasons							Other reasons						
		No. of units							No. of units						
Cuttack	3	(37.50)	-	(75.00)	-	(25.00)	3	(100.00)	-	-	(80.00)	-	-	3	5
Balasore	3	(75.00)	-	(100.00)	-	-	1	(100.00)	2	-	1	-	-	3	5
Keonjhar	1	(50.00)	1	(50.00)	-	-	-	(100.00)	3	2	1	-	-	1	5
ALL Dists.	7	(50.00)	1	(50.00)	-	2	4	(100.00)	5	2	5	-	-	7	15
		(7.14)		(71.43)		(14.29)		(28.57)		(100.00)				(33.33)	
		(71.43)		(14.29)		(28.57)		(100.00)		(33.33)				(13.33)	
		(14.29)		(28.57)		(100.00)		(33.33)		(33.33)				(46.67)	
		(28.57)		(100.00)		(33.33)		(33.33)		(46.67)				(100.00)	

(contd.)



TABLE V.2 (contd.)

District	Metal Products											Non-metallic Mineral Products				
	16	17	18	19	20	21	22	23	24	25	26	27	28	29		
	Place of residence	Better acquaintance with the place	Business centre	Industrial Estate facilities	No unit existed	Other reasons	No. of units	Place of residence	Better acquaintance with the place	Business centre	Industrial Estate facilities	No unit existed	Other reasons	No. of units		
Cuttack	8 (34.78)	2 (8.70)	8 (34.78)	6 (26.09)	2 (8.70)	5 (21.74)	23 (100.00)	1 (25.00)	-	-	2 (50.00)	-	2 (50.00)	4 (100.00)		
Balasore	1 (50.00)	-	1 (50.00)	-	1 (50.00)	-	2 (100.00)	2 (40.00)	-	-	1 (50.00)	-	5 (100.00)	5 (100.00)		
Keonjhar	2 (50.00)	-	1 (25.00)	-	-	1 (25.00)	4 (100.00)	-	-	-	1 (20.00)	-	1 (100.00)	1 (100.00)		
ALL Dists.	11 (37.93)	2 (6.90)	10 (34.48)	6 (20.69)	3 (10.34)	6 (20.69)	29 (100.00)	3 (30.00)	-	-	2 (20.00)	-	8 (80.00)	10 (100.00)		

(contd.)

TABLE V - V.2(contd.)

District	Hosiery and Readymade Garments										Total									
	Place of residence	Better acquaintance with the place	Business centre	Industrial Estate facilities	No unit existed	Other reasons	No. of units	Place of residence	Better acquaintance with the place	Business centre	Industrial Estate facilities	No unit existed	Other reasons	No. of units						
Cuttack	30	31	32	33	34	35	36	37	38	39	40	41	42	43						
	2	-	1	-	-	-	2	14	2	19	8	4	13	42						
Balasore	(100.00)	-	(50.00)	-	-	-	(100.00)	(33.33)	(4.76)	(45.24)	(19.05)	(9.52)	(30.95)	(100.00)						
	1	1	1	1	1	1	1	8	1	6	1	0	10	17						
Keonjhar	-	1	1	-	-	-	(100.00)	(47.06)	-	(35.29)	-	(5.88)	(58.82)	(100.00)						
	1	1	1	1	1	1	2	6	4	2	1	1	3	14						
All Dists.	2	1	2	-	-	-	5	28	6	27	8	5	26	73						
	(40.00)	(20.00)	(40.00)	-	-	-	(100.00)	(38.36)	(8.22)	(36.99)	(10.96)	(6.85)	(35.62)	(100.00)						
		(50.00)	(50.00)				(100.00)	(42.86)	(28.57)	(14.29)		(21.43)	(100.00)							

### III. SOURCES OF INITIAL CAPITAL

Out of a total of 68 entrepreneurs, a greater number of 45 (66 per cent) got their initial capital from 'other sources' which included borrowings from friends and relatives, suppliers of machines and equipments, government and financial institutions; 30 (44 per cent) from another business; 13 (19 per cent) from parents; 3 (4 per cent) from in-laws; and 1 from sale of property.

The percentage of those who got their initial capital from 'other source' was higher in Keonjhar (69) than in Cuttack (68) than in Balasore (57); the percentage of those who obtained their initial capital from another business was higher in Balasore (57) than in Cuttack (41) than in Keonjhar (38) and the percentage of those who got their initial capital from parents was higher in Cuttack (27) than in Keonjhar (15).

( TABLE V. 3 )

### IV. TYPE OF INDUSTRY

Out of a total of 73 units a greater number of 29 (40 per cent) belonged to Metal Products; 15 (21 per cent) to Wood Products; 14 (19 per cent) to Food Products;

TABLE 1 - V.3

SOURCES OF INITIAL CAPITAL

District	Food Products							Wood Products						Metal Products					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
	Another Business			Parents	In-laws	Other sources	No. of units	Another business	Sale of property	Parents	In-laws	Other sources	No. of units	Another business	Sale of property	Parents	In-laws	Other sources	No. of units
Cuttack	(37.50)	-	-	(12.50)	-	(62.50)	8	(50.00)	-	(25.00)	-	(50.00)	4	(43.48)	-	(34.78)	(8.70)	(69.57)	(100.00)
Balasore	(50.00)	-	-	-	-	(50.00)	4	(66.67)	-	-	-	(33.33)	3	(100.00)	-	-	-	(50.00)	(100.00)
Keonjhar	(50.00)	-	-	-	-	(50.00)	2	(25.00)	-	(25.00)	-	(100.00)	4	(100.00)	-	(25.00)	-	(50.00)	(100.00)
All Dists.	(42.86)	-	-	(7.14)	-	(57.14)	14	(45.45)	-	(18.18)	-	(63.64)	11	(44.83)	-	(31.03)	(6.90)	(63.52)	(100.00)

(contd.)

TABLE V.3 (contd.)

District	Non-metallic mineral Products					Hosiery and Readymade Garments						Total							
	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	
Cuttack	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	
	Another Business	Sale of property	Parents	In-laws	Other sources	No. of units	Another Business	Sale of property	Parents	In-laws	Other sources	No. of units	Another Business	Sale of property	Parents	In-laws	Other sources	No. of units	
Balasore	2	1	-	1	3	4	-	-	-	-	2	2	8	1	-	1	8	14*	
	(50.00)	(25.00)		(25.00)	(75.00)	(100.00)					(100.00)	(100.00)	(41.46)	(7.14)		(7.14)	(57.14)	(100.00)	
Keonjhar	1	-	-	1	-	1	1	-	-	2	2	5	5	2	1	9	13*		
	(100.00)			(25.00)		(100.00)	(50.00)			(100.00)	(100.00)	(100.00)	(38.46)	(15.38)		(69.23)	(100.00)		
ALL Dists.	5	1	1	1	6	9	1	-	-	-	5	5	30	1	13	3	45	68	
	(55.56)	(11.11)	(11.11)	(11.11)	(66.67)	(100.00)	(20.00)				(100.00)	(100.00)	(44.12)	(1.47)	(19.12)	(4.41)	(66.18)	(100.00)	
																			861

\* NA - Cuttack-1, Balasore-3, Keonjhar-1.

10 (14 per cent) to Non-metallic Mineral Products and only 5 (7 per cent) to Hosiery and Readymade Garments.

Of the units belonging to Metal Products Cuttack had a greater number (23) than Keonjhar (4) than Balasore (2); of the units belonging to Wood Products all the districts had equal number (5 units each); of the units belonging to Food Products, Cuttack had greater number (8) than Balasore (4) than Keonjhar (2); of the units belonging to Non-metallic Mineral Products, Balasore had greater number (5) than Cuttack (4) than Keonjhar (1); and in Hosiery and Readymade Garments Cuttack and Keonjhar had greater number of units (2 units) than Balasore (1).

At the all-district level, food Products had 14 units, Wood Products 15 units, Metal Products 29 units, Non-metallic Mineral Products 10 units and Hosiery and Readymade Garments 5 units.

At the industry level, in Cuttack Food Products had 8 units, Wood Products 5 units, Metal Products 23 units, Non-metallic Mineral Products 4 units and Hosiery and Readymade Garments 2 units; in Balasore, Food Products had 4 units, Wood Products 5 units, Metal Products 2 units, Non-metallic Mineral Products 5 units and Hosiery and Readymade Garments 1 unit and in Keonjhar Food Products had 2 units,

Wood Products 5 units, Metal Products, 4 units, Non-metallic Mineral Products 1 unit and Hosiery and Ready-made Garments 2 units.

(TABLE V.4)

All the units had their factory and office at the same place except 3 units (2 units belonging to Food Products and 1 to Non-metallic Mineral Products of Cuttack. These units had their offices at different places).

V. OWNERSHIP PATTERN

Out of a total of 73 units a much greater number of 44 (60 per cent) belonged to individual proprietorship; 13 (18 per cent) to partnership; joint family, 4 (5 per cent) to partnership; other, 8 (11 per cent) to family business; 3 (4 per cent) to industrial co-operatives; and only 1 to company form.

Of the units belonging to individual proprietorship higher percentage (79) belonged to Keonjhar than to Balasore (65) than to Cuttack (52); of the units belonging to partnership; joint family, higher percentage belonged to Cuttack (29) than to Balasore (6); of the units belonging to partnership; other, higher percentage belonged to Balasore (12) than to Cuttack (5); of the units belonging

TABLE - V.4  
TYPE OF INDUSTRY

District	Food Products	Wood Products	Metal Products	Non-metallic mineral Products	Hosiery and Readymade Garments	Total
1	2	3	4	5	6	7
Cuttack	8 (19.05)	5 (11.91)	23 (54.76)	4 (9.52)	2 (4.76)	42 (100.00)
Balasore	4 (23.53)	5 (29.41)	2 (11.77)	5 (29.41)	1 (5.88)	17 (100.00)
Keonjhar	2 (14.29)	5 (35.71)	4 (28.57)	1 (7.14)	2 (14.29)	14 (100.00)
All Dists.	14 (19.18)	15 (20.55)	29 (39.72)	10 (13.70)	5 (6.85)	73 (100.00)



to family business higher percentage belonged to Keonjhar (21) than to Cuttack (12). Of the remaining units Balasore had 2 units in Wood Products and 1 unit in Non-metallic Mineral Products belonging to industrial co-operatives and Cuttack had 1 unit in Metal Products belonging to company form.

At the all-district level, in all industries the dominant form of ownership happened to be individual proprietorship, more so in Non-metallic Mineral Products and Hosiery and Ready-made Garments. Besides, partnership: Joint family in Food and Metal Products and family business in Wood Products constituted the second largest forms of ownership. Other percentages were not that significant.

#### (TABLE V.5)

### VI. YEAR OF ESTABLISHMENT

Industrial units were classified into groups according to the year of establishment, viz. 1948 to 1962, 1963 to 1970 and 1971 to 1974.

Out of a total of 73 units, higher number of 45 (62 per cent) were established between 1971 to 1974; 18 (25 per cent) between 1963 to 1970; and 10 (14 per cent) between 1948 to 1962. This implies that most of the units were not very old.

TABLE V.5

OWNERSHIP PATTERN OF THE INDUSTRIAL UNITS

District	Food Products									Wood Products										
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Cuttack	Individual proprietorship	3	(37.50)	3	-	-	-	-	-	1	(20.00)	1	-	-	-	-	5	(100.00)		
	Partnership: Jt. Family	4	(50.00)	4	-	-	-	-	-	2	(40.00)	-	-	-	-	-	2	(40.00)		
	Partnership: others	1	(12.50)	1	-	-	-	-	-	-	-	1	(20.00)	-	-	-	1	(20.00)		
	Company form	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Cooperative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Family business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Any other form	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Sub-total	8	(100.00)	8	4	(100.00)	2	(40.00)	2	(40.00)	2	(40.00)	2	(40.00)	2	(40.00)	1	(20.00)	5	(100.00)
		9	(100.00)	14	(100.00)	7	(80.00)	4	(40.00)	2	(20.00)	1	(20.00)	2	(20.00)	3	(20.00)	15	(100.00)	
Balasore	Individual proprietorship	3	(75.00)	3	-	-	-	-	-	2	(40.00)	1	-	-	-	-	5	(100.00)		
	Partnership: Jt. Family	1	(25.00)	1	-	-	-	-	-	1	(20.00)	-	-	-	-	-	1	(20.00)		
	Partnership: others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Company form	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Cooperative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Family business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Any other form	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Sub-total	4	(100.00)	4	2	(40.00)	2	(40.00)	2	(40.00)	2	(40.00)	2	(40.00)	2	(40.00)	1	(20.00)	5	(100.00)
		8	(100.00)	14	(100.00)	7	(80.00)	4	(40.00)	2	(20.00)	1	(20.00)	2	(20.00)	3	(20.00)	15	(100.00)	
Keonjhar	Individual proprietorship	2	(100.00)	2	-	-	-	-	-	4	(80.00)	1	-	-	-	-	5	(100.00)		
	Partnership: Jt. Family	1	-	1	-	-	-	-	-	1	(20.00)	-	-	-	-	-	1	(20.00)		
	Partnership: others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Company form	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Cooperative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Family business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Any other form	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Sub-total	2	(100.00)	2	4	(80.00)	1	(20.00)	1	(20.00)	1	(20.00)	1	(20.00)	1	(20.00)	1	(20.00)	5	(100.00)
		8	(100.00)	14	(100.00)	7	(80.00)	4	(40.00)	2	(20.00)	1	(20.00)	2	(20.00)	3	(20.00)	15	(100.00)	
All Dists.	Individual proprietorship	8	(57.14)	8	-	-	-	-	-	7	(46.67)	1	-	-	-	-	15	(100.00)		
	Partnership: Jt. Family	4	(28.57)	4	-	-	-	-	-	2	(13.33)	-	-	-	-	-	2	(20.00)		
	Partnership: others	2	(14.29)	2	-	-	-	-	-	1	(6.67)	-	-	-	-	-	1	(20.00)		
	Company form	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Cooperative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Family business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Any other form	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Sub-total	14	(100.00)	14	7	(80.00)	4	(40.00)	2	(40.00)	2	(40.00)	2	(40.00)	2	(40.00)	1	(20.00)	15	(100.00)
		8	(57.14)	14	(100.00)	7	(80.00)	4	(40.00)	2	(20.00)	1	(20.00)	2	(20.00)	3	(20.00)	15	(100.00)	

(contd.)

TABLE V-5 (contd.)

District	Metal Products										Non-metallic Mineral Products									
	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33				
Cuttack	Individual partnership																			
	Partnership: Jt. Family																			
	Partnership: Others																			
	Company form																			
	Co-operative																			
	Family business																			
	Any other form																			
	Sub-total	12	6	1	1	-	3	23	4	-	-	-	-	-	-	4				
		(52.17)	(26.09)	(4.35)	(4.35)		(13.04)	(100.00)	(100.00)							(100.00)				
Balasore	Individual partnership																			
	Partnership: Jt. Family																			
	Partnership: Others																			
	Company form																			
	Co-operative																			
	Family business																			
	Any other form																			
	Sub-total	1	1	-	-	-	-	2	4	-	-	-	1	-	-	5				
		(50.00)	(50.00)					(100.00)	(80.00)				(20.00)			(100.00)				
Keonjhar	Individual partnership																			
	Partnership: Jt. Family																			
	Partnership: Others																			
	Company form																			
	Co-operative																			
	Family business																			
	Any other form																			
	Sub-total	2	-	-	-	-	2	4	1	-	-	-	-	-	1					
		(50.00)					(50.00)	(100.00)	(100.00)							(100.00)				
All Dists.	Individual partnership																			
	Partnership: Jt. Family																			
	Partnership: Others																			
	Company form																			
	Co-operative																			
	Family business																			
	Any other form																			
	Sub-total	15	7	1	1	-	5	29	9	-	-	-	1	-	-	10				
		(51.72)	(24.14)	(3.45)	(3.45)		(17.24)	(100.00)	(90.00)				(10.00)			(100.00)				

(contd.)

TABLE - V.5 (contd.)

District	Hosiery and Readymade Garments										Total							
	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49		
Cuttack	Individual proprietorship	-	-	-	-	-	-	2	22	12	2	1	-	5	-	42		
	Partnership: Jt. family	-	-	-	-	-	-	-	(28.57)	-	(4.76)	(2.38)	-	-	-	(100.00)		
	Partnership: Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Company form	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Cooperative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Family business	-	-	-	-	-	-	-	(11.91)	-	-	-	-	-	-	-	-	
	Any other form	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub-total	-	-	-	-	-	-	2	(52.38)	(28.57)	(4.76)	(2.38)	-	-	-	-	42	
	Balasore	Individual proprietorship	1	-	-	-	-	-	1	11	1	2	1	3	1	-	17	
		Partnership: Jt. family	-	-	-	-	-	-	-	(5.88)	-	(11.76)	-	-	-	-	-	
Partnership: Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Company form		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cooperative		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Family business		-	-	-	-	-	-	-	(17.65)	-	-	-	-	-	-	-		
Any other form		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Sub-total		1	-	-	-	-	-	1	(64.71)	(5.88)	(11.76)	(2.38)	(17.65)	(11.91)	-	-	17	
Keonjhar		Individual proprietorship	2	-	-	-	-	-	2	11	1	1	1	3	3	-	14	
		Partnership: Jt. family	-	-	-	-	-	-	-	(78.57)	-	-	-	-	-	-	-	
	Partnership: Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Company form	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Cooperative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Family business	-	-	-	-	-	-	-	(21.43)	-	-	-	-	-	-	-		
	Any other form	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Sub-total	2	-	-	-	-	-	2	(78.57)	(5.88)	(11.76)	(2.38)	(17.65)	(21.43)	-	-	14	
	ALL Dists.	Individual proprietorship	5	-	-	-	-	-	5	44	13	4	1	3	8	-	73	
		Partnership: Jt. family	-	-	-	-	-	-	-	(60.27)	(17.81)	(5.48)	(1.37)	(4.11)	(10.96)	-	-	
Partnership: Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Company form		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cooperative		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Family business		-	-	-	-	-	-	-	(78.57)	-	-	-	-	(21.43)	-	-		
Any other form		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Sub-total		5	-	-	-	-	-	5	(60.27)	(17.81)	(5.48)	(1.37)	(4.11)	(10.96)	-	-	73	
(100.00)																		

Of those which were established between 1971 to 1974 higher proportion belonged to Keonjhar (79 per cent) than to Cuttack (62 per cent) than to Balasore (47 per cent); of those which were established between 1963 to 1970, higher proportion belonged to Balasore (35 per cent) than to Cuttack (24 per cent) than to Keonjhar; and of those which were established between 1948 to 1962 higher proportion belonged to Balasore (18 per cent) than to Cuttack (14 per cent) than to Keonjhar (7 per cent).

At the all-district level, the percentage of those which were established between 1971 to 1974 was higher than the other percentages in all industries.

(TABLE V.6)

VII. TYPE OF FACTORY BUILDING

Out of a total of 73 units a greater number 44 (60 per cent) were located in factory sheds; 18 (25 per cent) were located in residential-cum-factory type of buildings; 10 (14 per cent) in Kachha buildings; and only 1 in other types of buildings.

The percentage of those located in factory sheds was higher in Keonjhar (64) than in Cuttack (60) than in Balasore (59); the percentage of those located in residential-cum-factory type of buildings was higher in Balasore

TABLE - V.6  
YEAR OF ESTABLISHMENT

District	Food Products					Wood Products					Metal Products					Non-metallic mineral Products					Hosiery & Ready-made Garments					Total
	1948-1962	1963-1970	1971-1974	Sub-total		1948-1962	1963-1970	1971-1974	Sub-total		1948-1962	1963-1970	1971-1974	Sub-total		1948-1962	1962-1970	1971-1974	Sub-total		1948-1962	1962-1970	1971-1974	Sub-total		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
Cuttack	1	4	3	8	1	3	1	5	4	3	16	23	-	-	4	4	-	-	2	2	6	10	26	42		
	(12.50)	(50.00)	(37.50)	(100.00)	(20.00)	(60.00)	(20.00)	(100.00)	(17.39)	(13.04)	(69.57)	(100.00)			(100.00)	(100.00)			(100.00)	(100.00)	(14.29)	(23.81)	(61.90)	(100.00)		
Balasore	1	1	2	4	1	3	2	5	1	1	-	2	1	-	4	5	-	1	1	3	6	8	17			
	(25.00)	(25.00)	(50.00)	(100.00)	(60.00)	(60.00)	(40.00)	(100.00)	(50.00)	(50.00)		(100.00)	(20.00)		(80.00)	(100.00)		(100.00)	(100.00)	(17.65)	(25.29)	(47.06)	(100.00)			
Keonjhar	-	-	2	2	1	1	5	5	1	1	3	4	1	-	1	1	1	1	2	1	3	11	14			
	(25.00)	(25.00)	(50.00)	(100.00)			(40.00)	(100.00)	(50.00)	(50.00)	(75.00)	(100.00)	(20.00)		(80.00)	(100.00)		(100.00)	(50.00)	(100.00)	(17.65)	(25.29)	(47.06)	(100.00)		
ALL Dists	2	5	7	14	1	6	8	15	5	5	19	29	2	-	8	10	-	2	3	5	10	18	45	73		
	(14.29)	(35.71)	(50.00)	(100.00)	(6.67)	(40.00)	(53.33)	(100.00)	(17.24)	(17.24)	(65.52)	(100.00)	(20.00)		(80.00)	(100.00)		(40.00)	(69.00)	(100.00)	(13.70)	(24.66)	(61.64)	(100.00)		

(41) than in Cuttack (24) than in Keonjhar (7); and the percentage of those located in kachha buildings was higher in Keonjhar (29) than in Cuttack (14).

At the all-district level, the percentage of those located in factory sheds was higher than those located in residential-cum-factory buildings than in kachha buildings for all industries.

At the industry level, in Cuttack, the percentage of those located in factory sheds was higher in Non-metallic Mineral Products (75) than in Wood Products (63) than in Metal Products (61) than in Hosiery and Ready-made Garments (50) than in Wood Products (40); in Balasore, the percentage of those located in factory sheds was higher in Wood Products (80) than in Food Products (75) than in Metal Products (50) than in Non-metallic Mineral Products (40) and the percentage of those located in residential-cum-factory buildings was higher in Hosiery and Readymade Garments (100) than in Non-metallic Mineral (60) than in Metal (50) than in Food (25) than in Wood Products (20); and in Keonjhar, the percentage of those located in factory sheds was higher in Food (100) and Hosiery and Readymade Garments (100 each) than in Wood Products (60) than in Metal Products (50).

(TABLE V.7)

TABLE - V.7  
TYPE OF FACTORY BUILDING

District	Food Products						Wood Products					Metal Products					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Cuttack	Kachha	1					Kachha					Kachha					
	Factory shed		5				Factory shed	2				Factory shed	14				
	Residential-cum-factory type			2			Residential-cum-factory type		3			Residential-cum-factory type		4			
	Any other						Any other					Any other					
	Sub-total					8	Sub-total				5	Sub-total					23
		(12.50)	(62.50)	(25.00)		(100.00)		(40.00)	(40.00)	(60.00)	(100.00)	(21.74)	(60.87)	(17.39)		(100.00)	
Balasore	Kachha						Kachha					Kachha					
	Factory shed		5				Factory shed	4				Factory shed	1				
	Residential-cum-factory type			1			Residential-cum-factory type		1			Residential-cum-factory type		1			
	Any other						Any other					Any other					
	Sub-total					4	Sub-total			5	Sub-total					2	
		(75.00)	(62.50)	(25.00)		(100.00)		(80.00)	(20.00)	(100.00)		(21.74)	(50.00)	(50.00)	(50.00)	(100.00)	
Keonjhar	Kachha						Kachha					Kachha					
	Factory shed		2				Factory shed	3				Factory shed	2				
	Residential-cum-factory type			1			Residential-cum-factory type		1			Residential-cum-factory type		1			
	Any other						Any other					Any other					
	Sub-total					2	Sub-total			5	Sub-total					4	
		(100.00)	(100.00)	(25.00)		(100.00)		(60.00)	(20.00)	(100.00)		(50.00)	(50.00)	(50.00)	(100.00)		
ALL Dists.	1	10	3		14		2	9	4		15	7	17	5		29	
	(7.14)	(71.43)	(21.43)		(100.00)		(13.33)	(60.00)	(26.67)		(100.00)	(24.14)	(58.62)	(17.24)		(100.00)	

(contd.)



TABLE 7 - V.7 (contd.)

District	Non-metallic mineral products					Hosiery and Readymade Garments					Total				
	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Cuttack	Kachha														
	Factory shed	3			1	4									
	Residential-cum-factory type														
	Any other														
	Subtotal														
Balasore	Kachha														
	Factory shed	2			3	5									
	Residential-cum-factory type														
	Any other														
	Subtotal														
Keonjhar	Kachha														
	Factory shed														
	Residential-cum-factory type	1													
	Any other														
	Subtotal														
All Dists	Kachha														
	Factory shed	5			4	10									
	Residential-cum-factory type														
	Any other														
	Subtotal														

## PART II - INDUSTRIAL ACTIVITY

## VIII. NATURE OF INDUSTRIAL ACTIVITY

Out of a total of 73 units a greater number of 54 (74 per cent) were engaged in manufacturing exclusively; 12 (16 per cent) were engaged in manufacturing principally; 3 (4 per cent) were engaged in processing exclusively and 3 (4 per cent) were engaged in repairing and servicing principally and only 1 was engaged in repairing and servicing exclusively.

The percentage of those which were engaged in manufacturing exclusively was higher in Balasore (88) than in Cuttack (74) than in Keonjhar (57); and the percentage of those which were engaged in manufacturing principally was equal (21) in both Cuttack and Keonjhar.

Of the 3 units engaged in processing exclusively 2 were in Wood Products of Keonjhar and 1 in the Wood Products of Balasore; of the 3 units engaged in repairing and servicing principally 1 each was in Metal Products of Cuttack and Keonjhar and another was in Hosiery and Ready-made Garments of Balasore.

At the all-district level, all the units of Food and Non-metallic Mineral Products industries were engaged in manufacturing exclusively whereas in Wood and Metal

Products more than 60 per cent were engaged in manufacturing exclusively. In Hosiery and Readymade Garments 60 per cent were engaged in manufacturing principally.

At the industry level, units engaged in manufacturing exclusively dominated in all the industries of all the districts except in Hosiery and Readymade Garments and in Wood Products of Keonjhar.

Intra-industry comparisons reveal that in Food and Non-metallic Products all the units belonging to all the districts were engaged in manufacturing exclusively; in Wood Products, percentages of those engaged in manufacturing exclusively were higher in Cuttack (80) and Balasore (80) than in Keonjhar (20); in Metal Products such percentage was higher in Balasore (100) than in Keonjhar (75) than in Cuttack (65); and in Hosiery and Readymade Garments the percentage of those engaged in manufacturing principally was higher in Cuttack (100) than in Keonjhar (50).

(TABLE V.8)

#### IX. PRODUCTION AND SALE

The following products were manufactured by the industrial units of Cuttack belonging to different industry groups:

Bread, biscuits, lozenges, ice and cakes among food products; wooden furniture, doors, windows, shutters

TABLE - V.8  
NATURE OF INDUSTRIAL ACTIVITY

District	FOOD PRODUCTS								WOOD PRODUCTS							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Cuttack	Manufacturing exclusively	8							4							
	Manufacturing principally												1			
	Processing exclusively															
	Processing principally															
	Repairing & servicing exclusively								1							
	Repairing & servicing principally															
	Sub-total	8	(100.00)						4	(80.00)						5
Balasore	Manufacturing exclusively	4	(100.00)						4	(80.00)						
	Manufacturing principally															
	Processing exclusively															
	Processing principally															
	Repairing & servicing exclusively															
	Repairing & servicing principally															
	Sub-total	4	(100.00)						4	(80.00)						5
Keonjhar	Manufacturing exclusively	2	(100.00)						1	(20.00)						
	Manufacturing principally								2	(40.00)						
	Processing exclusively								2	(40.00)						
	Processing principally															
	Repairing & servicing exclusively															
	Repairing & servicing principally															
	Sub-total	2	(100.00)						1	(20.00)						5
All Dists.	Manufacturing exclusively	14	(100.00)						9	(60.00)						
	Manufacturing principally								2	(13.33)						
	Processing exclusively								3	(20.00)						
	Processing principally															
	Repairing & servicing exclusively								1	(6.67)						
	Repairing & servicing principally															
	Sub-total	14	(100.00)						14	(100.00)						15

(contd.)





and agricultural implements among Wood Products; bolts, nuts, grills, gates, storage tanks, aluminium conductors, bicycle carriers and mud-guards, bell metal utensils, conduit pipes, G.I. buckets, agricultural implements, heavy structural, trusses, girders, plate bunkers, turn buckles, ball drills, tin containers, school boxes, trunks, suit cases, tubs, iron rods of different kinds, flats, steel almirahs, steel furniture, spare parts of textile machines and glass plants, cast iron weights and measures among metal products; refractory bricks, sanitary wares, lime, yellow earth paint and klin bricks among non-metallic mineral products and only readymade garments among hosiery and readymade garments.

Besides repair and processing works were also done by some units.

The following products were manufactured by the units of Balasore belonging to different industry groups:

Bread, biscuits and cakes among food products, wooden furniture, shutters and agricultural implements among wood products; gates, grills, stainless steel utensils, pipe elevators, water tanks, G.I. buckets, etc. among metal products, cement tiles and ridges, well rings, pipes, pillars, stone chips, black stone utensils and stone carving products among non-metallic mineral products and only readymade garments among hosiery and readymade garments.

Besides repair and processing works were also done by some units.

The following items were manufactured by the units of Keonjhar belonging to different industry groups:

Bread, biscuits, cakes and rice candy among food products; wooden furniture, doors, windows and agricultural implements, among wood products; aluminium utensils, steel fabrications, trunks, suit cases and G.I. buckets among metal products; cement tiles and ridges, well rings, hume pipes and flower pots among non-metallic mineral products and only readymade garments among hosiery and readymade garments.

Besides repair and processing works were also done by some units.

Differences between the districts in regard to the products were observed. In Keonjhar only very simple products having local demand were produced. Just very common type of bread, biscuit, cake and ice candy were produced. Similarly aluminium utensils and pots were produced with hand tools by making use of old worn out domestic utensils and pots as raw material. These were collected from the villages and towns in exchange of new ones or for money. Steel trunks, suit cases, grills and gates produced in this district were also of very common type. So also, were the readymade garments. These



products had important agricultural, constructional and household end-uses. Most of the products also had low demand elasticity. Moreover, products being of inferior quality, were not intended for outside market. People at the lower income level of the locality generally purchased these products.

In Balasore district, the aforesaid types of products were also produced. In addition stainless steel utensils, water tank, pipe elevator, G.I. buckets, black stone utensils and stone carvings were also produced. The only unit in our sample producing stone articles had very low capital investment and was labour intensive in nature.

The relative position of Cuttack district was some what better. In addition to the products of very common type as in other two districts certain intermediate and capital goods such as heavy structurals, iron rods of different kinds, flats, machine parts, trusses, bunkers, girders, turn buckles and refractory bricks were manufactured. Besides, products like bread, biscuits, cakes, lozenges, wooden furniture of better quality and more sophisticated varieties were also produced.

As regards the disposal of products in the local market, out of a total of 72 units, a greater number 50 (69 per cent) were selling all their products in the

local market; 13 (18 per cent) were selling less than 50 per cent and 9 (13 per cent) were selling 50 per cent or more in the local market.

The percentage of those which were selling all their products in the local market was higher in Keonjhar (86) than in Balasore (69) than in Cuttack (64); the percentage of those which were selling less than 50 per cent of their products in the local market was higher in Balasore (25) than in Cuttack (19) than in Keonjhar (7); and the percentage of those which were selling 50 per cent or more in the local market was higher in Cuttack (17) than in Keonjhar (7) than in Balasore (6).

At the all-district level the above positions remained almost unchanged in all the industries.

At the industry level in Cuttack, the percentage of those who were selling all their products in the local market was higher in Metal (78) than in Food (50) and Non-metallic Mineral (50) and Hosiery and Readymade Garments (50) than in Wood Products (40); in Balasore that percentage was higher in Food (100) than in Non-metallic Mineral (80) than in Metal Products (50) than in Wood Products (40); and in Keonjhar that percentage was higher in Food (100) and Non-metallic Mineral (100) and Hosiery and

Readymade Garments (100) than in Wood (80) than in Metal Products (75). Other percentages were negligible.

Intra-industry comparisons reveal that in Food Products of Balasore and Food, Non-metallic Mineral and Hosiery and Ready-made Garments of Keonjhar all the units were selling their products in the local market.

(TABLE V.9)

X. NUMBER OF DAYS WORKED IN A YEAR

Out of a total of 73 units, much greater number of 64 (88 per cent) worked out 181 to 300 days and above in a year and the remaining 9 (12 per cent) worked for 91 days to 180 days.

The percentage of those which belonged to the former category was higher in Keonjhar (93) than in Cuttack (88) than in Balasore (82) and the percentage of those which belonged to the latter category was higher in Balasore (18) than in Cuttack (12) than in Keonjhar (7).

One striking feature is that most of the industrial units belonging to the five industry groups worked for 181 to 300 days and above in a year.

(TABLE V.10)





## XI. NUMBER OF SHIFTS WORKED IN A DAY

Shifts were calculated on 8 hourly basis. Out of a total of 73 units a greater number of 48 (66 per cent) worked on single shift basis; 9 (12 per cent) worked on two-shift basis; and only 1 unit worked on three-shift basis; 15 (21 per cent) had no shifts.

The percentage of those which worked on single shift basis was higher both in Keonjhar (71) and Balasore (71) than in Cuttack (62) and the percentage of those which worked on two-shift basis was higher in Balasore (18) than in Cuttack (12) than in Keonjhar (7). The percentage of those which had no shifts was higher in Cuttack (24) than in Keonjhar (21) than in Balasore (12). The units which had no shifts were mostly run with family labour and a few hired local labourers with no fixed hours of work. Production in these units was according to demand and when demand was high the entrepreneurs were busy day in and day out. In contrast, when the demand was very low there was let-up in manufacturing activities.

At the all-district level, the percentage of those which had no shifts was higher in Food (43) and Hosiery and Readymade Garments (60). In other cases the percentage of those with one shift was very high.

( TABLE V.11)

TABLE A - V.11

NUMBERS OF SHIFTS WORKED IN A DAY

District	Food Products						Wood Products					Metal Products				
	1 shift	2 shifts	3 shifts	No shift	sub-total		1 shift	2 shifts	3 shifts	No shift	Sub-total	1 shift	2 shifts	3 shifts	No shift	Subtotal
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Cuttack	3	1	-	4	8	4	-	-	1	5	16	3	-	4	23	
	(37.50)	(12.50)		(50.00)	(100.00)	(80.00)			(20.00)	(100.00)	(69.57)	(13.04)		(17.39)	(100.00)	
Balasore	3	-	-	1	4	3	2	-	-	5	1	1	-	-	2	
	(75.00)			(25.00)	(100.00)	(60.00)	(40.00)			(100.00)	(50.00)	(50.00)			(100.00)	
Keonjhar	1	-	-	1	2	3	1	-	1	5	4	1	-	-	4	
	(50.00)			(50.00)	(100.00)	(60.00)	(20.00)		(20.00)	(100.00)	(100.00)	(50.00)			(100.00)	
ALL Dists.	7	1	-	6	14	10	3	-	2	15	21	4	-	4	29	
	(50.00)	(7.14)		(42.86)	(100.00)	(66.67)	(20.00)		(13.33)	(100.00)	(72.41)	(13.79)		(13.79)	(100.00)	

(contd.)

TABLE V - V.11 (contd.)

District	Non-metallic mineral Products					Hosiery and Readymade Garments						Total				
	1 shift	2 shifts	3 shifts	No shift	Sub-total	1 shift	2 shifts	3 shifts	No shifts	Sub-total	1 shift	2 shifts	3 shifts	No shift	Sub-total	
Cuttack	17	18	19	20	21	22	23	24	25	26	26	28	29	30	31	
	2	1	1	-	4	1	-	-	1	2	26	5	1	10	42	
	(50.00)	(25.00)	(25.00)		(100.00)	(50.00)			(50.00)	(100.00)	(61.90)	(11.95)	(2.38)	(23.81)	(100.00)	
Balasore	5				5				1	1	12	3		2	17	
	(100.00)				(100.00)				(100.00)	(100.00)	(70.59)	(17.65)		(11.76)	(100.00)	
Keonjhar	1				1	1			1	2	10	1		3	14	
	(100.00)				(100.00)	(50.00)			(50.00)	(100.00)	(71.43)	(7.14)		(21.43)	(100.00)	
All Dists.	8	1	1	-	10	2	-	-	3	5	48	9	1	15	73	
	(80.00)	(10.00)	(10.00)		(100.00)	(40.00)			(60.00)	(100.00)	(65.75)	(12.33)	(1.37)	(20.55)	(100.00)	



## XII. NATURE OF OPERATION

Out of a total of 73 units a greater number of 56 (47 per cent) were perennial in nature, i.e. production/processing/servicing continued all through the year; 11 (15 per cent) were seasonal in nature; and only 6 (8 per cent) operated intermittently.

The percentage of those which had perennial operation was higher in Keonjhar (79) than in Balasore (76) and Cuttack (76) and the percentage of those which had seasonal operation was higher in Balasore (24) than in Cuttack (14) than in Keonjhar (7).

One striking feature is that in Non-metallic Mineral Products 60 per cent of operation was seasonal in the aggregate. In Balasore all the units of all industries had perennial operation except Non-metallic Mineral Products in which 80 per cent of the operation was seasonal in nature. In Keonjhar all the units belonging to Metal, Non-metallic Mineral and Hosiery and Ready-made Garments had seasonal operation.

(TABLE V.12)

## XIII. EMPLOYMENT

### Skilled Labour

Out of a total of 73 units 44 (60 per cent)

TABLE - V.12  
NATURE OF OPERATION

All Dists.	Keonjhar	Balasore	Cuttack	1	Districts	
(14.29)	(50.00)	-	(12.50)	1	2	Seasonal
(85.71)	(50.00)	(100.00)	(87.50)	7	3	Perennial
				8	4	Inter-mittent
(100.00)	(100.00)	(100.00)	(100.00)	8	5	Sub-total
				-	6	Seasonal
(80.00)	(60.00)	(100.00)	(80.00)	4	7	Perennial
(20.00)	(40.00)		(20.00)	1	8	Inter-mittent
(100.00)	(100.00)	(100.00)	(100.00)	5	9	Subtotal
(10.34)			(13.04)	3	10	Seasonal
(82.76)	(100.00)	(100.00)	(78.26)	18	11	Perennial
(6.90)			(8.70)	2	12	Inter-mittent
(100.00)	(100.00)	(100.00)	(100.00)	23	13	Subtotal
(60.00)		(80.00)	(50.00)	2	14	Seasonal
(40.00)	(100.00)	(20.00)	(50.00)	2	15	Perennial
				-	16	Inter-mittent
(100.00)	(100.00)	(100.00)	(100.00)	4	17	Sub-total
(80.00)	(100.00)	(100.00)	(50.00)	1	18	Seasonal
(20.00)			(50.00)	1	19	Perennial
(100.00)	(100.00)	(100.00)	(100.00)	2	20	Inter-mittent
				2	21	Subtotal
(15.07)	(7.14)	(23.53)	(14.29)	6	22	Seasonal
(76.71)	(78.57)	(76.47)	(76.19)	32	23	Perennial
(8.22)	(14.29)		(9.52)	4	24	Inter-mittent
(100.00)	(100.00)	(100.00)	(100.00)	42	25	Sub-total
						Food Products
						Wood Products
						Metal Products
						Non-metallic mineral Products
						Hosiery & Ready-made Garments
						Total

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employed between 1 to 5 skilled labourers; 11 (15 per cent) employed between 6 to 10; and 10 (14 per cent) employed between 11 and above labourers. It is significant to note that 8 (11 per cent) did not employ any skilled labourers. The percentage of those which employed between 1 to 5 was higher in Keonjhar (79) than in Cuttack (57) than in Balasore (53); the percentage of those which employed between 6 to 10 was higher in Balasore (24) than in Cuttack (17) and the percentage of those which employed between 11 and above was higher in Cuttack (17) than in Balasore (12) than in Keonjhar (7).

Of those which did not employ skilled labour, 4 were in Cuttack in Metal Products; 2 were in Balasore (1 each in Food Products and Hosiery and Readymade Garments) and 2 were in Keonjhar (1 each in Metal Products and Hosiery and Readymade Garments).

At the all-district level, the percentage of those which employed between 1 to 5 skilled labourers was higher than the other percentages in all but Non-Metallic Mineral Products industry. Other percentages were not that important.

All the units in Hosiery and Readymade Garments of Cuttack, in Metal Products of Balasore and in Food

and Wood Products of Keonjhar employed skilled labourers between 1 to 5. The only unit in Hosiery and Readymade Garments of Balasore did not employ skilled labour and the only unit in Non-metallic Mineral Products of Keonjhar employed skilled labour between 11 and above.

(TABLE V.13)

### Unskilled Labour

Out of a total of 73 units, greater number of 27 (37 per cent) employed unskilled labourers between 1 to 5; 9 (12 per cent) between 6 to 10; 6 (8 per cent) between 11 and above; 5 (7 per cent) between 16 to 20; and 3 (4 per cent) between 21 and above; a sizeable number of 23 units (32 per cent) did not employ any unskilled labourers.

Of those which employed between 1 to 5 unskilled labourers Balasore had higher percentage (59) than Keonjhar (57) than Cuttack (21); of those which employed between 6 to 10 labourers Cuttack had higher percentage (17) than Keonjhar (7) than Balasore (6); and of those which employed between 11 and above Cuttack had higher percentage (12) than Keonjhar (7).

Of those which did not employ any unskilled labour Cuttack had higher percentage (38) than Keonjhar (29) than Balasore (18).

TABLE - V.13  
SKILLED LABOUR EMPLOYED

All Dists.	Keonjhar	Balasore	Cuttack	Districts					
				1 to 5	6 to 10	11 & above	Not employed	Sub-total	
(71.43)	(100.00)	(25.00)	(87.50)	1	1	1	1	1	Food Products
(14.29)	( )	(50.00)	( )	2	2	2	2	2	
(7.14)	( )	( )	(12.50)	3	3	3	3	3	
(7.14)	( )	(25.00)	( )	4	4	4	4	4	
(100.00)	(100.00)	(100.00)	(100.00)	5	5	5	5	5	Wood Products
(66.67)	(100.00)	(60.00)	(40.00)	6	6	6	6	6	
(26.66)	( )	(20.00)	(60.00)	7	7	7	7	7	
(6.67)	( )	(20.00)	( )	8	8	8	8	8	
(100.00)	(100.00)	(100.00)	(100.00)	9	9	9	9	9	Metal Products
(58.62)	(75.00)	(100.00)	(52.17)	10	10	10	10	10	
(10.35)	( )	( )	(13.04)	11	11	11	11	11	
(13.79)	( )	( )	(17.39)	12	12	12	12	12	
(17.24)	(25.00)	( )	(17.39)	13	13	13	13	13	Non-metallic mineral Products
(100.00)	(100.00)	(100.00)	(100.00)	14	14	14	14	14	
(40.00)	( )	(60.00)	(25.00)	15	15	15	15	15	
(20.00)	( )	(20.00)	(25.00)	16	16	16	16	16	
(40.00)	(100.00)	(20.00)	(50.00)	17	17	17	17	17	Hosiery & Ready-made Garments
(100.00)	(100.00)	(100.00)	(100.00)	18	18	18	18	18	
(60.00)	(50.00)	( )	(100.00)	19	19	19	19	19	
(40.00)	(50.00)	(100.00)	( )	20	20	20	20	20	
(100.00)	(100.00)	(100.00)	(100.00)	21	21	21	21	21	Total
(60.27)	(78.57)	(52.94)	(57.14)	22	22	22	22	22	
(15.07)	( )	(23.53)	(16.67)	23	23	23	23	23	
(13.70)	(7.14)	(11.76)	(16.67)	24	24	24	24	24	
(10.96)	(14.29)	(11.76)	(9.52)	25	25	25	25	25	Sub-total
(100.00)	(100.00)	(100.00)	(100.00)	26	26	26	26	26	
( )	( )	( )	( )	27	27	27	27	27	
( )	( )	( )	( )	28	28	28	28	28	
( )	( )	( )	( )	29	29	29	29	29	Sub-total
( )	( )	( )	( )	30	30	30	30	30	
( )	( )	( )	( )	31	31	31	31	31	Sub-total
( )	( )	( )	( )	32	32	32	32	32	
( )	( )	( )	( )	33	33	33	33	33	Sub-total
( )	( )	( )	( )	34	34	34	34	34	
( )	( )	( )	( )	35	35	35	35	35	Sub-total
( )	( )	( )	( )	36	36	36	36	36	
( )	( )	( )	( )	37	37	37	37	37	Sub-total
( )	( )	( )	( )	38	38	38	38	38	
( )	( )	( )	( )	39	39	39	39	39	Sub-total
( )	( )	( )	( )	40	40	40	40	40	
( )	( )	( )	( )	41	41	41	41	41	Sub-total
( )	( )	( )	( )	42	42	42	42	42	
( )	( )	( )	( )	43	43	43	43	43	Sub-total
( )	( )	( )	( )	44	44	44	44	44	
( )	( )	( )	( )	45	45	45	45	45	Sub-total
( )	( )	( )	( )	46	46	46	46	46	
( )	( )	( )	( )	47	47	47	47	47	Sub-total
( )	( )	( )	( )	48	48	48	48	48	
( )	( )	( )	( )	49	49	49	49	49	Sub-total
( )	( )	( )	( )	50	50	50	50	50	
( )	( )	( )	( )	51	51	51	51	51	Sub-total
( )	( )	( )	( )	52	52	52	52	52	
( )	( )	( )	( )	53	53	53	53	53	Sub-total
( )	( )	( )	( )	54	54	54	54	54	
( )	( )	( )	( )	55	55	55	55	55	Sub-total
( )	( )	( )	( )	56	56	56	56	56	
( )	( )	( )	( )	57	57	57	57	57	Sub-total
( )	( )	( )	( )	58	58	58	58	58	
( )	( )	( )	( )	59	59	59	59	59	Sub-total
( )	( )	( )	( )	60	60	60	60	60	
( )	( )	( )	( )	61	61	61	61	61	Sub-total
( )	( )	( )	( )	62	62	62	62	62	
( )	( )	( )	( )	63	63	63	63	63	Sub-total
( )	( )	( )	( )	64	64	64	64	64	
( )	( )	( )	( )	65	65	65	65	65	Sub-total
( )	( )	( )	( )	66	66	66	66	66	
( )	( )	( )	( )	67	67	67	67	67	Sub-total
( )	( )	( )	( )	68	68	68	68	68	
( )	( )	( )	( )	69	69	69	69	69	Sub-total
( )	( )	( )	( )	70	70	70	70	70	
( )	( )	( )	( )	71	71	71	71	71	Sub-total
( )	( )	( )	( )	72	72	72	72	72	
( )	( )	( )	( )	73	73	73	73	73	Sub-total
( )	( )	( )	( )	74	74	74	74	74	
( )	( )	( )	( )	75	75	75	75	75	Sub-total
( )	( )	( )	( )	76	76	76	76	76	
( )	( )	( )	( )	77	77	77	77	77	Sub-total
( )	( )	( )	( )	78	78	78	78	78	
( )	( )	( )	( )	79	79	79	79	79	Sub-total
( )	( )	( )	( )	80	80	80	80	80	
( )	( )	( )	( )	81	81	81	81	81	Sub-total
( )	( )	( )	( )	82	82	82	82	82	
( )	( )	( )	( )	83	83	83	83	83	Sub-total
( )	( )	( )	( )	84	84	84	84	84	
( )	( )	( )	( )	85	85	85	85	85	Sub-total
( )	( )	( )	( )	86	86	86	86	86	
( )	( )	( )	( )	87	87	87	87	87	Sub-total
( )	( )	( )	( )	88	88	88	88	88	
( )	( )	( )	( )	89	89	89	89	89	Sub-total
( )	( )	( )	( )	90	90	90	90	90	
( )	( )	( )	( )	91	91	91	91	91	Sub-total
( )	( )	( )	( )	92	92	92	92	92	
( )	( )	( )	( )	93	93	93	93	93	Sub-total
( )	( )	( )	( )	94	94	94	94	94	
( )	( )	( )	( )	95	95	95	95	95	Sub-total
( )	( )	( )	( )	96	96	96	96	96	
( )	( )	( )	( )	97	97	97	97	97	Sub-total
( )	( )	( )	( )	98	98	98	98	98	
( )	( )	( )	( )	99	99	99	99	99	Sub-total
( )	( )	( )	( )	100	100	100	100	100	

At the all-district level, the percentage of those units which employed between 1 to 5 unskilled labourers was higher in Food, Non-metallic Mineral and Hosiery and Readymade Garments and those which did not employ was higher in Wood Products than the other percentages. In Metal Products both were equal.

At the industry level, in Food (38), Wood (40), Metal (43) and Hosiery and Readymade Garments (50) of Cuttack high percentages of units did not employ unskilled labourers. In Wood (40) and Hosiery and Readymade Garments (100) of Balasore and in Food (50) and Wood Products (60) of Keonjhar high percentages of units did not employ unskilled labourers.

Intra-industry comparisons reveal that in Keonjhar and Balasore employment of unskilled labourers between 1 to 5 in almost all industries was higher in Cuttack.

(TABLE V.14)

XIV. MANAGERIAL AND OTHERS

Out of a total of 73 units, greater number of 40 (55 per cent) did not employ managerial personnel and 46 (63 per cent) did not employ others, each considered separately.

TABLE V.14  
UNSKILLED LABOUR EMPLOYED

District	Food Products								Wood Products								Metal Products							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
Cuttack	1 to 5	1	-	-	-	-	-	-	1	1	-	-	-	2	5	5	5	5	1	2	10	23		
	6 to 10	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-		
	11 to 15	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-		
	16 to 20	-	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-		
	21 & above	-	-	-	-	-	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Not employed	-	-	-	-	-	-	-	8	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Subtotal	-	-	-	-	-	-	-	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
		(12.50)	(37.50)	(25.00)	(12.50)	(37.50)	(100.00)	(20.00)	(20.00)	(20.00)	(20.00)	(40.00)	(100.00)	(21.74)	(21.74)	(3.34)	(8.70)	(43.48)	(100.00)					
Balasore	1 to 5	3	-	-	1	-	-	4	2	1	1	1	2	5	2	1	1	1	1	1	2			
	6 to 10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	11 to 15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	16 to 20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	21 & above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Not employed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Subtotal	-	-	-	-	-	-	-	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
		(75.00)	(25.00)	(100.00)	(40.00)	(20.00)	(40.00)	(100.00)	(21.74)	(21.74)	(3.34)	(8.70)	(43.48)	(100.00)										
Keonjhar	1 to 5	1	-	-	-	-	-	2	2	1	1	1	2	5	3	1	-	-	-	-	4			
	6 to 10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	11 to 15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	16 to 20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	21 & above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Not employed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Subtotal	-	-	-	-	-	-	-	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
		(50.00)	(40.00)	(20.00)	(40.00)	(100.00)	(25.00)	(75.00)	(21.74)	(25.00)														
ALL Distrs.	1 to 5	5	-	3	1	1	4	14	5	1	1	1	7	15	10	6	-	1	2	10	29			
	6 to 10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	11 to 15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	16 to 20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	21 & above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Not employed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Subtotal	-	-	-	-	-	-	-	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
		(35.71)	(21.43)	(7.14)	(7.14)	(28.57)	(100.00)	(33.33)	(6.67)	(6.67)	(6.67)	(46.66)	(100.00)	(34.48)	(29.69)	(3.45)	(6.90)	(34.48)	(100.00)					

(contd.)

TABLE V - V.14 (contd.)

District	Non-metallic mineral Products			Hosiery and Ready-made Garments			Total														
	1 to 5	6 to 10	11 to 15	16 to 20	21 & above	Not employed	Subtotal	1 to 5	6 to 10	11 to 15	16 to 20	21 & above	Not employed	Subtotal							
Cuttack	23	24	25	26	27	28	29	30	31	32	33	34	35	36							
	1	1	-	-	2	-	4	1	-	-	-	-	1	2							
	(25.00)	(25.00)	-	-	(50.00)	-	(100.00)	(50.00)	-	-	-	-	(50.00)	(100.00)							
	9	7	3	2	5	16	42	37	38	39	40	41	42	43							
	(21.43)	(16.67)	(7.14)	(4.76)	(11.90)	(38.10)	(100.00)	(21.43)	(16.67)	(7.14)	(4.76)	(11.90)	(38.10)	(100.00)							
	Balasore	3	1	1	-	-	5	-	-	-	-	-	1	1	10	1	2	1	5	17	
	(25.00)	(25.00)	(20.00)	-	-	(50.00)	(100.00)	-	-	-	-	-	(50.00)	(100.00)	(21.43)	(16.67)	(7.14)	(4.76)	(11.90)	(38.10)	(100.00)
	10	1	1	-	-	5	10	1	1	2	1	5	17	10	1	2	1	5	17		
	(58.82)	(5.88)	(11.77)	(5.88)	(17.65)	(100.00)	(100.00)	(58.82)	(5.88)	(11.77)	(5.88)	(17.65)	(100.00)	(100.00)							
Keonjhar	-	-	-	-	1	-	1	2	-	-	-	-	2	8	1	-	-	1	4	14	
(60.00)	(20.00)	(20.00)	-	-	(100.00)	-	(100.00)	(100.00)	-	-	-	-	(100.00)	(57.14)	(7.14)	-	-	(7.14)	(28.57)	(100.00)	
4	2	1	-	3	-	10	3	-	-	-	-	2	5	27	9	5	3	6	23	73	
(40.00)	(20.00)	(10.00)	-	(30.00)	-	(100.00)	(60.00)	-	-	-	-	(40.00)	(100.00)	(57.14)	(7.14)	(6.85)	(4.11)	(8.22)	(31.51)	(100.00)	
All Dists.	4	2	1	-	3	-	10	3	-	-	-	2	5	27	9	5	3	6	23	73	
(40.00)	(20.00)	(10.00)	-	(30.00)	-	(100.00)	(60.00)	-	-	-	-	(40.00)	(100.00)	(57.14)	(7.14)	(6.85)	(4.11)	(8.22)	(31.51)	(100.00)	



The percentage of those which did not employ managerial personnel was higher in Keonjhar (79) than in Balasore (59) than in Cuttack (45); and the percentage of those which did not employ others was higher in Keonjhar (86) than in Cuttack (60) than in Balasore (53).

At the all-district level, the percentages of non-employment of managerial and other labourers were very high in almost all industries. That was also the situation at the industry level district-wise. Intra-industry comparisons reveal that in Keonjhar, in all the industries except Non-metallic Mineral Products the percentages of non-employment of both managerial and others were higher than in such industries belonging to Balasore and Cuttack.

(TABLE V.15)

XV. FAMILY MEMBERS

Out of a total of 73 units, greater number of 58 (79 per cent) did not employ family members part time and 50 (68 per cent) did not employ family members whole time, each considered separately.

Of the units which did not employ family labour part time higher percentage belonged to Cuttack (81) than to Keonjhar (79) than to Balasore (76) and of the units which did not employ family labour whole time a

TABLE V.15

MANAGERIAL AND OTHER LABOUR EMPLOYED

District	FOOD PRODUCTS		WOOD PRODUCTS		METAL PRODUCTS	
	Managerial	Others	Managerial	Others	Managerial	Others
1	1 to 5	6 & above	1 to 5	6 & above	1 to 5	6 & above
2	6 & above	Not employed	Not employed	Not employed	Not employed	Not employed
3	Sub-total		Sub-total		Sub-total	
4						
5						
6	1 to 5	6 & above	1 to 5	6 & above	1 to 5	6 & above
7	6 & above	Not employed	Not employed	Not employed	Not employed	Not employed
8	Sub-total		Sub-total		Sub-total	
9						
10						
11						
12						
13						
14	1 to 5	6 & above	1 to 5	6 & above	1 to 5	6 & above
15	6 & above	Not employed	Not employed	Not employed	Not employed	Not employed
16	Sub-total		Sub-total		Sub-total	
17						
18						
19	1 to 5	6 & above	1 to 5	6 & above	1 to 5	6 & above
20	6 & above	Not employed	Not employed	Not employed	Not employed	Not employed
21	Sub-total		Sub-total		Sub-total	
22						
23						
24	1 to 5	6 & above	1 to 5	6 & above	1 to 5	6 & above
25	6 & above	Not employed	Not employed	Not employed	Not employed	Not employed
26	Sub-total		Sub-total		Sub-total	
27						
28						
29						
30						
31						
32						
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(contd.)

TABLE V.15(contd.)

District	NON-METALLIC MINERAL PRODUCTS								HOSIERY AND READYMADE GARMENTS								TOTAL							
	Managerial				Others				Managerial				Others				Managerial				Others			
	1 to 5	6 & above	Not employed	Sub-total	1 to 5	6 & above	Not employed	Sub-total	1 to 5	6 & above	Not employed	Sub-total	1 to 5	6 & above	Not employed	Sub-total	1 to 5	6 & above	Not employed	Sub-total	1 to 5	6 & above	Not employed	Sub-total
26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	
Cuttack	4	-	-	4	1	1	2	4	-	-	2	2	1	-	1	2	23	-	19	42	12	5	25	42
	(100.00)			(100.00)	(25.00)	(25.00)	(50.00)	(100.00)			(100.00)	(100.00)	(50.00)		(50.00)	(100.00)	(54.76)		(45.24)	(100.00)	(28.57)	(11.91)	(59.52)	(100.00)
Balasore	2	-	3	5	2	-	3	5	-	-	1	1	-	-	1	7	-	10	17	8	-	9	17	
	(40.00)		(60.00)	(100.00)	(40.00)		(60.00)	(100.00)			(100.00)	(100.00)			(100.00)	(100.00)	(41.18)		(58.82)	(100.00)	(47.06)		(52.94)	(100.00)
Keonjhar	1	-	-	1	1	-	-	1	-	-	2	2	-	-	2	5	-	11	14	2	-	12	14	
	(100.00)			(100.00)	(100.00)			(100.00)			(100.00)	(100.00)			(100.00)	(21.43)		(78.57)	(100.00)	(14.29)		(85.71)	(100.00)	
All Dists.	7	-	3	10	4	1	5	10	-	-	5	5	1	-	4	5	33	-	40	73	22	5	46	73
	(70.00)		(30.00)	(100.00)	(40.00)	(10.00)	(50.00)	(100.00)			(100.00)	(100.00)	(20.00)		(80.00)	(100.00)	(45.21)		(54.79)	(100.00)	(30.14)	(6.85)	(63.01)	(100.00)

higher percentage belonged to Balasore (88) than to Cuttack (69) than to Keonjhar (43).

At the all-district level, the percentages of non-employment of family members both part time and whole time were very high in all industries. That was also the situation at the industry level district-wise.

(TABLE V.16)

XVI. MECHANISATION OF PRODUCTION

Out of a total of 73 units, a majority of 32 (44 per cent) were not mechanised; 31 (42 per cent) were partly mechanised and the remaining 10 units (14 per cent only) were fully mechanised.

The percentage of the units which were not mechanised was higher in Balasore (59) than in Keonjhar (43) than in Cuttack (38); the percentage of the units which were partly mechanised was higher in Cuttack (50) than in Keonjhar (43) than in Balasore (24); and the percentage of the units which were fully mechanised was higher in Balasore (18) than in Keonjhar (14) than in Cuttack (12).

At the all-district level, in Wood and Non-metallic Mineral Products 60 per cent of the units and in Metal Products 41 per cent of the units were not

TABLE V.16  
FAMILY MEMBERS EMPLOYED

All Dists.	Keonjhar	Balasore	Cuttack	District	
				Part time	Whole time
(42.86)	6	(50.00) 1	(50.00) 2	(37.50) 3	1 to 3
	-	-	-	-	4 & above
(57.14)	8	(50.00) 1	(50.00) 2	(62.50) 5	Not employed
(100.00)	14	(100.00) 2	(100.00) 4	(100.00) 8	Subtotal
(21.43)	3	(50.00) 1	-	(25.00) 2	1 to 3
	-	-	-	-	4 & above
(78.57)	11	(50.00) 1	(100.00) 4	(80.00) 6	Not employed
(100.00)	14	(100.00) 2	(100.00) 4	(100.00) 8	Subtotal
(6.67)	1	-	-	(20.00) 1	1 to 3
	-	-	-	-	4 & above
(93.33)	14	(100.00) 5	(100.00) 5	(80.00) 4	Not employed
(100.00)	15	(100.00) 5	(100.00) 5	(100.00) 5	Subtotal
(33.33)	5	(40.00) 2	-	(60.00) 3	1 to 3
(13.33)	2	(20.00) 1	(20.00) 1	-	4 & above
(53.33)	8	(40.00) 2	(80.00) 4	(40.00) 2	Not employed
(100.00)	15	(100.00) 5	(100.00) 5	(100.00) 5	Subtotal
(13.79)	4	-	(50.00) 1	(13.04) 3	1 to 3
	-	-	-	-	4 & above
(86.21)	25	(100.00) 4	(50.00) 1	(86.96) 20	Not employed
(100.00)	29	(100.00) 4	(100.00) 2	(100.00) 23	Subtotal
(34.48)	10	(100.00) 4	-	(26.09) 6	1 to 3
(3.45)	1	-	-	(4.35) 1	4 & above
(62.07)	18	-	(100.00) 2	(69.50) 16	Not employed
(100.00)	29	(100.00) 4	(100.00) 2	(100.00) 23	Subtotal

(contd.)

TABLE A - V.16(contd)

All Dists.	Keonjhar	Balasore	Cuttack	District		District	Non-metallic mineral Products	Hosiery and Readymade Garments	Total
				Part time	Whole time				
(10.00)	1	(100.00)	-	-	25	1 to 3			
(90.00)	9	(100.00)	(100.00)	(100.00)	26	4 & above			
					27	Not employed			
(100.00)	10	(100.00)	(100.00)	(100.00)	28	Subtotal			
(20.00)	2	(20.00)	(20.00)	(25.00)	29	1 to 3			
					30	4 & above			
(80.00)	8	(100.00)	(80.00)	(75.00)	31	Not employed			
(100.00)	10	(100.00)	(100.00)	(100.00)	32	Subtotal			
(60.00)	3	(50.00)	(100.00)	(50.00)	33	1 to 3			
					34	4 & above			
(40.00)	2	(50.00)		(50.00)	35	Not employed			
(100.00)	5	(100.00)	(100.00)	(100.00)	36	Subtotal			
					37	1 to 3			
					38	4 & above			
(100.00)	5	(100.00)	(100.00)	(100.00)	39	Not employed			
(100.00)	5	(100.00)	(100.00)	(100.00)	40	Subtotal			
(20.55)	15	(21.43)	(23.43)	(19.05)	41	1 to 3			
					42	4 & above			
(79.45)	58	(78.57)	(76.47)	(80.95)	43	Not employed			
(100.00)	73	(100.00)	(100.00)	(100.00)	44	Subtotal			
(27.40)	20	(50.00)	(5.88)	(28.57)	45	1 to 3			
(4.11)	3	(7.14)	(5.88)	(2.38)	46	4 & above			
(68.49)	50	(42.86)	(88.24)	(69.05)	47	Not employed			
(100.00)	73	(100.00)	(100.00)	(100.00)	48	Subtotal			

mechanised. In Food, Wood and Metal Products percentages of fully mechanised units were very low and in Non-metallic Mineral Products and Hosiery and Readymade Garments, the percentage was zero.

The percentage of fully mechanised units was either negligible or zero in all the 5 industries of all the three districts.

(TABLE V.17)

Our data also indicate that out of a total of 73 units, greater number of 44 (60 per cent) used manual labour as motive power of which Keonjhar had a higher percentage (71) than Balasore (65) than Cuttack (55); and of those which used electricity Cuttack had a higher percentage (40) than Balasore (35) than Keonjhar (29).

PART III - INCENTIVES AND SUPPORTING FACILITIES

To encourage the growth of small-scale industrial units in the State and to improve their efficiency a number of incentives and supporting facilities have been announced by the State and Union Governments from time to time.\* Some questions were set on the nature of

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\* For details of Central incentives see Attracting Industries to Developing Areas, ICICI, 1975, p.7 and for details of State incentives, see Industrial Policy of Government of Orissa, 1971-76, 1977-79, 1979-83 and 1980 (latest revised policy).

TABLE - V.17  
MECHANISATION OF PRODUCTION

All Dists.	Keonjhar	Balasore	Cuttack	1	Districts	
(21.43)	3 (50.00)	1 (25.00)	1 (12.50)	2	Fully me- chanised	Food Products
(50.00)	7	1 (50.00)	2 (62.50)	3	Partly me- chanised	
(28.57)	4 (50.00)	1 (25.00)	1 (25.00)	4	Not mecha- nised	
(100.00)	14 (100.00)	2 (100.00)	4 (100.00)	5	Sub-total	
(6.67)	1	1 (20.00)	1	6	Fully mecha- nised	
(33.33)	5 (40.00)	2 (20.00)	1 (40.00)	7	Partly me- chanised	
(60.00)	9 (60.00)	3 (60.00)	3 (60.00)	8	Not mecha- nised	
(100.00)	15 (100.00)	5 (100.00)	5 (100.00)	9	Sub-total	
(20.69)	6 (25.00)	1 (50.00)	1 (17.39)	10	Fully mecha- nised	Metal Products
(37.93)	11 (25.00)	1 (50.00)	1 (39.13)	9	Partly me- chanised	
(41.38)	12 (50.00)	2	1 (43.48)	10	Not mecha- nised	
(100.00)	29 (100.00)	4 (100.00)	2 (100.00)	23	Sub-total	
(40.00)	4 (100.00)	1	1 (75.00)	14	Fully mecha- nised	
(60.00)	6	1 (100.00)	5 (25.00)	15	Partly me- chanised	
(100.00)	10 (100.00)	1 (100.00)	5 (100.00)	16	Not mecha- nised	
(80.00)	4 (100.00)	2	1 (100.00)	17	Sub-total	
(20.00)	1	1 (100.00)	1	18	Fully mecha- nised	Hosiery and Ready- made Garments
(100.00)	5 (100.00)	2 (100.00)	1 (100.00)	19	Partly me- chanised	
(13.70)	10 (14.28)	2 (17.65)	3 (11.91)	20	Not mecha- nised	
(42.47)	31 (42.86)	6 (23.53)	4 (50.00)	21	Sub-total	
(43.83)	32 (42.86)	6 (58.82)	10 (38.09)	22	Fully mecha- nised	
(100.00)	73 (100.00)	14 (100.00)	17 (100.00)	23	Partly mecha- nised	
				24	Not mecha- nised	
				25	Sub-total	
241						



assistance received by the entrepreneurs in starting their units, efficacy of incentives and supporting facilities and the type of assistance expected by the entrepreneurs. These are analysed below.

#### XVII. NATURE OF ASSISTANCE RECEIVED

Out of a total of 73 entrepreneurs, a greater number of 25 (34 per cent) received loan in starting their units, of which a higher percentage belonged to Balasore (41) than Cuttack (36) than Keonjhar (21). Of all the industries only in Non-metallic Mineral Products belonging to Cuttack (75) and Balasore (80) entrepreneurs received high percentages of loan.

In general, the assistance received by the entrepreneurs in starting their units were quite negligible.

(TABLE V.18)

#### XVIII. EFFICACY OF INCENTIVES AND SUPPORTING FACILITIES

Out of a total of 73 entrepreneurs a majority of 52 (71 per cent) did not receive any help either in starting or in running their enterprises; and the remaining 21 (29 per cent) received assistance for such purposes.

Of those who did not receive assistance, a greater number of 25 (34 per cent) reported that such help was not

TABLE V.18

NATURE OF ASSISTANCE RECEIVED BY THE ENTREPRENEURES IN STARTING THEIR UNITS

District	Food Products									Wood Products									Metal Products								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
		Loan	Machine	Margin money	Raw materials	Subsidy/ Equity Capital	Feasibility report/short course etc	Any other	No. of units		Loan	Machine	Margin money	Raw materials	Subsidy/ Equity capital	Feasibility report/ short course etc.	Any other	No. of units		Loan	Machine	Margin money	Raw materials	Subsidy/ Equity capital	Fea. report short course etc.	Any other	No. of units
Cuttack	-	-	-	-	-	-	-	-	8	2	-	-	-	-	-	-	-	5	9	1	1	1	-	-	2	2	23
								(100.00)		(40.00)								(100.00)	(39.13)	(4.35)	(4.35)	(4.35)			(8.70)	(8.70)	(100.00)
Balasore	1	-	-	-	-	-	-	4	2	1	-	-	-	2	1	-	5	1	1	1	-	-	-	1	-	2	
								(100.00)	(40.00)					(40.00)			(100.00)		(39.13)	(4.35)	(4.35)	(4.35)			(8.70)	(8.70)	(100.00)
Keonjhar	1	-	-	-	-	-	-	2	1	-	-	-	-	1	-	-	5	1	1	1	-	-	-	1	-	4	
								(100.00)									(100.00)		(25.00)	(25.00)						(100.00)	
All Dists.*2	-	-	-	-	-	-	-	14	4	-	-	-	-	2	-	-	15	10	2	1	1	-	2	3	4	29	
								(100.00)	(26.67)					(13.33)			(100.00)	(34.48)	(6.90)	(3.45)	(3.45)		(6.90)	(10.34)	(100.00)		

(contd.)



needed; 16 (22 per cent) said that supporting facilities were not easily available; 7 (10 per cent) reported that they did not get loans from the banks as they had no security to offer; 2 (3 per cent) reported that they did not want to take the risk of borrowing; 1 (1 per cent) reported that he sought help but failed to get it; and another did not receive help for other reasons.

Those who did not want to avail of any incentive and supporting facilities were confident of running the units well with their own resources and with the arrangements which they had made otherwise. Some were not very enthusiastic about getting government help and assistance as these were not easily available. The entire process of giving assistance being cumbersome due to procedural difficulties, red-tapism, unsympathetic attitude of officials and above all discriminatory treatments and corrupt practices, stifled the enterprising spirit of entrepreneurs. After months of hectic activities of running from pillar to post for necessary assistance they abandoned all efforts.\* One entrepreneur stated that he tried but failed. Another group of entrepreneurs felt disappointed as they had nothing to offer as security for getting loans.

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\* For a vivid description of the difficulties see Souvenir published by Young Entrepreneurs' Association on the occasion of their 1st State Level Convention, 1977.

These were mostly the entrepreneurs who came as factory workers from outside the State of Orissa.

The percentage of those who did not need help was higher in Cuttack (40) than in Balasore (35) than in Keonjhar (14); the percentage of those for whom help was not easily available was higher in Keonjhar (29) than in Cuttack (21) than in Balasore (18); and the percentage of those who had no security to offer was higher in Keonjhar (21) than in Cuttack (10). Of the two entrepreneurs who were unwilling to take risk one was in Metal Products of Cuttack and another in Wood Products of Keonjhar. The single entrepreneur who failed to get necessary assistance was in Food Products of Balasore. One entrepreneur belonging to Metal Products of Cuttack did not avail of supporting facilities for other reasons.

It is significant to note that high percentages of entrepreneurs, in Food (38), Wood (80) and Non-metallic Mineral Products (75) of Cuttack; Food (50), Wood (60) and Metal Products (50) of Balasore; and in Hosiery and Readymade Garments (50) of Keonjhar, needed no help from the Government and promotional agencies.

(TABLE V.19)

XIX. TYPE OF ASSISTANCE EXPECTED BY THE ENTREPRENEURS

Out of a total of 73 entrepreneurs a greater number of 38 (52 per cent) expected regular supply of inputs

TABLE - V.19

## EFFICIENCY OF INCENTIVES AND SUPPORTING FACILITIES

District	Food Products					Wood Products					Metal Products													
	Tried but failed	Not needed	Not easily available	Unwilling to take risk	No security to offer	Any other reason	Received help	Sub-total	Tried but failed	Not needed	Not easily available	Unwilling to take risk	No security to offer	Any other reason	Received help	Sub-total	Tried but failed	Not needed	Not easily available	Unwilling to take risk	No security to offer	Any other reason	Received help	Sub-total
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Cuttack	-	3	3	-	1	-	1	8	-	4	-	-	1	-	-	5	-	7	4	1	2	1	8	23
Balasore	1	2	1	-	-	-	-	4	-	3	-	-	-	2	5	-	1	-	-	-	-	-	1	2
Keonjhar	-	-	-	-	1	-	1	3	-	1	2	1	-	1	5	-	-	2	-	-	1	-	1	4
All Dists.	1	5	4	-	2	-	2	14	-	8	2	1	-	2	16	-	8	6	1	3	1	10	29	
	(7.14)	(35.71)	(28.57)		(14.29)		(14.29)	(100.00)		(53.33)	(13.33)	(6.67)	(13.33)	(13.33)	(100.00)		(27.59)	(20.69)	(3.45)	(10.34)	(3.45)	(34.48)	(100.00)	
	(25.00)	(50.00)	(25.00)		(50.00)		(50.00)	(100.00)		(60.00)	(40.00)	(20.00)		(40.00)	(100.00)		(50.00)	(50.00)		(25.00)		(50.00)	(100.00)	

(contd.)



especially raw materials; 12 (16 per cent) expected purchase of products; 5 (7 per cent) expected lease of land, mines, forests and factory sheds, etc; 3 (4 per cent) other help; and only 1 expected that outside the State buying should be discouraged. 14 (19 per cent) entrepreneurs did not need any help.

The percentage of those who expected regular supply of inputs was higher in Keonjhar (57) than in Cuttack (52) than in Balasore (47); the percentage of those who expected purchase of products was higher in Keonjhar (21) than in Cuttack (17) than in Balasore (12); and the percentage of those who expected lease of land, mines, forests and sheds, etc. was higher in Cuttack and Keonjhar (7 each) than in Balasore (6). The percentage of those who needed no help was higher in Balasore (24) than in Cuttack (19) than in Keonjhar (14).

At the all-district level high percentages of entrepreneurs in Food (57), Metal (59), Non-metallic Mineral (70) and Hosiery and Readymade Garments (60) expected regular supply of inputs whereas higher percentage of entrepreneurs of Wood Products (40) needed no help.

(TABLE V.20)

MAIN FINDINGS

- (1) Keonjhar had higher percentages of units belonging to individual proprietorship and family business and Cuttack had higher percentages of units



TYPE OF ASSISTANCE EXPECTED BY THE ENTREPRENEURES

District	Food Products				Wood Products			
	1	2	3	4	5	6	7	8
		Purchase of products						
		Lease of land, mines, forest shed etc.						
		Regular supply of inputs						
		Discourage outside the State buying						
		Any other help						
		Not needed						
		Sub-total						
		Purchase of product						
		Lease of land, mines forest shed, etc.						
		Regular supply of inputs						
		Discourage outside the State buying						
		Any other help						
		Not needed						
		Sub-total						
Balasore	1	(12.50)	1	(12.50)	1	(20.00)	1	(20.00)
Keonjhar	1	(25.00)	1	(25.00)	1	(20.00)	1	(20.00)
Keonjhar	2	(50.00)	2	(100.00)	2	(40.00)	2	(80.00)
Keonjhar	4	(100.00)	4	(400.00)	4	(160.00)	4	(640.00)
Keonjhar	5	(25.00)	5	(125.00)	5	(100.00)	5	(500.00)
Keonjhar	6	(25.00)	6	(150.00)	6	(120.00)	6	(720.00)
Keonjhar	7	(12.50)	7	(87.50)	7	(70.00)	7	(490.00)
Keonjhar	8	(100.00)	8	(800.00)	8	(640.00)	8	(5120.00)
Keonjhar	9	(20.00)	9	(180.00)	9	(160.00)	9	(1440.00)
Keonjhar	10	(20.00)	10	(200.00)	10	(200.00)	10	(2000.00)
Keonjhar	11	(20.00)	11	(220.00)	11	(220.00)	11	(2420.00)
Keonjhar	12	(20.00)	12	(240.00)	12	(240.00)	12	(2880.00)
Keonjhar	13	(20.00)	13	(260.00)	13	(260.00)	13	(3380.00)
Keonjhar	14	(40.00)	14	(560.00)	14	(560.00)	14	(7840.00)
Keonjhar	15	(100.00)	15	(1500.00)	15	(1500.00)	15	(22500.00)
All Dists.	2	(14.29)	2	(28.58)	2	(28.58)	2	(57.16)
All Dists.	1	(7.14)	1	(7.14)	1	(7.14)	1	(7.14)
All Dists.	8	(57.14)	8	(457.12)	8	(357.12)	8	(2856.96)
All Dists.	-	-	-	-	-	-	-	-
All Dists.	2	(14.29)	2	(28.58)	2	(28.58)	2	(57.16)
All Dists.	1	(7.14)	1	(7.14)	1	(7.14)	1	(7.14)
All Dists.	14	(100.00)	14	(1400.00)	14	(1400.00)	14	(19600.00)
All Dists.	4	(26.67)	4	(106.68)	4	(106.68)	4	(426.72)
All Dists.	1	(6.67)	1	(6.67)	1	(6.67)	1	(6.67)
All Dists.	3	(20.00)	3	(60.00)	3	(60.00)	3	(180.00)
All Dists.	-	-	-	-	-	-	-	-
All Dists.	1	(6.67)	1	(6.67)	1	(6.67)	1	(6.67)
All Dists.	6	(40.00)	6	(240.00)	6	(240.00)	6	(1440.00)
All Dists.	15	(100.00)	15	(1500.00)	15	(1500.00)	15	(22500.00)

(contd.)

TABLE - V.20 (contd.)

District	Metal Products					Non-metallic mineral Products					
Cutback	4	(17.39)	-	-	-	23	Purchase of products	-	-	-	
	-	-	-	-	-	24	Lease of land, mines forest shed etc.	1	(25.00)	1	
	14	(60.87)	1	(50.00)	4	25	Regular supply of inputs	2	(50.00)	2	
	1	(4.35)	-	-	-	26	Discourage outside State buying	-	-	-	
	-	-	-	-	-	27	Any other help	-	-	-	
	4	(17.39)	1	(50.00)	1	28	Not needed	1	(25.00)	1	
	23	(100.00)	2	(100.00)	5	29	Sub-total	4	(100.00)	4	
Balasore	-	(17.39)	-	-	-						
	-	-	-	-	-						
	1	(60.87)	1	(50.00)	4						
	-	(4.35)	-	-	-						
	1	(17.39)	1	(50.00)	1						
	2	(100.00)	2	(100.00)	5						
Keonjhar	1	(25.00)	1	(50.00)	1						
	1	(25.00)	1	(50.00)	1						
	2	(50.00)	2	(80.00)	1						
	-	-	-	-	-						
	-	-	-	-	-						
	4	(100.00)	4	(100.00)	1						
All Dists.	5	(25.00)	5	(100.00)	10						
	1	(25.00)	1	(50.00)	2						
	17	(58.62)	17	(70.00)	7						
	1	(3.45)	1	(10.00)	1						
	-	-	-	-	-						
	5	(17.24)	5	(100.00)	10						
29	(100.00)	29	(100.00)	10							

(contd.)

TABLE V.20 (contd.)

District	Hosiery and readymade Garments						Total							
	30	31	32	33	34	35	36	37	38	39	40	41	42	43
								Purchase of products						
								Lease of land, mines forest shed etc.						
								Regular supply of inputs						
								Discourage outside State buying						
								Any other help						
								Not needed						
								Sub-total						
Cuttack	1	-	1	-	-	-	2	7	3	22	1	1	8	42
	(50.00)	-	(50.00)	-	-	-	(100.00)	(16.67)	(7.14)	(52.38)	(2.38)	(2.38)	(19.05)	(100.00)
Balasore	-	-	1	-	-	-	1	2	1	8	-	2	4	17
	-	-	(100.00)	-	-	-	(100.00)	(11.76)	(5.88)	(47.06)	-	(11.76)	(23.53)	(100.00)
Keonjhar	-	-	1	-	-	-	2	3	1	8	-	-	2	14
	-	-	(50.00)	-	-	-	(100.00)	(21.43)	(7.14)	(57.14)	-	-	(14.29)	(100.00)
All Dists.	1	3	-	-	-	1	5	12	5	38	1	3	14	73
	(20.00)	(60.00)	-	-	-	(20.00)	(100.00)	(16.44)	(6.85)	(52.05)	(1.37)	(4.11)	(19.18)	(100.00)

belonging to partnership: joint family, than the other districts.

- (2) Keonjhar had higher percentage of those industrial units which were established between 1971 to 1974 than Cuttack than Balasore and Balasore had higher percentage of those units which were established between 1948 to 1970 than Cuttack than Keonjhar.
- (3) The percentage of those units which were engaged in manufacturing exclusively was higher in Balasore than in Cuttack than in Keonjhar.
- (4) In Keonjhar and Balasore very common types of products were manufactured whereas in Cuttack intermediate products and capital goods were also manufactured besides common types of products.
- (5) The percentage of those which were selling all their products in the local market was higher in Keonjhar than in Balasore than in Cuttack; the percentage of those who were selling less than 50 per cent of their products was higher in Balasore than in Cuttack than in Keonjhar; and the percentage of those who were selling 50 per cent or more was higher in Cuttack than in Keonjhar than in Balasore.
- (6) The percentage of those units which worked for 181 to 300 days and above in a year was higher in Keonjhar than in Cuttack than in Balasore. Most of the industrial units belonging to the 5 industry groups worked for 181 to 300 days and above in a year.

- (7) The percentage of those units which worked on single shift basis was higher both in Keonjhar and Balasore than in Cuttack; the percentage of those which worked on two-shift basis was higher in Balasore than in Cuttack than in Keonjhar; and the percentage of those which had no shift was higher in Cuttack than in Keonjhar than in Balasore.
- (8) The percentage of those which had perennial nature of operation was higher in Keonjhar than in Balasore and Cuttack; and the percentage of those which had seasonal nature of operations was higher in Balasore than in Cuttack than in Keonjhar.
- (9) As regards the employment of labour, the percentage of those which employed between 1 to 5 skilled labourers was very high in Keonjhar than in Cuttack than in Balasore; the percentage of those which employed between 1 to 5 unskilled labourers was higher in Balasore than in Keonjhar than in Cuttack.
- (10) The industrial units which did not employ managerial personnel were of a higher percentage in Keonjhar than in Balasore than in Cuttack; the units which did not employ family labour part time were of a higher percentage in Cuttack than in Keonjhar than in Balasore; and the units which did not employ family labour whole time were of a higher percentage in Balasore than in Cuttack than in Keonjhar.
- (11) The percentage of the units which were not mechanised was higher in Balasore than in Keonjhar than in Cuttack. The percentage of

those which used manual labour as motive power was higher in Keonjhar than in Balasore than in Cuttack.

- (12) In general, the incentives and supporting facilities received by the entrepreneurs from Government and other promotional agencies in starting/running their units were negligible.

## CHAPTER VI

### OPERATIONAL PROBLEMS OF ENTREPRENEURS

Operational problems refer to production, sale and other related problems. Problems of raw material, finance, labour, production technology, management, water and electricity and above all the marketing of products are aspects of such problems. These are not pure entrepreneurial problems. These can be entrusted to paid managers to be solved as a matter of routine work. But since in the small scale units entrepreneurs in general do the work of day to day management themselves such problems may be treated as managerial/entrepreneurial problems. A 'routine type of entrepreneurship' is shown by the entrepreneurs in such matters.

Since many entrepreneurs face more than one problem, the percentage for each problem was calculated with reference to the sample number.

#### I. AN AGGREGATIVE VIEW

Out of a total of 73 entrepreneurs, greater number of 53 (73 per cent) faced problems of sale of products; 37 (51 per cent) faced problems of raw material; 28 (38 per cent) faced problems of finance; 17 (each (23 per cent)

faced problems of production technology and management; 16 (22 per cent) faced problems of labour; and 8 (11 per cent) faced other problems.

Of those who faced the problems of sale of products Cuttack had higher percentage (81) than Keonjhar (64) than Balasore (59); of those who faced the problems of raw material Keonjhar had higher percentage (57) than Cuttack (52) than Balasore (41); of those who faced the problems of finance Keonjhar had higher percentage (57) than Balasore (47) than Cuttack (29);\* of those who faced the problem of production technology, management and labour Cuttack had higher percentages (31, 29, 29 respectively) than Balasore (18 each) than Keonjhar (7, 14, 7 respectively); and of those who faced other problems Keonjhar had higher percentage (14) than Balasore (12) than Cuttack (10).

At the all-district level, the percentage of those who faced the problems of sale of products was higher in Metal (90) than in Food (79) than in Wood (67) than in Non-metallic Mineral Products (50), the percentage of those who faced the problems of raw material was higher

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\* In the memoranda submitted to the Union Minister of Industry, jointly by the Orissa Small-scale Industries Association and Utkal Chamber of Commerce and Industry (vide COSSIA Reports, May 1978, Special Issue, p.3) and Orissa Young Entrepreneurs' Association to the Union Minister of Steel and Mines on 21st September 1977, the above problems were identified as the important ones.



in Hosiery and Readymade Garments (80) than in Metal Products (62) than in Non-metallic Mineral Products (50) than in Wood Products (40) than in Food Products (29), and the percentage of those who faced the problems of finance was higher in Hosiery and Readymade Garments (100) than in Non-metallic Mineral Products (50) than in Wood Products (47) than Metal Products (28) than in Food Products (21).

At the industry level, in Cuttack, the percentage of those who faced the problems of sale of products was higher in Wood (100) than in Metal (91) than in Food (63) than in Non-metallic Mineral Products (50) and Hosiery and Readymade Garments (50), the percentage of those who faced the problems of raw material was higher in Hosiery and Readymade Garments (100) than in Metal (61) than in Wood (60) than in Food (25) and Non-metallic Mineral Products (25), and the percentage of those who faced the problems of finance was higher in Hosiery and Readymade Garments (100) than in Non-metallic Mineral Products (50) than in Wood (40) than in Metal (22) than in Food Products (13); in Balasore, the percentage of those who faced the problems of sale of products was higher in Food (100) than in Wood (60) than in Metal (50) than in Non-metallic Mineral Products (40), the percentage of those who faced the problems of raw material was higher in Non-metallic Mineral Products (60) than in Metal (50)

than in Wood (40) than in Food Products (25), and the percentage of those who faced the problems of finance was higher in Hosiery and Readymade Garments (100) than in Non-metallic Mineral Products (60) than in Metal (50) than in Wood (40) than in Food Products (25); in Keonjhar, the percentage of those who faced the problems of sale of products was higher in Non-metallic Mineral Products (100), Metal (100) and Food (100) than in Wood Products (40), the percentage of those who faced the problems of raw material was higher in Hosiery and Readymade Garments (100) than in Metal (75) than in Food (50) than in Wood Products (20), and the percentage of those who faced the problems of finance was higher in Hosiery and Readymade Garments (100) than in Wood (60) than in Food (50) and Metal Products (50).

Intra-industry comparisons reveal that all the units of Cuttack in Wood, of Balasore in Food, of Keonjhar in Food, Metal and Non-metallic Mineral Products faced the problems of sale of products; all the units of Cuttack in Hosiery and Readymade Garments, of Keonjhar in Hosiery and Readymade Garments and Non-metallic Mineral Products faced the problems of raw material; and all the units in all the districts in Hosiery and Readymade Garments faced the problems of finance.

(TABLE VI.1)

TABLE VI.1

OPERATIONAL PROBLEMS OF ENTREPRENEURES

District	FOOD PRODUCTS									WOOD PRODUCTS							METAL PRODUCTS								
1	2	3	4	5	6	7	8	9		10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
	Raw material	Finance	Labour	Sale of products	Production technology	Management	Other problems	Sample units		Raw material	Finance	Labour	Sale of products	Production technology	Management	Other problems	Sample units	Raw material	Finance	Labour	Sale of products	Production technology	Management	Other problems	Sample units
	(25.00)	(12.50)	(12.50)	(62.50)	-	(25.00)	(12.50)	(100.00)		(60.00)	(40.00)	(20.00)	(100.00)	(40.00)	(40.00)	(20.00)	(100.00)	(60.87)	(21.74)	(34.78)	(91.30)	(39.13)	(30.43)	(8.70)	(100.00)
	2	1	1	5	-	2	1	8		3	2	1	5	2	2	1	5	14	5	8	21	9	7	2	23
	(28.57)	(21.43)	(21.43)	(78.57)	(7.14)	(28.57)	(14.29)	(100.00)	(40.00)	(46.67)	(20.00)	(66.67)	(26.67)	(26.67)	(13.33)	(100.00)	(62.07)	(27.59)	(27.89)	(89.65)	(31.03)	(24.14)	(10.34)	(100.00)	
	4	3	3	11	1	4	2	14		6	7	3	10	4	4	2	15	18	8	8	26	9	7	3	29
	(50.00)	(50.00)	-	(100.00)	(50.00)	(50.00)	(100.00)	(100.00)	(20.00)	(60.00)	(20.00)	(40.00)	(20.00)	(20.00)	(20.00)	(100.00)	(7.50)	(50.00)	-	(100.00)	-	-	(25.00)	(100.00)	
	1	1	-	2	-	1	-	2		1	3	1	2	1	1	1	5	3	2	-	4	-	-	1	4
	(25.00)	(25.00)	(50.00)	(100.00)	(25.00)	(25.00)	(25.00)	(100.00)	(40.00)	(40.00)	(20.00)	(60.00)	(20.00)	(20.00)	(20.00)	(100.00)	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	(50.00)	(100.00)
1	2	2	4	1	1	1	4		2	2	1	3	1	1	-	5	1	1	-	1	-	-	-	2	
(25.00)	(12.50)	(12.50)	(62.50)	(25.00)	(25.00)	(12.50)	(100.00)	(60.00)	(40.00)	(20.00)	(100.00)	(40.00)	(40.00)	(40.00)	(20.00)	(100.00)	(60.87)	(21.74)	(34.78)	(91.30)	(39.13)	(30.43)	(8.70)	(100.00)	

(Contd.)

TABLE VI.4 (contd.)

District	NON-METALLIC MINERAL PRODUCTS						HOSIERY AND READMADE GARMENTS						TOTAL												
	Raw materials	Finance	Labour	Sale of products	Production technology	Management	Raw materials	Finance	Labour	Sale of products	Production technology	Management													
Cuttack	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	
	1	2	1	2	2	1	-	4	2	2	1	1	-	-	-	2	22	12	12	34	13	12	4	42	
	(25.00)	(50.00)	(25.00)	(50.00)	(50.00)	(50.00)	(100.00)	(100.00)	(100.00)	(50.00)	(50.00)					(100.00)	(52.38)	(28.57)	(28.57)	(80.95)	(30.95)	(28.57)	(9.52)	(100.00)	
	Balasore	3	3	-	2	1	1	1	5	-	1	-	-	-	-	1	7	8	3	10	3	3	2	17	
		(60.00)	(60.00)	( )	(40.00)	(20.00)	(20.00)	(20.00)	(100.00)	( )	(100.00)	( )	( )	( )	( )	(100.00)	(41.18)	(47.06)	(17.65)	(58.82)	(17.65)	(17.65)	(11.76)	(100.00)	
	Keionjhar	1	-	-	1	-	-	-	1	2	-	-	-	-	-	2	8	8	1	9	1	2	2	14	
		(100.00)			(100.00)				(100.00)	(100.00)						(100.00)	(57.14)	(57.14)	(7.14)	(64.29)	(7.14)	(14.29)	(14.29)	(100.00)	
	All Dists	5	5	1	5	3	2	1	10	4	5	1	1	-	-	-	5	37	28	17	53	17	17	8	73
		(50.00)	(50.00)	(10.00)	(50.00)	(30.00)	(20.00)	(10.00)	(100.00)	(80.00)	(100.00)	(20.00)	(20.00)				(100.00)	(50.68)	(38.36)	(21.92)	(72260)	(23.29)	(23.29)	(10.96)	(100.00)

## II. SALE OF PRODUCTS\*

Data collected on problems relating to the sale of products have been classified as limited demand, seasonal demand, competition, delay in payment of bills and other problems. While referring to the limited demand many entrepreneurs spoke of poverty and lower purchasing power of the people on the one hand and no outlets for the products beyond the local boundary to be the important reasons for it. Bread, steel trunk, suit case and readymade garments faced the problem of seasonal nature of demand. During the summer season people generally have a preference for water rice and the demand for bread goes down. During the marriage season, just after the harvest of paddy, the demand for steel trunks and suit cases goes up and the manufacturers have a roaring sale while in other seasons sales fall off considerably. For readymade garments there is large demand during festivals. For certain items of Non-metallic mineral products demand increases just after the rains as they are used for construction purposes, some such items are cement tiles, bricks, ridges, pipes and lime, etc.

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\* For an elaborate discussion on this problem at the State-level - see, OSSIA Reports, op. cit., p.4.

Another important problem was competition. The following was the nature of competition faced by the entrepreneurs:

It is generally the case that when one or two units are found to run successfully others enter the line and given the limited demand the market is shared by all. As a result, the profitability of the units declines and idle capacity ensues. There is competition of another kind also. This is mostly faced by the entrepreneurs of rural and semi-urban areas. Notwithstanding their best effort these entrepreneurs are not able to procure orders from the Public Works Department (PWD) or Rural Engineering Organisation (REO, now abolished) offices located in their places of manufacture as the more resourceful entrepreneurs from Cuttack city and other towns monopolise such orders. Small entrepreneurs also face the problem of price competition, the size of their units being small. Another handicap with the small entrepreneurs is the lack of working capital to supply Government order or orders of other organisations, offices and private and public sector companies. Delay in payment of bills weakens their financial strength and production in the factory comes to a halt. Moreover, entrepreneurs of Cuttack have an edge over the entrepreneurs of Balasore and Keonjhar as most of the Head Offices are located in the Cuttack and

Bhubaneswar area. It is expensive for entrepreneurs of Balasore and Keonjhar to procure orders from Cuttack and Bhubaneswar and equally so in supplying manufactured goods and getting final payments.

Two owners of the bread manufacturing units of Cuttack city reported another kind of competition. Rice being a substitute for bread when the price of rice goes down, other things remaining the same, the demand for bread falls. This generally happens during the harvest season when the price of rice is usually lower. The two manufacturers explained that a loaf of bread sold at one rupee can meet the food requirements of one person and is digested quickly whereas 1 Kg of rice sold at less than two rupees can meet the food requirements of four persons and is more substantial. A bread manufacturer of Bhadrak town and another of Keonjhar reported that their bread is generally consumed by the working class people. According to them few officers and persons belonging to the upper income group consume bread. A manufacturer of biscuits and lozenges on enquiry about how his products fared in competition with products of well established firms in India like Parle, Britannia, Kolay and others reported that although his products were of inferior quality price was none-the-less lower and hence he did not feel the threat of competition that severely.

Delay in payment of bills by the private concerns, Government departments and other agencies like Orissa State Electricity Board (OSEB) creates difficulties for the entrepreneurs. The units have per force to do with shortages of working capital and production suffers in consequence.

Other difficulties of entrepreneurs relate to the lack of cheap means of transport, sale through middlemen at cost price, advertisement difficulty, foul play by vested interests, etc.

Out of a total of 53 entrepreneurs who faced problems of sale of products, greater number of 38 (72 per cent) faced the problem of limited demand; 37 (70 per cent) faced the problem of competition; 15 (28 per cent) each faced the problem of seasonal demand and delay in payment of bills; and 4 (8 per cent) other problems.

Of those who faced the problem of limited demand Balasore had higher percentage (80) than Cuttack (71) than Keonjhar (67); of those who faced the problem of competition Balasore had higher percentage (80) than Cuttack (71) than Keonjhar (56); of those who faced the problem of seasonal demand Keonjhar had higher percentage (44) than Cuttack (26) than Balasore (20); and of those who faced the problem of delay in payment of bills



Cuttack had higher percentage (32) than Balasore (30) than Keonjhar (11). All the 4 entrepreneurs in Cuttack faced other problems, of whom 2 were in Food Products and 2 in Metal Products.

At the all-district level, problems of limited demand and competition were important in Food, Wood, Metal and Non-metallic Mineral Products industries. Limited demand was also important in Hosiery and Ready-made Garments industry. Besides, the problem of seasonal demand was important both in Non-metallic Mineral Products and Hosiery and Readymade Garments industries.

At the industry-level, in all the districts the above situation was noticed more or less.

Intra-industry comparisons reveal that in Food Products all the entrepreneurs in Keonjhar faced the problem of limited demand and all the entrepreneurs in Cuttack and Balasore faced the problem of competition; in Wood Products all the entrepreneurs in all the districts faced the problem of limited demand; in Metal Products the only entrepreneur in Balasore faced the problems of limited demand and delay in payment of bills; in Non-metallic Mineral Products all the entrepreneurs in Cuttack faced the problem of limited demand and delay in payment of bills and the entrepreneurs in Keonjhar and Balasore faced the problem of seasonal demand and competition; and in

and in Hosiery and Readymade Garments the only entrepreneur of Cuttack faced the problem of both limited demand and seasonal demand.

(TABLE VI.2)

III. RAW MATERIALS

Data collected on problems of raw materials faced by entrepreneurs have been classified as irregular supply, inadequate supply, inferior quality, high prices, price fluctuations and other problems.

Raw materials like zinc, copper, aluminium sheets or circles, iron rods, sheets, flats, cast iron, steel scrap, cement, etc. had to be procured from distant markets. So also was sugar for Food Industry. Retailers getting stocks from distant markets often had the problem of irregular and inadequate consignments. Orissa Small Industries Corporation (OSIC) also faced problems similar with private retailers. Sometimes one or two items would be available in plentiful quantity but not the other complementary items. At other times supply would be too inadequate to meet the requirements of entrepreneurs. Some entrepreneurs were also afflicted by the delay and red-tapism at the level of the District Industries Centre (DIC). Moreover small entrepreneurs being men of small means were not able to maintain adequate inventory of raw materials for uninterrupted production.

TABLE VI.2  
 PROBLEMS RELATING TO SALE OF PRODUCTS

	FOOD PRODUCTS							WOOD PRODUCTS					METAL PRODUCTS						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
District																			
Limited demand																			
Seasonal demand																			
Competition																			
Delay in payment of bills																			
Other problems																			
Sample units																			
Limited demand																			
Seasonal demand																			
Competition																			
Delay in payment of bills																			
Other problems																			
Sample units																			
Guttack																			
Balasore																			
Kedanjhar																			
All Dists																			
(81.82)	9	(100.00)	2	(75.00)	3	(80.00)	4	(100.00)	5	(100.00)	5	(100.00)	5	(57.14)	12	(57.69)	15	(23.08)	6
(36.36)	4	(50.00)	1		1	(60.00)	3		1	(20.00)	1		1	(19.05)	4	(61.54)	16	(34.61)	9
(90.91)	10	(50.00)	1	(100.00)	4	(100.00)	5	(100.00)	4	(66.67)	2	(100.00)	3	(66.67)	14	(7.69)	2	(9.52)	2
(9.09)	1	-	-		1	(20.00)	1		1	(20.00)	1		1	(9.52)	2	(100.00)	26	(100.00)	26
(18.18)	2	-	-		1	(40.00)	2		1		1		1		1	(100.00)			
(100.00)	11	(100.00)	2	(100.00)	4	(100.00)	5	(100.00)	5	(100.00)	5	(100.00)	5	(100.00)	12	(100.00)			
(100.00)	10	(100.00)	2	(100.00)	3	(100.00)	5	(100.00)	5	(100.00)	5	(100.00)	5	(100.00)	12	(100.00)			
(70.00)	7	(50.00)	1	(66.67)	2	(80.00)	4	(80.00)	4	(80.00)	4	(80.00)	4	(80.00)	4	(80.00)			
(20.00)	2	-	-	(33.33)	1	(20.00)	1	(20.00)	1	(20.00)	1	(20.00)	1	(20.00)	1	(20.00)			
(100.00)	10	(100.00)	2	(100.00)	3	(100.00)	5	(100.00)	5	(100.00)	5	(100.00)	5	(100.00)	12	(100.00)			
(57.69)	15	(50.00)	2	(100.00)	1	(57.14)	12	(57.14)	12	(57.14)	12	(57.14)	12	(57.14)	12	(57.14)			
(23.08)	6	(50.00)	2		1	(19.05)	4	(19.05)	4	(19.05)	4	(19.05)	4	(19.05)	4	(19.05)			
(61.54)	16	(50.00)	2		1	(66.67)	14	(66.67)	14	(66.67)	14	(66.67)	14	(66.67)	14	(66.67)			
(34.61)	9	(25.00)	1	(100.00)	1	(33.33)	7	(33.33)	7	(33.33)	7	(33.33)	7	(33.33)	7	(33.33)			
(7.69)	2	-	-		1	(9.52)	2	(9.52)	2	(9.52)	2	(9.52)	2	(9.52)	2	(9.52)			
(100.00)	26	(100.00)	4	(100.00)	1	(100.00)	21	(100.00)	21	(100.00)	21	(100.00)	21	(100.00)	21	(100.00)			

(contd.)



Problems relating to inferior quality, high prices and price fluctuations of raw materials were also faced by entrepreneurs. Sometimes raw materials available were of inferior quality and of high price. Price fluctuations and the spread between Government price and open market price, rate contract fixed by the Directorate of Export Promotion and Marketing (EPW) and open market price created difficulties for entrepreneurs.

In the mixed bag of other problems we found the following:

Some vested interests successfully manoeuvred to take lease of stone quarries and forests counteracting the attempts of industrial co-operatives to do so. Raw material quota of a few quintals of iron rods was allotted at a distant place like Rourkela and entrepreneurs found it difficult and uneconomical to transport rods from such distant place. The more backward district of Keonjhar was not served by railways and the entrepreneurs of this area suffered from the additional burden of increased transportation cost of raw materials, etc. Besides, frequent changes in the policy of Government relating to leasing of forests and quarries also created unanticipated difficulties for entrepreneurs in getting necessary raw materials.

Out of a total of 37 entrepreneurs facing the problem of raw materials a majority of 18 (49 per cent) faced the problem of irregular supply, 15 (41 per cent) faced the problem of inadequate supply, 12 (32 per cent) faced other problems, 4 (11 per cent) faced the problem of high prices and price fluctuations, and 3 (8 per cent) the problems of inferior quality.

Of those who faced the problem of irregular supply, the proportion was higher in Balasore (57 per cent) than in Keonjhar (50 per cent) than in Cuttack (45 per cent); of those who faced the problem of inadequate supply, the proportion was higher in Balasore (71 per cent) than in Keonjhar (38 per cent) than in Cuttack (32 per cent); and of those who faced other problems, the proportion was higher in Keonjhar (38 per cent) than in Cuttack (32 per cent) than in Balasore (29 per cent). All the remaining entrepreneurs were in Cuttack, of which 4 faced the problems of high price and price fluctuations and 3 inferior quality in Wood, Metal and Non-metallic Mineral Product industries.

At the all-district level, in Food, Metal and Non-metallic Mineral Product industries, high percentages of entrepreneurs faced the problems of irregular and inadequate supply. In Wood Products and Hosiery and Readymade Garments high percentages faced other problems.

At the industry-level, similar situation was noticed in all the districts.

Intra-industry comparisons show that in Food Products, all the entrepreneurs of Cuttack and Balasore faced problems of irregular and inadequate supply and the single entrepreneur of Keonjhar faced other problems; in Wood Products, all the entrepreneurs of Keonjhar and Balasore faced other problems; in Metal Products all the entrepreneurs of Keonjhar and Balasore faced problem of irregular supply and the only entrepreneur of Balasore faced the problem of inadequate supply; in Non-metallic Mineral Products, the only entrepreneur of Keonjhar faced the problem of irregular supply, all the entrepreneurs of Balasore faced the problem of inadequate supply and the only entrepreneur of Cuttack faced the problem of high price and price fluctuations; and in Hosiery and Readymade Garments, all the entrepreneurs of Cuttack faced other problems.

(TABLE VI.3)

#### IV. FINANCE

Data collected on problems relating to finance have been classified as loan inadequate, delay and red-tapism, inability to offer security and other problems.







As regards the institutional finance for small scale entrepreneurs it was found that some entrepreneurs were so much harassed with procedural requirements and delay and red-tapism that they were reluctant to approach the banks and other financial agencies. Some entrepreneurs were however persuaded by the DIC officials to borrow and expand their activities. But the entrepreneurs did not respond. Some entrepreneurs reported that they did not want to take the risk of a loan. Amongst those who were willing to borrow but did not get loans were the entrepreneurs from outside the State of Orissa. Some of them came as poor factory workers to earn their livelihood. They did not have any tangible assets. Their acquaintance with the place was limited. Thus neither the sureties were available for them nor did they possess any tangible collateral to offer for the loan. Some poor entrepreneurs belonging to the State could not avail of the opportunities for borrowing, as they did not have any thing to mortgage or any surety was forthcoming to underwrite their loan. In spite of the cumbersome procedure those who succeeded in getting loans complained that the loan amount was inadequate to meet their requirements. Most of the entrepreneurs were interested in getting loans from the Government under the State aid to Industries Act as the rate of interest was lower than that charged by the

nationalised banks. Some of the entrepreneurs could not get this loan inspite of their best efforts. Some of them were so disgusted with it that they vowed not to seek it in future. Others reported inadequacy of the loan amount.\* Other problems relating to finance were inability of some entrepreneurs to run several times to banks and other agencies for loan and the 'play-safe' attitude of bank officials and untimely sanction of loan.

Out of a total of 28 entrepreneurs who faced the problem of finance, a majority of 13 (46 per cent) were unable to offer security for loan, 11 (39 per cent) complained of the inadequacy of loan sanctioned for them, 6 (21 per cent) faced other problems, and 5 (18 per cent) faced the problem of delay and red-tapism.

Of those who were unable to offer security, the percentage was higher in Keonjhar (75) than in Cuttack (42) than in Balasore (25); of those for whom the loan amount was inadequate, the percentage was higher in Balasore (75) than in Cuttack (42); of those who faced other problems, Keonjhar and Balasore had equal higher

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\* Report on the evaluation of the scheme for providing loans under State Aid to Industries Act published in 1977 mentions that loans available were not adequate. The percentage was higher in the higher loan size groups, p.25.

percentages (25 each) than Cuttack (17); and of those who faced the problem of delay and red-tapism the percentage was higher in Cuttack (33) than in Balasore (13).

At the all-district level, the percentage of those who were unable to offer security was higher in all industries except Non-metallic Mineral Products in which higher percentage faced the problem of inadequacy of loan.

(TABLE VI.4)

V. OTHER PROBLEMS

In this 'mixed bag' of other problems, we have included problems relating to labour, production technology, management of the industrial units and problems relating to the supply of water and electricity. Data for all these problems are presented in Table VI.1.

It was discovered through field investigation that in the units investigated, labourers were not organised into trade unions or any other associations. There was thus no trouble for entrepreneurs from the organised labour force. The trouble in the main was non-availability of labourers of particular skill and efficiency and lower efficiency and frequent absence from work of those who were working. One entrepreneur of Cuttack City pointed out

TABLE VI.4  
PROBLEMS RELATING TO FINANCE

District	FOOD PRODUCTS			WOOD PRODUCTS			METAL PRODUCTS									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Cutback	Loan inadequate															
	Delay and redtapism															
	Inability to offer security			(100.00)			(100.00)									
	Other problems															
	Sample units			(100.00)			(100.00)									
	Loan inadequate						(50.00)									
	Delay & redtapism						(50.00)									
	Inability to offer security			(66.67)			(50.00)									
	Other problems			(33.33)			(50.00)									
	Sample units			(100.00)			(100.00)									
	Loan inadequate						(40.00)									
	Delay & redtapism						(40.00)									
	Inability to offer security			(50.00)			(60.00)									
	Other problems			(50.00)			(20.00)									
	Sample units			(100.00)			(100.00)									
	Keonjhar															
				(100.00)												
				(100.00)			(100.00)									
All Distts.																
				(100.00)												
				(100.00)			(100.00)									

(contd.)



that there was a dearth of modern technological know-how in his branch of biscuit manufacture, for which he had to depend on specialists from Calcutta. He was of the opinion that for many such specialists full time work was not available in the city. Some entrepreneurs were remaining busy most of the time in procuring orders from different sources and in securing payment of bills and consequently were not able to look after the day to day administrative and supervisory problems.

Frequent load-shedding and interruption in the supply of electricity and inadequate water supply were the other problems faced by the entrepreneurs more in the more backward and backward districts than in the advanced district.

## VI. CAPACITY UTILISATION

Obviously, capital is a scarce factor of production, and more so in a poor State like Orissa. Hence an optimum utilisation of invested capital is called for. In this context it is pertinent to examine to what extent the entrepreneurs had been able to utilise the installed capacity and what accounted for the excess capacity, if any.

Both installed capacity and actual production have been calculated in terms of rupees. In most of the cases

figure for the installed capacity was available with the entrepreneurs. Wherever it was not available it was calculated on the basis of shifts normally worked and cross-checked with the production figure for the last three years. So also was the estimate of actual production for the latest year. Capacity utilisation means, the actual production expressed as percentage of capacity output.

Table VI.5 shows that, at the all-district and industry level, 64 per cent of the total installed capacity had been utilised by the entrepreneurs. Entrepreneurs of Cuttack and Balasore had utilised 66 per cent of their total capacity whereas the entrepreneurs of Keonjhar had utilised 42 per cent of the total capacity.

At the all-district level, the percentage of capacity utilisation was higher in Food Products (86) than in Wood Products (71) than in Non-metallic Mineral Products (63) than in Metal Products (56) than in Hosiery and Readymade Garments (31).

At the industry-level, in Cuttack, the percentage of capacity utilisation was higher in Food Products (88) than in Wood Products (74) than in Non-metallic Mineral Products (73) than in Metal Products (58) than in Hosiery and Readymade Garments (29); in Balasore, the percentage was higher in Food Products (76) than in Wood Products



(72) than in Metal Products (68) than in Non-metallic Mineral Products (52) than in Hosiery and Readymade Garments (7); and in Keonjhar, the percentage was higher in Hosiery and Readymade Garments (84) than in Non-metallic Mineral Products (62) than in Food Products (60) than in Wood Products (58) than in Metal Products (32).

Intra-industry comparisons reveal that in Food, Wood and Metal Products Keonjhar had lower percentage of capacity utilisation and in Non-metallic Mineral Products and Hosiery and Readymade Garments, Balasore had lower percentage of capacity utilisation than the other districts in respect of the corresponding group of industries.

(TABLE VI.5)

VII. OBSTACLES TO CAPACITY UTILISATION

Considering the most important obstacle in each case, it was found that, out of a total of 73 units, a much greater number of 45 (62 per cent) had unutilised capacity due to limited demand; 13 (18 per cent) had unutilised capacity due to shortage of raw materials; 9 (12 per cent) had unutilised capacity due to shortage of finance; and 3 each (4 per cent) had unutilised capacity due to power shortage and other reasons.

TABLE D - VI.5

## CAPACITY UTILISATION BY THE INDUSTRIAL UNITS

District	Food Products	Wood Products	Metal Products	Non-metallic Mineral Products	Hosiery and Readymade Garments	Total
1	2	3	4	5	6	7
Cuttack	87.98	73.71	58.02	73.30	29.48	65.93
Balasore	76.27	71.58	67.95	51.84	6.67	66.49
Keionjhar	60.00	57.44	32.23	61.88	83.51	42.46
All Dists.	85.68	70.98	56.28	62.93	31.13	63.91

The percentage of those which had unutilised capacity due to limited demand was higher in Keonjhar (71) than in Cuttack (60) than in Balasore (59); the percentage of those which had unutilised capacity due to shortage of raw materials was higher in Cuttack (21) than in Balasore (18) than in Keonjhar (7); the percentage of those which had unutilised capacity due to shortage of finance was higher in Keonjhar (21) than in Cuttack (12) than in Balasore (9). Other percentages were negligible.

At the all-district level, in Food, Wood, Metal Products, and Hosiery and Readymade Garments, the percentage of unutilised capacity was very high due to limited demand and in Non-metallic Mineral Products due to shortage of raw materials.

At the industry level, a similar situation is noticed in all the districts.

Intra-industry comparisons reveal that Keonjhar had unutilised capacity in all the units in Food and Hosiery and Readymade Garments due to limited demand and in Non-metallic Mineral Products due to shortage of raw materials; Cuttack had unutilised capacity in all the units in Wood Products due to limited demand; and Balasore had unutilised capacity in all the units in Metal Products and Hosiery and Readymade Garments due to limited demand

and shortage of finance respectively.

One striking feature of the data is that the first three major obstacles to capacity utilisation were the same as the first three important operational problems.

(TABLE VI.6)

VIII. CASE STUDIES OF SICK UNITS

Typical cases of 11 sick units have been presented districtwise in Appendix B.VI.1. These were selected from among the 73 sample units on the basis of Reserve Bank of India's circular on the subject issued in November 1976. Of these 11 units, 7 belonged to Cuttack and 2 each to Balasore and Keonjhar.

The following were the causes of sickness of the industrial units of Cuttack, Balasore and Keonjhar:

Cuttack

- (a) faulty production planning
- (b) undercapacity production and higher production cost
- (c) defective financial management
- (d) unfavourable marketing strategy
- (e) non-availability of critical inputs
- (f) poverty, chronic disease, family quarrel and theft
- (g) lack of practical experience of entrepreneurs
- (h) dishonesty and foul play of the partner

TABLE VI.6

## OBSTACLES TO CAPACITY UTILISATION

District	Food Products								Wood Products					Metal Products								
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Cuttack	Demand	(75.00)	(12.50)	(12.50)	-	-	-	(100.00)	(100.00)	-	-	-	-	-	(100.00)	(52.17)	(13.04)	-	(30.44)	(4.35)	(100.00)	
	Power																					
	Finance																					
	Labour																					
	Raw material																					
	Other reasons																					
	Sub-total																					
Balasore	Demand	(75.00)	(25.00)	-	-	-	-	(100.00)	(80.00)	-	-	-	-	(20.00)	(100.00)	(100.00)	(52.17)	(13.04)	-	(30.44)	(4.35)	(100.00)
	Power																					
	Finance																					
	Labour																					
	Raw material																					
	Other reasons																					
	Sub-total																					
Keonjhar	Demand	(100.00)	-	-	-	-	-	(100.00)	(80.00)	(20.00)	-	-	-	-	(100.00)	(50.00)	(50.00)	-	-	-	(100.00)	
	Power																					
	Finance																					
	Labour																					
	Raw material																					
	Other reasons																					
	Sub-total																					
All Dists.	Demand	(78.57)	(14.29)	(7.14)	-	-	-	(100.00)	(86.87)	(6.67)	-	-	-	(6.67)	(100.00)	(55.17)	(17.24)	-	(24.14)	(3.45)	(100.00)	
	Power																					
	Finance																					
	Labour																					
	Raw material																					
	Other reasons																					
	Sub-total																					

(contd.)



Balasore

- (a) lack of interest on the part of Government officers and their indulgence in corrupt practices
- (b) differences between the rate contract set by the EPM and the price of timber charged by the Orissa Forest Corporation (OFC)
- (c) indulgence of entrepreneur in wine and women and involvement in litigation.

Keonjhar

- (a) dishonesty of workers and supervisors
- (b) difficulties in getting raw materials and orders from the principal buyers
- (c) diversified interests of the entrepreneurs.

It is thus seen that the causes of industrial sickness were many and varied. However, it would necessitate further study with adequate number of sample units to come to definitive conclusions.

## IX. CASE STUDIES OF CLOSED UNITS

Case studies of 8 closed units have been presented in Appendix B VI.2.

In Cuttack district the following reasons were advanced by the entrepreneurs of closed units:

- (a) dishonesty of customers and supplier of machinery and equipment
- (b) non-availability of raw materials on time through the OSIC
- (c) tyranny and high-handedness of tax officials
- (d) breach of contract by the PWD

In Balasore district the following reasons were advanced by the entrepreneurs of closed units:

- (a) delay and red-tapism at the Government level as well as at the level of promotional agencies,
- (b) lack of interest of the Government officers and mis-management.
- (c) chronic disease.
- (d) frequent failure in electricity supply, irregular and inadequate supply of raw materials and limited market opportunity,
- (e) shifts in taste and preferences.

In Keonjhar district the following reasons were advanced by the only entrepreneur of closed unit:

- (a) evil designs and foul play by an old, established monopolistic unit
- (b) non-availability of cement which was a critical input.

Further research with adequate number of closed units would be more revealing of the circumstances under which the industrial units were forced to close down.

#### MAIN FINDINGS

1. Aggregately, problems of sale of products, raw materials and finance were the major problems in order of importance. Of those who faced the problems of sale of products, Cuttack had higher percentage than Keonjhar than Balasore; of those who faced the problems of raw materials, Keonjhar had higher percentage than Cuttack than Balasore; and of those who faced the problems of finance Keonjhar had higher percentage than Balasore than Cuttack.



2. In sale of products, of those who faced the problem of limited demand, Balasore had higher percentage than Cuttack than Keonjhar; of those who faced the problem of competition, Balasore had higher percentage than Cuttack than Keonjhar; of those who faced the problem of seasonal demand Keonjhar had higher percentage than Cuttack than Balasore; and of those who faced the problem of delay in payment of bills Cuttack had higher percentage than Balasore than Keonjhar.
3. In raw materials, of those who faced the problem of irregular supply, the proportion was higher in Balasore than in Keonjhar than in Cuttack; of those who faced the problem of inadequate supply, the proportion was higher in Balasore than in Keonjhar than in Cuttack; and of those who faced the other problems, the proportion was higher in Keonjhar than in Cuttack than in Balasore.
4. As regards the financial problems, the percentage of those who were unable to offer security was higher in Keonjhar than in Cuttack than in Balasore; the percentage of those for whom the loan amount was inadequate was higher in Balasore than in Cuttack; the percentage of those who faced other problems was higher in both Keonjhar and Balasore than Cuttack; and the percentage of those who faced the problem of delay and red-tapism was higher in Cuttack than in Balasore.
5. The percentage of those who faced the problem of production technology, management and labour was

higher in Cuttack than in Balasore than in Keonjhar; and the percentage of those who faced other problems was higher in Keonjhar than in Balasore than in Cuttack.

6. On an average, 64 per cent of the total installed capacity had been utilised by the entrepreneurs. Entrepreneurs of Cuttack and Balasore had utilised 66 per cent of total capacity whereas the entrepreneurs of Keonjhar had utilised 42 per cent of capacity.
7. The percentage of those which had unutilised capacity due to limited demand was higher in Keonjhar than in Cuttack than in Balasore; the percentage of those which had unutilised capacity due to shortage of raw materials was higher in Cuttack than in Balasore than in Keonjhar; and the percentage of those which had unutilised capacity due to shortage of finance was higher in Keonjhar than in Cuttack than in Balasore.
8. Faulty production planning, under capacity production, defective financial management, unfavourable marketing strategy, non-availability of critical inputs, poverty, chronic disease, family quarrel, theft, dishonesty and foul play and above all lack of practical experience were some of the causes of industrial sickness in Cuttack; lack of interest on the part of Government officers and their indulgence in corrupt practices, divergence between the rate contract set by the EPM and the open market price and spent-thrift attitude of entrepreneur by and large, accounted for sickness in Balasore; while dishonesty of

workers and supervisors difficulties in getting raw materials and orders from the principal buyers and diversified interest of entrepreneurs were some of the underlying causes of industrial sickness in Keonjhar.

9. Important reasons for the closure of the units were: dishonesty of customers and supplier of machinery and equipment, non-availability of raw materials on time, tyranny and highhandedness of tax officials and breach of contract in Cuttack; delay and red-tapism and lack of interest of government officers, mismanagement, disease, frequent failures in electricity supply, irregular and inadequate supply of raw materials, limited market opportunity and shifts in taste and preferences in Balasore; evil designs and foul play and non-availability of critical inputs in Keonjhar.

## CHAPTER VII

### FINANCIAL POSITION OF THE INDUSTRIAL UNITS OF ENTREPRENEURS

In this chapter, it is intended to examine the financial position of the industrial units of entrepreneurs for the financial year 1978-79, for which the data could be collected. This includes an analysis of the assets, liabilities, output and the value added of the 70 industrial units which made the necessary data available for the purpose.

#### I. COMPOSITION OF TOTAL ASSETS

The balance sheet data collected from 70 industrial units for the financial year 1978-79 show that at the all-district and industry level, out of total assets of Rs 1.14 crores the proportion of current assets was higher, Rs 66.19 lakhs (58 per cent) than net fixed assets, Rs 42.29 lakhs (37 per cent) and the proportion of other assets was as low as Rs 5.37 lakhs (5 per cent).

At the all-industry level, of the total amount of current assets, the proportion was higher in Cuttack (59 per cent) than in Keonjhar (58 per cent) than in

Balasore (57 per cent). On the other hand, of the total amount of fixed assets, the proportion was higher in Keonjhar (41 per cent) than in Balasore (39 per cent) than in Cuttack (36 per cent). Proportion of other assets was negligible.

At the district-level, industrywise analysis indicates that the percentages of fixed assets were higher and current assets were lower in Non-metallic Mineral Products (66, 33) and Hosiery and Readymade Garments (55, 45) of Cuttack, Food Products (61, 37) of Balasore, and Food (85, 15), Wood (55, 32), Non-metallic Mineral Products (50, 50) and Hosiery and Readymade Garments (74, 26) of Keonjhar than their respective all-industry percentages. On the other hand, in Wood (18, 82) and Metal Products (29, 62) of Cuttack, Wood (29, 60) and Non-metallic Mineral Products (20, 80) of Balasore and Metal Products (31, 69) of Keonjhar, percentages of Fixed Assets were lower and Current Assets were higher than their respective all-industry percentages.

One striking feature of the data is that Non-metallic Mineral Products of Cuttack, Food Products of Balasore and Food and Hosiery and Readymade Garments of Keonjhar had very high percentages of fixed assets and

very low percentages of current assets while Wood Products of Cuttack and Non-metallic Mineral Products of Balasore had very low percentages of fixed assets and high percentages of current assets.

Intra-industry comparisons reveal that the percentage of current assets in Food Products of Cuttack (64) was higher than in Balasore (37) than in Keonjhar (15); in Wood Products of Cuttack (82) was higher than in Balasore (60) than in Keonjhar (32); in Metal Products of Keonjhar (69) was higher than in Cuttack (62) than in Balasore (59); in Non-metallic Mineral Products of Balasore (80) was higher than in Keonjhar (50) than in Cuttack (32); and in Hosiery and Readymade Garments of Cuttack (45) was higher than in Keonjhar (26). On the other hand the percentage of net fixed assets in Food Products of Keonjhar (85) was higher than in Balasore (61) than in Cuttack (34); in Wood Products was higher in Keonjhar (55) than in Balasore (29) than in Cuttack (18); in Metal Products was higher in Balasore (40) than in Keonjhar (31) than in Cuttack (29); in Non-metallic Mineral Products was higher in Cuttack (66) than in Keonjhar (50) than in Balasore (20); and in Hosiery and Readymade Garments was higher in Keonjhar (74) than in Cuttack (55).

( TABLE VII.1)

TABLE VII.1  
COMPOSITION OF TOTAL ASSETS: 1978-79

(In Rs)

District	Industry	No. of Units	Net Fixed Assets	Other Assets	Current Assets	Total Assets
Cuttack	Food Products	8	412388 (34.22)	19307 (1.60)	773447 (64.18)	1205142 (100.00)
	Wood Products	5	196079 (17.66)	7406 (0.67)	906718 (81.67)	1110203 (100.00)
	Metal Products	23	1266073 (29.27)	388220 (8.97)	2671808 (61.76)	4326101 (100.00)
	Non-metallic Mineral Products	4	1164082 (66.20)	27550 (1.57)	566779 (32.23)	1758411 (100.00)
	Hosiery and Ready-made Garments	2	11880 (54.61)	-	9875 (45.39)	21755 (100.00)
	All Industries	42	3050502 (36.22)	442483 (5.25)	4928627 (58.52)	8421612 (100.00)
Balasore	Food Products	4	256435 (61.35)	7150 (1.71)	154415 (36.94)	418000 (100.00)
	Wood Products	5	187815 (28.84)	74325 (11.41)	389036 (59.74)	651176 (100.00)
	Metal Products	2	324232 (40.39)	3361 (0.42)	475125 (59.19)	802718 (100.00)
	Non-metallic Mineral Products	5	34100 (19.85)	75 (0.04)	137635 (80.11)	171810 (100.00)
	Hosiery and Ready-made Garments	-	-	-	-	-
	All Industries	16	802582 (39.27)	84911 (4.16)	1156211 (56.67)	2043704 (100.00)

(contd.)

TABLE VII.1 (contd.)

District	Industry	No. of units	Net Fixed Assets	Other Assets	Current Assets	Total Assets
Keonjhar	Food Products	2	28550 (85.10)	-	5000 (14.90)	33550 (100.00)
	Wood Products	4	42330 (55.31)	10000 (13.07)	24200 (31.62)	76530 (100.00)
	Metal Products	3	182427 (31.10)	-	404244 (68.90)	586671 (100.00)
	Non-metallic Mineral Products	1	91338 (50.37)	-	90006 (49.63)	181344 (100.00)
	Hosiery and readymade Garments	2	30950 (73.65)	-	11075 (26.35)	42025 (100.00)
	All Industries	12	375595 (40.82)	10000 (1.09)	534525 (58.09)	920120 (100.00)
All Districts and All Industries		70	4228679 (37.14)	537394 (4.72)	6619363 (58.14)	11385436 (100.00)



## II. COMPOSITION OF TOTAL LIABILITIES

The balance sheet data collected from the 70 industrial units for the financial year 1978-79, show that at the all-district and industry level, out of a total liabilities of Rs 1.14 crores, the proportion of equity was higher, Rs 51.43 lakhs (45 per cent) than short-term loans, Rs 46.48 lakhs (41 per cent) than medium/long-term loans, Rs 15.95 lakhs (14 per cent).

At the all-industry level, of the total amount of short-term loans, the proportion was higher in Balasore (51 per cent) than in Cuttack (39 per cent) than in Keonjhar (31 per cent); of the total amount of medium/long-term loans, the proportion was higher in Keonjhar (25 per cent) than in Cuttack (16 per cent) than in Balasore (3 per cent); and of the total amount of equity capital the proportion was higher in Balasore (46 per cent) than in Cuttack (45 per cent) than in Keonjhar (44 per cent).

At the district level, industrywise analysis indicates that, in Hosiery and Readymade Garments (62, 20) of Cuttack, Food Products (74, 22) of Balasore, and Food (73, 13), Wood (79, 21) and Non-metallic Mineral Products (65, 35) of Keonjhar percentages of equity capital were higher and short-term loans lower than the respective

all industry averages. On the other hand in Hosiery and Readymade Garments of Keonjhar (30, 65) and Wood (41, 58) and Metal Products (38, 62) of Balasore percentages of equity were lower and short-term loans higher than their respective all-industry averages.

One striking feature of the data is that in Food products of Balasore and Food and Wood Products of Keonjhar percentages of equity capital were too high and short-term loans too low. Reverse was the position in Hosiery and Readymade Garments of Keonjhar.

Intra-industry comparisons reveal that the percentage of equity capital in Food Products of Balasore (74) was higher than Keonjhar (73) than Cuttack (53); in Wood Products of Keonjhar (79) was higher than Balasore (41) than Cuttack (35); in Metal Products of Cuttack (46) was higher than Balasore (38) than Keonjhar (32); in Non-metallic Mineral Products of Keonjhar (65) was higher than Cuttack (43) than Balasore (40); and in Hosiery and Readymade Garments of Cuttack (62) was higher than Keonjhar (30); the percentage of medium/long-term loans was higher in all industries of Cuttack except Metal Products in which Keonjhar had the higher percentage (38); and the percentage of short-term loans was higher in Food Products of Cuttack (30) than in Balasore (22) than Keonjhar (13); in Wood Products of Balasore (58) was higher

than Cuttack (48) than Keonjhar (21); in Metal Products of Balasore (62) was higher than Cuttack (44) than Keonjhar (30); in Non-metallic Mineral Products of Balasore (41) was higher than Keonjhar (35) than Cuttack (28); and in Hosiery and Readymade Garments of Keonjhar (65) was higher than in Cuttack (20).

( TABLE VII.2)

III. AVERAGE SIZE OF ASSETS

At the all-district and industry level, it was found for the year 1978-79 that, in monetary terms, the average size of current assets of 70 industrial units was (Rs 94,562) higher than average size of inventories (Rs 62,375) than the average size of net fixed assets (Rs 60,409) than the average size of other assets (Rs 7,677). Average size of total assets was Rs 1,62,649.

At the all-industry level, in Cuttack, the average size of all kinds of assets was higher than the average size of assets mentioned above. Average size of all kinds of assets in Balasore was less than Cuttack as well as the all-district and industry averages but higher than that of Keonjhar. As a matter of fact the average size of assets of Balasore was much less than that of Cuttack and of Keonjhar was much less than that of Balasore.

TABLE VII.2

## COMPOSITION OF TOTAL LIABILITIES: 1978-79

(In Rs)

District	Industry	No. of units	Equity	M.T. and L.T. Loans	S.T. Loans	Total liabilities
1	2	3	4	5	6	7
Cuttack	Food Products	8	636451 (52.81)	202266 (16.78)	366425 (30.41)	1205142 (100.00)
	Wood Products	5	389972 (35.13)	189000 (17.02)	531231 (47.85)	1110203 (100.00)
	Metal Products	23	1992539 (46.06)	414348 (9.58)	1919214 (44.36)	4326101 (100.00)
	Non-metallic Mineral Products	4	757913 (43.10)	501917 (28.54)	498581 (28.35)	1758411 (100.00)
	Hosiery and Readymade Garments	2	13390 (61.55)	4000 (18.39)	4365 (20.06)	21755 (100.00)
	All Industries	42	3790265 (45.01)	1311531 (15.57)	3319816 (39.42)	8421612 (100.00)
Balasore	Food Products	4	310204 (74.21)	17100 (4.09)	90696 (21.70)	418000 (100.00)
	Wood Products	5	267496 (41.08)	5461 (0.84)	378219 (58.08)	651176 (100.00)
	Metal Products	2	302478 (37.68)	-	500240 (62.32)	802718 (100.00)
	Non-metallic Mineral Products	5	69539 (40.47)	31600 (18.40)	70671 (41.13)	171810 (100.00)
	Hosiery and Readymade Garments	-	-	-	-	-
	All Industries	16	949717 (46.47)	54161 (2.65)	1039826 (50.88)	2043704 (100.00)

contd..

Table VII.2 (contd.)

District	Industry	No. of units	Equity	M.T & L.T. Loans	S.T. Loans	Total Liabilities
1	2	3	4	5	6	7
Keonjhar	Food Products	2	24350 (72.58)	4800 (14.31)	4400 (13.11)	33550 (100.00)
	Wood Products	4	60726 (79.35)	-	15804 (20.65)	76530 (100.00)
	Metal Products	3	188068 (32.06)	222081 (37.85)	176522 (30.09)	586671 (100.00)
	Non-metallic Mineral Products	1	117179 (64.62)	-	64165 (35.38)	181344 (100.00)
	Hosiery and Readymade Garments	2	12525 (29.80)	2000 (4.76)	27500 (65.44)	42025 (100.00)
	All Industries	12	402848 (43.78)	228881 (24.88)	288391 (31.34)	920120 (100.00)
	All Districts	70	5142830 (45.17)	1594573 (14.01)	4648033 (40.82)	11385436 (100.00)

At the district level, industrywise, in Cuttack in Food, Metal and Hosiery and Readymade Garments industries; in Balasore, in Food and Non-metallic Mineral Products industries; and in Keonjhar in Food, Wood and Hosiery and Readymade Garments industries average size of total assets was less than the average size of respective district total. Moreover, in Cuttack, only in Hosiery and Readymade Garments industry; in Balasore only in Non-metallic Mineral Products industry; and in Keonjhar, in Food and Wood Products industries the average size of all kinds of assets was smaller than their counterparts in other districts.

(TABLE VII.3)

IV. AVERAGE SIZE OF LIABILITIES

At the all-district and industry-level, it was found for the year 1978-79 that in monetary terms, the average size of equity capital of 70 industrial units was (Rs 73,469) higher than the average size of short-term loans (Rs 66,400) than the average size of medium/long-term loans (Rs 22,779). The average size of total liabilities was Rs 1,62,649.

At the all-industry level, in Cuttack, the average size of all kinds of liabilities was higher

TABLE VII.3

## AVERAGE SIZE OF ASSETS: 1978-79

(In Rs)

District	Industry	No. of units	Net Fixed Assets	Other Assets	Inventories	Current Assets	Total
1	2	3	4	5	6	7	8
Cuttack	Food Products	8	51548	2413	68540	96680	150642
	Wood Products	5	39215	1481	148977	181343	222040
	Metal Products	23	55046	16879	67317	116165	188091
	Non-metallic Mineral Products	4	291020	6887	127825	141694	439602
	Hosiery and ready made Garments	2	5940	-	4250	4937	10877
	All Industries	42	72631	10535	80031	117348	200514
Balasore	Food Products	4	64108	1787	29358	38603	104500
	Wood Products	5	37563	14865	42525	77807	130235
	Metal Products	2	162116	1680	110038	237562	401359
	Non-metallic Mineral Products	5	6820	15	24042	27527	34362
	Hosiery and Readymade Garments	-	-	-	-	-	-
	All Industries	16	50161	5306	41897	72263	127731
Keonjhar	Food Products	2	14275	-	1450	2500	16775
	Wood Products	4	10582	2500	3450	6050	19132
	Metal Products	3	60809	-	85687	134748	195557
	Non-metallic Mineral Products	1	91338	-	50860	90006	181344
	Hosiery and Readymade Garments	2	15475	-	4837	5537	21012
	All Industries	12	31299	833	27882	44543	76676
All Districts and All Industries		70	60409	7677	62375	94562	162649

than the average size of liabilities mentioned above. Average size of all kinds of liability of Balasore was less than Cuttack as well as the all-district and industry averages but higher than that of Keonjhar except the size of medium/long-term loans. As a matter of fact, the average size of liabilities of Balasore was much less than that of Cuttack and of Keonjhar much less than that of Balasore.

At the district level, industrywise, in Cuttack, in Food, Metal and Hosiery and Readymade Garments industries; in Balasore, in Food and Non-metallic Mineral Products industries; and in Keonjhar, in Food, Wood and Hosiery and Readymade Garments industries, the average size of total liabilities was lower than the average size of respective district total. Moreover, only in Food and Wood Products industries of Keonjhar average size of all kinds of liabilities was lower than their counterparts in other districts.

(TABLE VII.4)<sup>1</sup>

V. DISTRIBUTION OF MEDIUM AND LONG-TERM LOANS  
BY SOURCES

At the all-district and industry level, out of a total amount of Rs 15.95 lakhs of medium/long-term loans, commercial banks dominated the field by providing



TABLE A - VII.4

## AVERAGE SIZE OF LIABILITIES: 1978-79

( In Rs )

District	Industry	No. of units	Equity	M.T & L.T. Loans	S.T. Loans	Total Liabilities
1	2	3	4	5	6	7
Cuttack	Food Products	8	79556	25283	45803	150642
	Wood Products	5	77994	37800	106246	222040
	Metal Products	23	86632	18015	83444	188091
	Non-metallic Mineral Pro- ducts	4	189478	125479	124645	439602
	Hosiery and Readymade Garments	2	6695	2000	2182	10877
	All Industries	42	90244	31226	79043	200514
	Balasore	Food Products	4	77551	4275	22674
Wood Products		5	53499	1092	75643	130235
Metal Products		2	151239	-	250120	401359
Non-metallic Mineral pro- ducts		5	13907	6320	14134	34362
Hosiery and Readymade Garments		-	-	-	-	-
All Industries		16	59357	3385	64989	127731
Keonjhar	Food Products	2	12175	2400	2200	16775
	Wood Products	4	15181	-	3951	19132
	Metal Products	3	62689	74027	58840	195557
	Non-metallic Mineral pro- ducts	1	117179	-	64165	181344
	Hosiery and Readymade Garments	2	6262	1000	13750	21012
	All Industries	12	33570	19073	24032	76676
All Districts and All Industries		70	73469	22779	66400	162649

Rs 13.60 lakhs (85 per cent). Contribution of other agencies were negligible. State Financial Corporation's contribution (Rs 1.27 lakhs i.e. 8 per cent) was higher than others (Rs 0.70 lakh i.e. 4 per cent) than Government (Rs 0.31 lakh i.e. 2 per cent) than co-operative banks (Rs 0.06 lakh i.e. 0.35 per cent).

At the all-industry level, in Keonjhar, the proportion of medium/long-term loans (100 per cent) was higher than Cuttack (84 per cent) than Balasore (52 per cent).

All the units in Food and Wood Products of Cuttack and Food, Metal and Hosiery and Readymade Garments of Keonjhar borrowed only from the commercial banks.

(TABLE VII.5)

VI. DISTRIBUTION OF SHORT-TERM LOANS BY SOURCES

At the all-district and industry level, out of a total amount of Rs 46.48 lakhs of short-term loans, 'others' dominated the field by providing Rs 33.58 lakhs (72 per cent). Contributions of other agencies were negligible. Commercial banks contributed only Rs 9.81 lakhs (21 per cent) and friends and relatives Rs 3.05 lakhs (7 per cent).

At the all-industry level, the proportion of short-term loans was higher in Keonjhar (92 per cent) than in Cuttack (74 per cent) than in Balasore (60 per cent).

TABLE C - VII.5

## DISTRIBUTION OF MEDIUM AND LONG-TERM LOANS BY SOURCES:1978-79

(In Rs)

District	Industry	No. of units	Government	SFC*	Commercial banks	Coop. banks	Others	Total
1	2	3	4	5	6	7	8	9
Cuttack	Food Products	8	-	-	202266 (100.00)	-	-	202266 (100.00)
	Wood Products	5	-	-	189000 (100.00)	-	-	189000 (100.00)
	Metal Products	23	-	106157 (25.62)	308191 (74.38)	-	-	414348 (100.00)
	Non-metallic Mineral Products	4	31006 (6.18)	12000 (2.39)	403411 (80.37)	-	55500 (11.06)	501917 (100.00)
	Hosiery and Readymade Garments	2	-	4000 (100.00)	-	-	-	4000 (100.00)
	All Industries	42	31006 (2.36)	122157 (9.31)	1102868 (84.10)	-	55500 (4.23)	1311531 (100.00)
Balasore	Food Products	4	-	-	2100 (21.28)	-	15000 (87.72)	17100 (100.00)
	Wood Products	5	195 (3.57)	5266 (96.43)	-	-	-	5461 (100.00)
	Metal Products	2	-	-	-	-	-	-
	Non-metallic Mineral Products	5	-	-	26000 (82.28)	5600 (17.72)	-	31600 (100.00)
	Hosiery and Readymade Garments	-	-	-	-	-	-	-
	All Industries	16	195 (0.36)	5266 (9.72)	28100 (51.88)	5600 (10.34)	15000 (27.70)	54161 (100.00)

\*State Financial Corporation

contd.

TABLE VII.5 (contd)

(In Rs)

District	Industry	No. of units	Govt.	SFC	Comm- ercial bank	Coop. banks	Others	Total	
1	2	3	4	5	6	7	8	9	
Keonjhar	Food Products	2	-	-	4800 (100.00)	-	-	4800 (100.00)	
	Wood Products	4	-	-	-	-	-	-	
	Metal Products	3	-	-	222081 (100.00)	-	-	222081 (100.00)	
	Non-metallic Mineral Products	1	-	-	-	-	-	-	
	Hosiery and Readymade Garments	2	-	-	2000 (100.00)	-	-	2000 (100.00)	
	All Industries	12	-	-	228881 (100.00)	-	-	228881 (100.00)	
All Districts and All Industries		70	31201	127423	1359849 (1.96)	5600 (7.99)	70500 (85.28)	1594573 (0.35)	1594573 (4.42)

At the district level, industrywise, the proportion of short-term loans from 'others' was more than 90 per cent in Metal, Non-metallic Mineral Products and Hosiery and Readymade Garments industries of Keonjhar; varied between 70 to 90 per cent in all the five industries of Cuttack; and was 91 per cent in Wood Products and 66 per cent in Non-metallic Mineral Products of Balasore. The Non-metallic Mineral Products industry of Balasore had also the distinction of borrowing from the co-operative banks.

( TABLE VII.6 )

VII. COMPOSITION OF OUTPUT.

At the all-district and industry level, out of the total value of the output of Rs 1.98 crores manufactured by 70 industrial units in the year 1978-79, the proportion of total expenditure was as high as Rs 1.82 crores (92 per cent) and profits as low as Rs 15.76 lakhs (8 per cent). Of the various items of expenditure the value of the basic raw materials was Rs 1.23 lakhs (62 per cent) of the total value of output and wages and salaries Rs 24.78 lakhs (13 per cent). The proportion of other items, namely rent, Rs 1.24 lakhs (0.63 per cent) and interest Rs 3.80 lakhs (2 per cent) was negligible.

TABLE VII.6

## DISTRIBUTION OF SHORT-TERM LOANS BY SOURCES: 1978-79

(In Rs)

District	Industry	No. of units	Commercial banks	Coop. banks	Indigenous banks	Friends and relatives	Others	Total
1	2	3	4	5	6	7	8	9
Cuttack	Food Products	8	29900 (8.16)	-	-	9555 (2.61)	326970 (89.23)	366425 (100.00)
	Wood Products	5	127048 (23.92)	-	-	8661 (1.63)	395522 (74.45)	531231 (100.00)
	Metal Products	23	572183 (29.81)	-	-	6300 (0.33)	1340731 (69.86)	1919214 (100.00)
	Non-metallic Mineral Products	4	40000 (8.02)	-	-	57495 (11.53)	401086 (80.45)	498581 (100.00)
	Hosiery and Readymade Garments	2	-	-	-	840 (19.24)	3525 (80.76)	4365 (100.00)
	All Industries	42	769131 (23.17)	-	-	82851 (2.50)	2467834 (74.33)	3319816 (100.00)
Balasore	Food Products	4	35350 (38.98)	-	-	15786 (17.40)	39560 (43.62)	90696 (100.00)
	Wood Products	5	16000 (4.23)	-	-	19832 (5.24)	342387 (90.53)	378219 (100.00)
	Metal Products	2	150682 (30.12)	-	-	154090 (30.80)	195468 (39.08)	500240 (100.00)
	Non-metallic Mineral Products	5	5000 (7.08)	3000 (4.24)	-	16000 (22.64)	46671 (66.04)	70671 (100.00)
	Hosiery and Readymade Garments	-	-	-	-	-	-	-
	All Industries	16	207032 (19.91)	3000 (0.29)	-	205708 (19.78)	624086 (60.02)	1039826 (100.00)

contd.

TABLE (A) - VII.6 (contd.)

(In Rs)

District	Industry	No. of units	Comm- ercial banks	Coop. banks	Indi- genous banks	Friends and re- latives	Others	Total
1	2	3	4	5	6	7	8	9
Keonjhar	Food Products	2	-	-	-	2700 (61.36)	1700 (38.64)	4400 (100.00)
	Wood Products	4	-	-	-	9350 (59.16)	6454 (40.84)	15804 (100.00)
	Metal Products	3	-	-	-	4000 (2.27)	172522 (97.73)	176522 (100.00)
	Non-metallic Mineral Products	1	5225 (8.14)	-	-	-	58940 (91.86)	64165 (100.00)
	Hosiery and Readymade Garments	2	-	-	1000 (3.64)	-	26500 (96.36)	27500 (100.00)
	All Industries	12	5225 (1.81)	-	1000 (0.35)	16050 (5.57)	266116 (92.27)	288391 (100.00)
	All Districts and All Industries	70	981388 (21.11)	3000 (0.06)	1000 (0.02)	304609 (6.55)	3358036 (72.25)	4648033 (100.00)

At the all-industry level, in Cuttack, the percentage of total expenditure was higher (93) than Balasore (88) than Keonjhar (87). Consequently, the percentage of profits was lower in Cuttack (7) than in Balasore (12) than in Keonjhar (13). Of the two important items of expenditure, the percentage of the value of basic raw materials was higher in Cuttack (65) than in Keonjhar (53) than in Balasore (48) and the percentage of wages and salaries was higher in Keonjhar (18) than in Balasore (17) than in Cuttack (12).

At the district-level, industrywise analysis indicates that, in Cuttack, Metal (9, 3) and Non-metallic Mineral Products (97,3) in Balasore Wood Products (90,10) and in Keonjhar Metal Products (96,4) were the highest cost and the lowest profit yielding industries. Of the two important items of cost, in Metal (69,10), Food (67,7) and Wood Products (67,8) of Cuttack, the percentage share of basic raw materials was higher and of wages and salaries was lower than that in other districts.

Intra-industry comparisons reveal that the percentage of total expenditure in Food Products of Cuttack (86) was higher than in Balasore (85) than in Keonjhar (83);



in Wood Products was higher in Balasore (90) than in Cuttack (83) than in Keonjhar (77); in Metal Products was higher in Cuttack (97) than in Keonjhar (96) than in Balasore (88); in Non-metallic Mineral Products was higher in Cuttack (97) than in Balasore (83) than in Keonjhar (77); and in Hosiery and Readymade Garments was higher in Keonjhar (87) than in Cuttack (79). The percentage of profits in Food Products was higher in Keonjhar (17) than in Balasore (15) than in Cuttack (14); in Wood Products was higher in Keonjhar (23) than in Cuttack (17) than in Balasore (10); in Metal Products was higher in Balasore (12) than in Keonjhar (4) than in Cuttack (3); in Non-metallic Mineral Products was higher in Keonjhar (23) than in Balasore (17) than in Cuttack (3); and in Hosiery and Readymade Garments was higher in Cuttack (21) than in Keonjhar (14). The percentage of the value of basic raw materials in Food Products was higher in Cuttack (67) than in Keonjhar (53) than in Balasore (27); in Wood Products was higher in Cuttack (67) than in Balasore (63) than in Keonjhar (39); in Metal Products was higher in Cuttack (70) than in Keonjhar (58) than in Balasore (45); in Non-metallic Mineral Products was higher in Balasore (58) than in Keonjhar (54) than in Cuttack (30); and in Hosiery and Readymade Garments that was equal in both Cuttack and

Keonjhar (37). The percentage of wages and salaries in Food Products was higher in Balasore (19) than in Keonjhar (8) than in Cuttack (7); in Wood Products was higher in Keonjhar (24) than in Balasore (18) than in Cuttack (8); in Metal Products was higher in Keonjhar (16) than in Balasore (15) than in Cuttack (10); in Non-metallic Mineral Products was higher in Cuttack (35) than in Keonjhar (18) than in Balasore (16); and in Hosiery and Readymade Garments was higher in Keonjhar (36) than in Cuttack (13).

(TABLE VII.7)

#### VIII. DISTRIBUTION OF OUTPUT

At the all-district and industry level, out of a total value of output of Rs 1.98 crores manufactured by 70 industrial units in the year 1978-79, the proportion of net sales was much higher (Rs 1.83 crores, i.e. 93 per cent) than stock of finished and semi-finished products (Rs 12.67 lakhs i.e. 6 per cent) than work done for others (Rs 1.05 lakhs i.e. 0.54 per cent) than other income (Rs 0.84 lakh i.e. 0.42 per cent).

At the all-industry level, of the total net sales and total stock of finished and semi-finished products the percentage share of Keonjhar was very high in the former and very low in latter (98, (1-))2) than

TABLE (1) - VII.7  
COMPOSITION OF OUT-PUT: 1978-79

(In Rs)

District	Industry	No. of units	Basic raw materials	Water, power, Fuel, lubricants, etc.	Other materials	Miscellaneous	Amount paid to other concerns for work done
1	2	3	4	5	6	7	8
Cuttack	Food Products	8	2669687 (67.10)	83760 (2.11)	177883 (4.47)	115969 (2.91)	-
	Wood Products	5	929984 (67.19)	7760 (0.56)	6192 (0.45)	32888 (2.38)	5296 (0.38)
	Metal Products	23	6474751 (69.62)	393451 (4.23)	339991 (3.66)	442554 (4.76)	137973 (1.48)
	Non-metallic mineral Products	4	486632 (29.54)	64597 (3.92)	246358 (14.95)	44924 (2.73)	-
	Hosiery and Ready-made Garments	2	13602 (36.89)	414 (1.12)	4925 (13.36)	725 (1.97)	-
	All Industries	42	10574656 (64.69)	549982 (3.36)	775349 (4.74)	637060 (3.90)	143269 (0.88)
Balasore	Food Products	4	145892 (26.54)	88233 (16.05)	45112 (8.21)	38915 (7.08)	5183 (0.94)
	Wood Products	5	506050 (63.21)	12424 (1.55)	5450 (0.68)	24425 (3.05)	9523 (1.19)
	Metal Products	2	434454 (45.27)	20674 (2.15)	36000 (3.75)	108333 (11.29)	33606 (3.50)
	Non-metallic mineral Products	5	119943 (57.50)	3500 (1.68)	6969 (3.34)	2733 (1.31)	-
	Hosiery and Ready-made Garments	-	-	-	-	-	-
	All Industries	16	1206339 (47.90)	124831 (4.96)	93531 (3.71)	174406 (6.92)	48312 (1.92)

(contd.) 316

TABLE VII.7 (contd.)

(In Rs)

District	Industry	No. of units	Basic raw materials	Water, power, Fuel, lubricants, etc.	Other materials	Miscellaneous	Amount paid to other concerns for work done
1	2	3	4	5	6	7	8
Keonjhar	Food Products	2	41500 (53.12)	6500 (8.32)	6900 (8.83)	500 (0.64)	-
	Wood Products	4	48065 (39.40)	5830 (4.78)	3225 (2.64)	4900 (4.02)	-
	Metal Products	3	240940 (58.18)	2166 (0.52)	39249 (9.48)	3000 (0.72)	-
	Non-metallic Mineral Products	1	1161018 (53.57)	336 (0.15)	5720 (2.64)	827 (0.38)	-
	Hosiery and Ready-made Garments	2	23000 (37.40)	400 (0.65)	4375 (7.11)	1500 (2.44)	-
	All Industries	12	469523 (52.62)	15232 (1.71)	59469 (6.66)	10727 (1.20)	-
All Districts and All Industries		70	12250518 (62.00)	690045 (3.49)	928349 (4.70)	822193 (4.16)	191581 (0.97)

TABLE (1)-VII.7 (contd.)

(In Rs)

District	Depreciation	Rent	Wages and salaries, etc.	Interest	Total expenditure	Profits	Total output
	9	10	11	12	13	14	15
<u>Cuttack</u>	28296	34800	273509	40509	3424413	554658	3979071
Food Products	(0.71)	(0.87)	(6.87)	(1.02)	(86.06)	(13.94)	(100.00)
Wood Products	15669	5040	109049	30785	1142663	241606	1384269
	(1.13)	(0.36)	(7.88)	(2.22)	(82.55)	(17.45)	(100.00)
Metal Products	119921	28010	915865	158906	9011422	287871	9299293
	(1.29)	(0.30)	(9.85)	(9.71)	(96.90)	(3.10)	(100.00)
Non-metallic mineral products	70585	31956	583565	65576	1594193	53267	1647460
	(4.29)	(1.94)	(35.42)	(3.98)	(96.77)	(3.23)	(100.00)
Hosiery & Readymade Garments	1175	3000	4800	501	29142	7727	36869
	(3.19)	(8.14)	(13.01)	(1.36)	(79.04)	(20.96)	(100.00)
All Industries	235646	102806	1886788	296277	15201833	1145129	16346962
	(1.44)	(0.63)	(11.54)	(1.81)	(92.99)	(7.01)	(100.00)
<u>Balasore</u>	27000	6639	105469	5445	467888	81836	549724
Food Products	(4.91)	(1.21)	(19.18)	(0.99)	(85.11)	(14.89)	(100.00)
Wood Products	5487	10813	141085	5675	720932	79633	800565
	(0.69)	(1.35)	(17.62)	(0.71)	(90.05)	(9.95)	(100.00)
Metal Products	21281	2080	146501	39709	842638	117002	959640
	(2.22)	(0.22)	(15.27)	(4.14)	(87.81)	(12.19)	(100.00)
Non-metallic Mineral Products	1730	-	33998	3672	172545	36062	208607
	(0.82)	-	(16.30)	(1.76)	(82.71)	(17.29)	(100.00)
Hosiery & Readymade Garments	-	-	-	-	-	-	-
All Industries	55498	19532	427053	54501	2204003	314533	2518536
	(2.20)	(0.78)	(16.96)	(2.16)	(87.51)	(12.49)	(100.00)

contd.

TABLE VII.7 (contd.)

(In Rs)

District	Depreciation	Rent	Wages and salaries, etc.	Interest	Total expenditure	Profits	Total output
	9	10	11	12	13	14	15
<u>Keonjhar</u>	2220	360	6540	400	64920	13200	78120
Food Products	(2.84)	(0.46)	(8.37)	(0.52)	(83.10)	(16.90)	(100.00)
Wood Products	3170	360	28840	100	94490	27493	121983
	(2.60)	(0.30)	(23.64)	(0.08)	(77.46)	(22.54)	(100.00)
Metal Products	14406	97	67978	28244	396080	18018	414098
	(3.48)	(0.02)	(16.42)	(6.82)	(95.65)	(4.35)	(100.00)
Non-metallic Mineral Products	5538	-	38677	562	167678	48893	216571
	(2.56)		(17.86)	(0.26)	(77.42)	(22.58)	(100.00)
Hosiery and Ready-made Garments	550	660	22390	325	53200	8300	61500
	(0.89)	(1.07)	(36.41)	(0.53)	(86.50)	(13.50)	(100.00)
All Industries	25884	1477	164425	29631	776368	115904	892272
	(2.90)	(0.17)	(18.43)	(3.32)	(87.01)	(12.99)	(100.00)
All Districts and All Industries	317028	123815	2478266	380409	18182204	1575566	19757770
	(1.61)	(0.63)	(12.54)	(1.93)	(92.03)	(7.97)	(100.00)

Balasore (94,5) than Cuttack (92,7). Other percentages were negligible.

At the district level, industrywise analysis indicates that in Food (97,3) and Wood Products (95,1) of Cuttack, Food (96,4) and Metal Products (99, 0.03) of Balasore and also Food (99,1) and Metal Products (107, -7) of Keonjhar, percentages of net sales and stocks were very high and very low respectively than the respective all-industry percentage and aggregate percentage. In rest of the cases there was hardly any industry with low percentage of net sales and very high percentage of stocks.

Intra-industry comparisons reveal that the percentage of net sales was higher in Food Products of Keonjhar (99) than in Cuttack (97) than in Balasore (96); was higher in Wood Products of Cuttack (95) than in Balasore (87) than in Keonjhar (74); was higher in Metal Products of Keonjhar (107) than in Balasore (99) than in Cuttack (90); was higher in Non-metallic Mineral Products of Keonjhar (96) than in Balasore (94) than in Cuttack (92); and was higher in Hosiery and Readymade Garments of Keonjhar (93) than in Cuttack (88). On the other hand the percentage of stock of finished and semi-finished products was higher in Food Products of

Balasore (4) than in Cuttack (3) than in Keonjhar (1); was higher in Wood Products of Balasore (13) than in Keonjhar (3) than in Cuttack (1); was higher in Metal Products of Cuttack (10) than in Balasore (0.03) than in Keonjhar (-7); was higher in Non-metallic Mineral Products of Cuttack (8) than in Keonjhar (1) than in Balasore (0.42); and was higher in Hosiery and Readymade Garments of Cuttack (10) than in Keonjhar (7).

(TABLE VII.8)

#### IX. OUTPUT AND VALUE ADDED

At all-district and industry-level, value added as percentage of output of the 70 industrial units for the year 1978-79 was 23. At the all industry level, Keonjhar had a higher percentage of value-added to output (35) than Balasore (32) than Cuttack (21).

At the district level, industrywise analysis indicates that Non-metallic Mineral Products (45) and Hosiery and Readymade Garments (43) of Cuttack; Food (36) and Non-metallic Mineral Products (35) of Balasore; and Hosiery and Readymade Garments (52), Wood Products (47) and Non-metallic Mineral Products (41) of Keonjhar had very high percentages of value-added to output



TABLE VII-8  
DISTRIBUTION OF OUTPUT: 1978-79

( In Rs )

District	Industry	No. of units	Net sales	Stock of finished and semi finished goods	Other income	Work done for others	Total output
1	2	3	4	5	6	7	8
Cuttack	Food Products	8	3861901 (97.05)	107377 (2.70)	9793 (0.25)	-	3979071 (100.00)
	Wood Products	5	1313940 (94.92)	11822 (0.85)	21280 (1.54)	37227 (2.69)	1384269 (100.00)
	Metal Products	23	8341981 (89.70)	901790 (9.70)	9213 (0.10)	46390 (0.50)	9299293 (100.00)
	Non-metallic Mineral Products	4	1509366 (91.62)	134490 (8.16)	3604 (0.22)	-	1647460 (100.00)
	Hosiery and Readymade Garments	2	32550 (88.28)	3819 (10.36)	500 (1.36)	-	36869 (100.00)
	All Industries	42	15059738 (92.13)	1159217 (7.09)	44390 (0.27)	83617 (0.51)	16346962 (100.00)
Balasore	Food Products	4	529124 (96.25)	20210 (3.68)	390 (0.07)	-	549724 (100.00)
	Wood Products	5	697831 (87.17)	102734 (12.83)	-	-	800565 (100.00)
	Metal Products	2	947017 (98.68)	273 (0.03)	12350 (1.29)	-	959640 (100.00)
	Non-metallic Mineral Products	5	195426 (93.68)	868 (0.42)	12313 (5.90)	-	208607 (100.00)
	Hosiery and Readymade Garments	-	-	-	-	-	-
	All Industries	16	2369398 (94.07)	1240085 (4.93)	25053 (1.00)	-	2518536 (100.00)

(contd.)

TABLE C- VII.8 (contd.)

(In Rs )

District	Industry	No. of units	Net sales	Stock of finished & semi-finished goods	Other income	Work done for others	Total output
Keonjhar	Food Products	2	77720 (99.49)	400 (0.51)	-	-	78120 (100.00)
	Wood Products	4	90045 (73.82)	3500 (2.87)	7000 (5.74)	21438 (17.57)	121983 (100.00)
	Metal Products	3	441002 (106.50)	26904 (-6.50)	-	-	414098 (100.00)
	Non-metallic Mineral Products	1	207291 (95.72)	2151 (0.99)	7129 (3.29)	-	216571 (100.00)
	Hosiery and Readymade Garments	2	56900 (92.52)	4600 (7.48)	-	-	61500 (100.00)
	All Industries	12	872855 (97.84)	16253 (-1.82)	14129 (1.58)	21438 (2.40)	892272 (100.00)
All Districts and All industries	70	18302094 (92.63)	1267049 (6.41)	83572 (0.42)	105055 (0.54)	19757770 (100.00)	

whereas in Metal Products (15) of Cuttack, Wood Products (30) of Balasore and Food (26) and Metal Products (28) of Keonjhar such percentages were lower.

Intra-industry comparisons reveal that the percentage of value-added to output in Food Products was higher in Balasore (36) than in Keonjhar (26) than in Cuttack (23); in Wood Products was higher in Keonjhar (47) than in Balasore (30) than in Cuttack (28); in Metal Products was higher in Balasore (32) than in Keonjhar (28) than in Cuttack (15); in Non-metallic Mineral Products was higher in Cuttack (45) than in Keonjhar (41) than in Balasore (35); and in Hosiery and Readymade Garments was higher in Keonjhar (52) than in Cuttack (43).

Average size of both output and value-added was higher in Food and Wood Products of Cuttack, Metal Products of Balasore and Hosiery and Readymade Garments of Keonjhar than the respective all-industry average. Aggregately, both were higher in Cuttack than in Balasore than in Keonjhar.

(TABLE VII.9)

TABLE VII.9  
OUTPUT AND VALUE ADDED: 1978-79

( In Rs )

District	Industry	No. of units	Out-put	Value added	Col.5 as % of col.4	4 ÷ 3	5 ÷ 3
1	2	3	4	5	6	7	8
Cuttack	Food Products	8	3979071	903476	22.70	497383	112934
	Wood Products	5	1384269	386480	27.91	276853	77296
	Metal Products	23	9299293	1390652	14.95	404317	60463
	Non-metallic Mineral Products	4	1647460	734364	44.57	411865	18359
	Hosiery and Readymade Garments	2	36869	16028	43.47	18434	8014
	All Industries	42	16346962	3431000	20.98	389213	81690
Balasore	Food Products	4	549724	199389	36.27	137431	49847
	Wood Products	5	800565	237206	29.62	160113	47441
	Metal Products	2	959640	305292	31.81	479820	152646
	Non-metallic Mineral Products	5	208607	73732	35.34	41721	14746
	Hosiery and Readymade Garments	-	-	-	-	-	-
	All Industries	16	2518536	815619	32.38	157408	50976
Keonjhar	Food Products	2	78120	20500	26.24	30960	10250
	Wood Products	4	121983	56793	46.55	30495	14198
	Metal Products	3	414098	114337	27.61	138032	38112
	Non-metallic Mineral Products	1	216571	88132	40.69	216571	88132
	Hosiery and Readymade Garments	2	61500	31675	51.50	30750	15837
	All Industries	12	892272	311437	34.90	74356	25953
All Districts and All Industries		70	19757770	4558056	23.06	282253	65115

## MAIN FINDINGS

- (1) Industrial units of Keonjhar had higher percentage of fixed assets than the units of Balasore than the units of Cuttack.
- (2) Industrial units of Balasore had higher percentage of equity capital than the units of Cuttack than the units of Keonjhar.
- (3) Average size of all kinds of asset and liability of the industrial units of Cuttack was much higher than the units of Balasore and those of Balasore was much higher than the units of Keonjhar.
- (4) Industrial units of Cuttack had higher percentage of total expenditure than the units of Balasore than the units of Keonjhar. Consequently, percentage of profit was higher in Keonjhar than in Balasore than in Cuttack.
- (5) Industrial units of Keonjhar had higher percentage of net sales and lower percentage of the stock of finished and semi-finished products than the units of Balasore than the units of Cuttack.
- (6) Industrial units of Keonjhar had a higher percentage of value-added to total output than the units of Balasore than the units of Cuttack.
- (7) Average size of both output and value-added was higher in industrial units of Cuttack than in the units of Balasore than in the units of Keonjhar.

## CHAPTER VIII

### FINANCIAL AND ECONOMIC PERFORMANCE OF THE INDUSTRIAL UNITS OF ENTREPRENEURS

Financial and Economic performance of the industrial units of entrepreneurs have been analysed in this chapter. This has been done in terms of certain financial and economic ratios. The financial ratios considered are profitability ratios, turn-over ratios, liquidity ratios and stability and solvency ratios. The economic ratios considered are output to capital ratios, value added wages and surplus each per worker ratios and capital-labour ratios. The chapter is divided into two parts - Part I - analyses the financial ratios and Part II - the economic ratios. Since entrepreneur and his enterprise are inextricably inter-related it is supposed that what would be true of the industrial units would also be true of the entrepreneurs of such units. Thus we may evaluate industrial entrepreneurship by their financial and economic performance.

#### PART I - FINANCIAL RATIOS 1978-79

##### PROFITABILITY RATIOS

Profitability ratios are perhaps the most useful overall measure of the conditions of an enterprise. These

ratios are designed for the evaluation of the operational performance of industrial units. The three important profitability ratios considered here are: profits to net sales, profits plus interest to total assets, and profits to equity capital. Higher ratios indicate better performance.

### I. PROFITS TO NET SALES

Profits to net sales ratio expressed as percentage indicates the margin in relation to net sales.

At the all-district and industry level, for 70 industrial units, the ratio was 9 per cent for the year 1978-79.

At the all-industry level Balasore and Keonjhar had higher percentages (13 each) than Cuttack (8).

At the district level, an industrywise analysis indicates that, in Cuttack, the margin was higher in Hosiery and Readymade Garments (24 per cent), Wood (18 per cent) and Food Products (14 per cent) than all industry average (8 per cent) and in Metal (3 per cent) and Non-metallic Mineral Products (4 per cent) lower than it; in Balasore, was higher in Non-metallic Mineral Products (18 per cent) and Food Products (15 per cent) than the all-industry average (13 per cent) and in Metal Products (12 per cent) and Wood Products (11 per cent) lower than it; and in Keonjhar was higher in Wood (31

per cent), Non-metallic Mineral Products (24 per cent), Food (17 per cent) and Hosiery and Readymade Garments (15 per cent) than the all-industry average (13 per cent) and lower than it in Metal Products (4 per cent).

Intra-industry comparisons reveal that the margin in Food Products was higher in Keonjhar (17 per cent) than in Balasore (15 per cent) than in Cuttack (14 per cent); in Wood Products the margin was higher in Keonjhar (31 per cent) than in Cuttack (18 per cent) than in Balasore (11 per cent); in Metal Products the margin was higher in Balasore (12 per cent) than in Keonjhar (4 per cent) than in Cuttack (3 per cent); in Non-metallic Mineral Products the margin was higher in Keonjhar (24 per cent) than in Balasore (18 per cent) than in Cuttack (4 per cent); and in Hosiery and Readymade Garments the margin was higher in Cuttack (24 per cent) than in Keonjhar (15 per cent).

(TABLE VIII.1)

II. PROFITS PLUS INTEREST TO TOTAL ASSETS

It is a single comprehensive measure that condenses every thing happening within industrial units. It is not merely a measure of profitability. As a basic measure of overall efficiency it indicates entrepreneurs' skill in exploiting funds invested in the industrial units in terms of earnings on invested capital.



At the all-district and industry level, profits plus interest to total assets ratio, expressed as percentage, for 70 industrial units, for the year 1978-79 was 17.

At the all-industry level, Balasore had a higher ratio (18 per cent) than Cuttack (17 per cent) than Keonjhar (16 per cent).

At the district-level, industrywise analysis indicates that, in Cuttack, the ratio was higher in Food (49 per cent), Hosiery and Readymade Garments (38 per cent) and Wood Products (25 per cent) than the all-industry average (17 per cent) and Lower in Metal (10 per cent) and Non-metallic Mineral Products (7 per cent); in Balasore, the ratio was higher in Food (21 per cent), Non-metallic Mineral Products (23 per cent) and Metal Products (20 per cent) than the all industry average (18 per cent) and in Wood Products (13 per cent) lower than it; and in Keonjhar the ratio was higher in Food (41 per cent), Wood (36 per cent) Non-metallic Mineral Products (27 per cent) and Hosiery and Readymade Garments (21 per cent) than all-industry average (16 per cent) and in Metal Products (8 per cent) lower than it.

Intra-industry comparisons reveal that, in food Products, Cuttack had higher ratio (49 per cent) than

Keonjhar (41 per cent) than Balasore (21 per cent); in Wood Products, Keonjhar had higher ratio (36 per cent) than Cuttack (25 per cent) than Balasore (13 per cent); in Metal Products, Balasore had higher ratio (20 per cent) than Cuttack (10 per cent) than Keonjhar (8 per cent); in Non-metallic Mineral Products, Keonjhar had a higher ratio (27 per cent) than Balasore (23 per cent) than Cuttack (7 per cent); and in Hosiery and Readymade Garments, Cuttack had higher ratio (38 per cent) than Keonjhar (21 per cent).

(TABLE VIII.1)

III. PROFITS TO EQUITY CAPITAL

This ratio expressed as a percentage indicates earnings on owner's capital.

At the all-district and industry level, earnings of the 70 industrial units, on their own capital was 31 per cent during the year 1978-79.

At the all-industry level, Balasore had a higher ratio (33 per cent) than Cuttack (30 per cent) than Keonjhar (29 per cent).

At the district-level, industrywise analysis indicates that, in Cuttack, Food (87 per cent), Wood

(62 per cent) and Hosiery and Readymade Garments (58 per cent) had much higher ratios than the average (30 per cent) and Metal (14 per cent) and Non-metallic Mineral Products (7) lower than it; in Balasore, Metal (39 per cent) and Non-metallic Mineral Products (52 per cent) had higher ratios than all-industry average (33 per cent) and in Food (26 per cent) and Wood Products (30 per cent) lower than it; and in Keonjhar, Hosiery and Readymade Garments (66 per cent), Food (54 per cent), Wood (45 per cent) and Non-metallic Mineral Products (42 per cent) had higher ratios than the average (29 per cent) and in Metal Products (10 per cent) lower than it.

Intra-industry comparisons reveal that, in Food Products, Cuttack had higher ratio (87 per cent) than Keonjhar (54 per cent) than Balasore (26 per cent); in Wood Products, Cuttack had higher ratio (62 per cent) than Keonjhar (45 per cent) than Balasore (30 per cent); in Metal products, Balasore had higher ratio (39 per cent) than Cuttack (14 per cent) than Keonjhar (10 per cent); in Non-metallic Mineral Products, Balasore had a higher ratio (52 per cent) than Keonjhar (42 per cent) than Cuttack (7 per cent); and in Hosiery and Readymade Garments Keonjhar had higher ratio (66 per cent) than Cuttack (58 per cent).

(TABLE VIII.1)

TABLE VIII.1  
 PROFITABILITY RATIOS: 1978-79

District	Industry	No. of units	(Profit/ Net Sales) X 100	(Profits +Interest/ Total Assets) X 100	(Profits/ Equity Capital) X 100
1	2	3	4	5	6
Cuttack	Food Products	8	14.36	49.38	87.14
	Wood Products	5	18.38	24.53	61.95
	Metal Products	23	3.45	10.32	14.44
	Non-metallic mi- neral products	4	3.52	6.75	7.02
	Hosiery and Ready- made Garments	2	23.73	37.82	57.70
	All Industries	42	7.60	17.11	30.21
Balasore	Food Products	4	15.46	20.88	26.88
	Wood Products	5	11.41	13.10	29.76
	Metal Products	2	12.35	19.52	38.68
	Non-metallic mine- ral products	5	18.45	23.12	51.85
	Hosiery and Ready- made Garments	-	-	-	-
	All Industries	16	13.27	18.05	33.11
Keonjhar	Food Products	2	16.98	40.53	54.20
	Wood Products	4	30.53	36.05	45.27
	Metal Products	3	4.08	7.88	9.58
	Non-metallic mine- ral Products	1	23.58	27.27	41.72
	Hosiery and Ready- made Garments	2	14.58	20.52	66.26
	All Industries	12	13.27	15.81	28.77
All Districts and All industries		70	8.60	17.17	30.63

## TURNOVER RATIOS

The turn-over ratios presented here for analysis measure the relationship between the amount invested in assets like total assets, fixed assets and inventories and the results accruing in terms of output. These ratios indicate efficiency in the utilization of assets. Higher ratio signifies better efficiency in the utilization of assets.

### IV. OUTPUT TO TOTAL ASSETS

At the all-district and industry level, this ratio for 70 industrial units was 1.73 for the year 1978-79.

At the all-industry level, Cuttack had a higher ratio (1.94) than Balasore (1.23) than Keonjhar (0.96).

At the district level, industrywise analysis indicates that, in Cuttack, Food (3.30) and Metal Products (2.14) had higher ratios than the all-industry ratio (1.94) and Wood (1.24), Non-metallic Mineral Products (0.93) and Hosiery and Readymade Garments (1.69) lower than it; in Balasore, Food (1.31) had higher ratio than all-industry ratio (1.23) and in other industries lower than it; and in Keonjhar, all industries except Metal Products had higher ratios than the all-industry ratio (0.96).

Intra-industry comparisons indicate that, in Food Products, Cuttack had higher ratio (3.30) than Keonjhar (2.32) than Balasore (1.31); in Wood Products, Keonjhar had higher ratio (1.59) than Cuttack (1.24) than Balasore (1.22); in Metal Products, Cuttack had higher ratio (2.14) than Balasore (1.19) than Keonjhar (0.70); in Non-metallic Mineral Products, Balasore had higher ratio (1.21) than Keonjhar (1.19) than Cuttack (0.93) and in Hosiery and Readymade Garments, Cuttack had higher ratio (1.69) than Keonjhar (1.46).

(TABLE VIII.2)

V. OUTPUT TO FIXED ASSETS

At the all-district and industry-level, this ratio for 70 industrial units was 4.67 for the year 1978-79.

At the all-industry level, Cuttack had a higher ratio (5.25) than Balasore (3.13) than Keonjhar (2.37).

At the district level, industrywise analysis indicates that, in Cuttack, Food (9.64), Wood (7.05) and Metal Products (7.34) had higher ratios than the all-industry ratio (5.35) and in Non-metallic Mineral Products (1.41) and Hosiery and Readymade Garments (3.10) lower than it; in Balasore, Wood (4.26) and Non-metallic Products (6.11) had higher ratios than all-industry

ratio (3.13) and in Food (2.14) and Metal Products (2.95) lower than it; and in Keonjhar, Wood (2.88) and Food (2.73) had higher ratios than all-industry ratio (2.37), in Non-metallic Mineral Products equal to it (2.37) and in Metal (2.26) and Hosiery and Readymade Garments (1.98) lower than it.

Intra-industry comparisons indicate that in Food Products, Cuttack had higher ratio (9.64) than Keonjhar (2.73) than Balasore (2.14); in Wood Products Cuttack had a higher ratio (7.05) than Balasore (4.26) than Keonjhar (2.88); in Metal Products Cuttack had higher ratio (7.34) than Balasore (2.95) than Keonjhar (2.26); in Non-metallic Mineral Products Balasore had higher ratio (6.11) than Keonjhar (2.37) than Cuttack (1.41); and in Hosiery and Readymade Garments, Cuttack had higher ratio (3.10) than Keonjhar (1.98).

(TABLE VIII.2)

VI. OUTPUT TO INVENTORIES

At the all-district and industry level, the above ratio for 70 industrial units was 4.52 for the year 1978-79.

At the all-industry level, Cuttack had a higher ratio (4.86) than Balasore (3.75) than Keonjhar (2.66).

At the district-level, industrywise analysis indicates that, in Cuttack, Food (7.25) and Metal Products (6.00) had higher ratios than all-industry ratio (4.86) and Wood (1.85), Non-metallic Mineral Products (3.22) and Hosiery and Readymade Garments (4.33) lower than it; in Balasore, Food (4.68), Metal (4.36) and Wood Products (3.76) had higher ratios than all industry ratio (3.75) and in Non-metallic Mineral Products (1.73) lower than it; and in Keonjhar Food (26.93), Wood (8.83), Non-metallic Mineral Products (4.25) and Hosiery and Readymade Garments (6.35) had higher ratios than all-industry ratio (2.66) and Metal Products (1.60) lower than it.

Intra-industry comparisons reveal that, in Food Products, Keonjhar had a very high ratio (26.93) than Cuttack (7.25) than Balasore (4.68); in Wood Products Keonjhar had higher ratio (8.83) than Balasore (3.76) than Cuttack (1.85); in Metal Products Cuttack had higher ratio (6.00) than Balasore (4.36) than Keonjhar (1.60); in Non-metallic Mineral Products, Keonjhar had higher ratio (4.25) than Cuttack (3.22) than Balasore (1.73) and in Hosiery and Readymade Garments Keonjhar had higher ratio (6.35) than Cuttack (4.33).

(TABLE VIII.2)



TABLE VIII.2  
TURNOVER RATIOS: 1978-79

District	Industry	No. of units	Out-put/ Total assets	Out-put/ Fixed assets	Out-put/ Inventories
1	2	3	4	5	6
Cuttack	Food Products	8	3.30	9.64	7.25
	Wood Products	5	1.24	7.05	1.85
	Metal Products	23	2.14	7.34	6.00
	Non-metallic mineral Products	4	0.93	1.41	3.22
	Hosiery and Readymade Garments	2	1.69	3.10	4.33
	All Industries	42	1.94	5.35	4.86
Balasore	Food Products	4	1.31	2.14	4.68
	Wood Products	5	1.22	4.26	3.76
	Metal Products	2	1.19	2.95	4.36
	Non-metallic mineral Products	5	1.21	6.11	1.73
	Hosiery and Readymade Garments	-	-	-	-
	All Industries	16	1.23	3.13	3.75
Keonjhar	Food Products	2	2.32	2.73	26.93
	Wood Products	4	1.59	2.88	8.83
	Metal Products	3	0.70	2.26	1.60
	Non-metallic mineral Products	1	1.19	2.37	4.25
	Hosiery and Readymade Garments	2	1.46	1.98	6.35
	All Industries	12	0.96	2.37	2.66
All Districts and All Industries		70	1.73	4.67	4.52

## LIQUIDITY RATIOS

Liquidity is an index of short-term financial strength of industrial units. It is concerned with the ability of industrial units to meet their short-term or current liabilities. In this sense, it is an index of short-term solvency as well.

The two widely used ratios are current assets to current liabilities and quick assets to current liabilities. Let us analyse these two ratios.

### VII. CURRENT ASSETS TO CURRENT LIABILITIES

This ratio is known as Current Ratio. As this ratio is directly related to working capital and at the same time there are common items which go into the working capital composition, this ratio is aptly called as working capital ratio. It indicates to what extent current assets cover current liabilities. Inadequacy of current assets to meet the current liabilities tells upon the credit worthiness of the industrial units. Thus the current ratio is a test of the short-term solvency and financial strength of the units.

Generally speaking a ratio of 2 to 1 is considered satisfactory for the simple reason that even when the value of current assets is reduced to half

the enterprise would still be in a position to meet its current liabilities.

At the all-district and industry level, the current ratio of 70 industrial units was 1.97 for the year 1978-79.

At the all-industry level, Keonjhar had higher ratio (2) than Cuttack (1.99) than Balasore (1.85).

At the district-level, industry-wise analysis indicates that, in Cuttack, Food (2.36), Wood (2.29) and Hosiery and Readymade Garments (2.80) had higher ratios than the all-industry ratio (1.99), Metal Products equal to it (1.99) and Non-metallic Mineral Products (1.41) lower than it; in Balasore, Food (3.90), Non-metallic Mineral Products (2.94) and Metal Products (2.43) had higher ratios than the all-industry ratio (1.85) and Wood Products (1.13) lower than it; and in Keonjhar, Wood (3.74), Food (2.94) and Metal Products (2.34) had higher ratios than all-industry ratio (2.00) and Non-metallic Mineral Products (1.52) and Hosiery and Readymade Garments (0.41) lower than it.

Intra-industry comparisons reveal that, in Food Products Balasore had a higher ratio (3.90) than Keonjhar (2.94) than Cuttack (2.36); in Wood Products,

Keonjhar had a higher ratio (3.74) than Cuttack (2.29) than Balasore (1.13); in Metal Products, Balasore had higher ratio (2.43) than Keonjhar (2.34) than Cuttack (1.99); in Non-metallic Mineral Products, Balasore had a higher ratio (2.94) than Keonjhar (1.52) than Cuttack (1.41); and in Hosiery and Readymade Garments Cuttack had a higher ratio (2.80) than Keonjhar (0.41).

(TABLE VIII.3)

VIII. QUICK ASSETS TO CURRENT LIABILITIES

This ratio is known as quick ratio or Acid-test ratio. It is a stricter test of liquidity than current ratio as it excludes inventories included in the numerator. Only cash and other such items are included in the numerator which can be quickly converted into cash. A quick ratio of 1 to 1 may indicate a good short-term financial strength of industrial units for the simple reason that the units will be able to pay off all its current liabilities at short notice.

At the all-district and industry-level, the quick ratio for 70 industrial units was 0.71 for the year 1978-79.

At the all-industry level, Balasore (0.95) had a higher ratio than Keonjhar (0.75) than Cuttack (0.65).

At the district level, industrywise analysis indicates that, in Cuttack, Metal (0.86) and Food Products (0.68), had higher ratio than the all-industry ratio (0.65) and Wood (0.40), Hosiery and Readymade Garments (0.39) and Non-metallic Mineral Products (0.13) lower than it; in Balasore, Metal Products and higher ratio (1.30) than all-industry ratio (0.95) and Food (0.93), Wood (0.83) and Non-metallic Mineral Products (0.37) lower than it; and in Keonjhar, Wood (1.61), Food (1.23) and Metal Products (0.85) had higher ratio than all-industry ratio (0.75) and in Non-metallic Mineral Products (0.66) and Hosiery and Readymade Garments (0.05) lower than it.

Intra-industry comparisons indicate that in Food Products the ratio was higher in Keonjhar (1.23) than in Balasore (0.93) than in Cuttack (0.68); in Wood Products, the ratio was higher in Keonjhar (1.61) than in Balasore (0.83) than in Cuttack (0.40); in Metal Products the ratio was higher in Balasore (1.30) than in Cuttack (0.86) than in Keonjhar (0.85); in Non-metallic

Mineral Products the ratio was higher in Keonjhar (0.66) than in Balasore (0.37) than in Cuttack (0.13); and in Hosiery and Readymade Garments the ratio was higher in Cuttack (0.39) than in Keonjhar (0.05).

(TABLE VIII.3)

STABILITY AND SOLVENCY RATIOS

The following ratios have been computed to measure the long-term stability and solvency of the industrial units; (a) Equity to Total Assets; (b) Net Fixed Assets to Equity; and (c) Debt to Equity. Let us analyse these ratios.

IX. EQUITY TO TOTAL ASSETS

This ratio is often called the proprietary ratio. It shows the percentage of assets financed by the owners of the industrial units. The higher the ratio and closer it is to 100 per cent the stronger is the financial position of the industrial units and more satisfactory their financial position from the point of view of creditors. The ratio is, therefore, a test of the credit strength and approximates in importance to current ratio.

At the all-district and industry level, the ratio expressed as percentage was 45 for the 70 industrial units for the year 1978-79.

TABLE VIII.3  
LIQUIDITY RATIOS: 1978-79

District	Industry	No. of units	Current Assets/ Current Liabilities	Quick Assets/ Current Liabilities
1	2	3	4	5
Cuttack	Food Products	8	2.36	0.68
	Wood Products	5	2.29	0.40
	Metal Products	23	1.99	0.86
	Non-metallic mineral Products	4	1.41	0.13
	Hosiery and Readymade Garments	2	2.80	0.39
	All Industries	42	1.99	0.65
Balasore	Food Products	4	3.90	0.93
	Wood Products	5	1.13	0.83
	Metal Products	2	2.43	1.30
	Non-metallic mineral Products	5	2.94	0.37
	Hosiery and Readymade Garments	-	-	-
	All Industries	16	1.85	0.95
Keonjhar	Food Products	2	2.94	1.23
	Wood Products	4	3.74	1.61
	Metal Products	3	2.34	0.85
	Non-metallic mineral Products	1	1.52	0.66
	Hosiery and Readymade Garments	2	0.41	0.05
	All Industries	12	2.00	0.75
All Districts and All Industries		70	1.97	0.71

At the all-industry level, Balasore had a higher ratio (46 per cent) than Cuttack (45 per cent) than Keonjhar (44 per cent).

At the district-level, industrywise analysis indicates that, in Cuttack Hosiery and Readymade Garments (62 per cent), Food (53 per cent) and Metal Products (46 per cent) had higher ratios than the all-industry average (45 per cent) and Non-metallic Mineral Products (43 per cent) and Wood Products (35 per cent) lower than it; in Balasore, Food Products had higher ratio (74 per cent) than the all-industry average (46 per cent) and in Wood (41 per cent), Non-metallic Mineral Products (40 per cent) and Metal Products (38 per cent) lower than it; and in Keonjhar, Wood (79 per cent), Food (73 per cent) and Non-metallic Mineral Products (65 per cent) had higher ratios than all-industry average (44 per cent) and in Metal (32 per cent) and Hosiery and Readymade Garments (30 per cent) lower than it.

Intra-industry comparisons reveal that, in Food Products, Balasore had higher ratio (74 per cent) than Keonjhar (73 per cent) than Cuttack (53 per cent); in Wood Products, Keonjhar had higher ratio (79 per cent) than Balasore (41 per cent) than Cuttack (35 per cent)



in Metal Products, Cuttack had higher ratio (46 per cent) than Balasore (38 per cent) than Keonjhar (32 per cent); in Non-metallic Mineral Products, Keonjhar had higher ratio (65 per cent) than Cuttack (43 per cent) than Balasore (40 per cent); and in Hosiery and Readymade Garments, Cuttack had higher ratio (62 per cent) than Keonjhar (30 per cent).

( TABLE VIII.4)

X. NET FIXED ASSETS TO EQUITY

Net fixed assets represent long-term investment. When the ratio is less than 100, it means that equity capital exceeds the fixed assets, implying that a part of the working capital is supplied by the owners. A smaller percentage is more favourable.

At the all-district and industry level, the ratio expressed as percentage was 82 for 70 industrial units for the year 1978-79.

At the all-industry level, Keonjhar had higher ratio (93 per cent) than Balasore (85 per cent) than Cuttack (80 per cent).

At the district level, industrywise analysis indicates that, in Cuttack, Non-metallic Mineral Products (154 per cent) and Hosiery and Readymade Garments (89 per cent) had higher ratios than all-industry average

(80 per cent) and in Food (65 per cent), Metal (65 per cent) and Wood Products (50 per cent) lower than it; in Balasore, Metal Products had higher ratio (107 per cent) than all industry average (85 per cent) and in Food (83 per cent) Wood (70 per cent) and Non-metallic Mineral Products (49 per cent) lower than it; and in Keonjhar, Hosiery and Readymade Garments (247 per cent), Food (117 per cent) and Metal Products (97 per cent) had higher ratios than all-industry average (93 per cent) and in Wood (70 per cent) and Non-metallic Mineral Products (78 per cent) lower than it.

Intra-industry comparisons reveal that in Food Products, Keonjhar had higher ratio (117 per cent) than Balasore (83 per cent) than Cuttack (65 per cent); in Wood Products, Balasore and Keonjhar had equal higher ratios (70 per cent) than Cuttack (50 per cent); in Metal Products, Balasore had a higher ratio (107 per cent) than Keonjhar (97 per cent) than Cuttack (64 per cent); in Non-metallic Mineral Products, Cuttack had a higher ratio (154 per cent) than Keonjhar (78 per cent) than Balasore (49 per cent); and in Hosiery and Readymade Garments Keonjhar had higher ratio (247 per cent) than Cuttack (89 per cent).

(TABLE VIII.4)

## XI. DEBT TO EQUITY

Debt to equity ratio is an important measure of long-term solvency of industrial units. It shows the proportion in which owners and creditors have contributed to the scheme of capitalisation. The proportion of equity indicates the strength of the industrial units to meet their indebtedness as also financial independence. Excessive debt tends to cause insolvency. Thus the ratio gives an indication of safety of stakes taken by the creditors of long-term loans. The numerator includes medium and long-term loans and the denominator the equity capital.

At the all-district and industry level, the ratio expressed as percentage was 31 for the 70 industrial units for the year 1978-79.

At the all-industry level, Keonjhar had a higher ratio (57 per cent) than Cuttack (35 per cent) than Balasore (6 per cent).

At the district level, industrywise analysis indicates that, in Cuttack, Non-metallic Mineral Products (66 per cent) and Wood Products (48 per cent) had higher ratio than all-industry ratio (35 per cent) and in Food (32 per cent), Hosiery and Readymade Garments

(30 per cent) and Metal Products (21 per cent) lower than it; in Balasore, Non-metallic Mineral Products had higher ratio (45 per cent) than the all-industry ratio (6 per cent), in Food Products equal to it (6 per cent); and in Wood Products less than it (2 per cent) and in Keonjhar, Metal Products had higher ratio (118 per cent) than all-industry ratio (57 per cent) and in Food (20 per cent) and Hosiery and Readymade Garments (16 per cent) lower than it.

Intra-industry comparisons indicate that, in Food Products, Cuttack had a higher ratio (32 per cent) than Keonjhar (20 per cent) than Balasore (6 per cent); in Wood Products, Cuttack had a higher ratio (48 per cent) than Balasore (2 per cent); in Metal Products, Keonjhar had a higher ratio (118 per cent) than Cuttack (21 per cent); in Non-metallic Mineral Products, Cuttack had a higher ratio (66 per cent) than Balasore (45 per cent); and in Hosiery and Readymade Garments Cuttack had higher ratio (30 per cent) than Keonjhar (16 per cent).

(TABLE VIII.4)

TABLE VIII.4  
STABILITY AND SOLVENCY RATIOS: 1978-79

District	Industry	No. of units	(Equity/ Total Assets) X 100	(Net Fixed Assets/ Equity) X 100	(Debt/ Equity) X 100
1	2	3	4	5	6
Cuttack	Food Products	8	52.81	64.79	31.78
	Wood Products	5	35.12	50.28	48.46
	Metal Products	23	46.05	63.54	20.79
	Non-metallic mineral Products	4	43.10	153.59	66.22
	Hosiery and Ready-made Garments	2	61.54	88.72	29.87
	All Industries	42	45.00	80.48	34.60
Balasore	Food Products	4	74.21	82.66	5.51
	Wood Products	5	41.07	70.21	2.04
	Metal Products	2	37.68	107.19	-
	Non-metallic Mineral Products	5	40.47	49.03	45.44
	Hosiery and Ready-made Garments	-	-	-	-
	All Industries	16	46.47	84.50	5.70
Keionjhar	Food Products	2	72.57	117.24	19.71
	Wood Products	4	79.34	69.70	-
	Metal Products	3	32.05	97.00	118.08
	Non-metallic Mineral Products	1	64.61	77.94	-
	Hosiery and Ready-made Garments	2	29.80	247.10	15.96
	All Industries	12	43.78	93.23	56.81
All Districts and All Industries		70	45.17	82.22	31.00

## PART II - ECONOMIC RATIOS

## OUTPUT TO CAPITAL RATIOS

Output to capital ratios measure the productivity of capital. Higher ratios signify higher productivity of capital. The four important productivity ratios considered here are: value added to total assets, value added to fixed assets, surplus to total assets and surplus to fixed assets.

## XII. VALUE ADDED TO TOTAL ASSETS

This ratio measures the productivity of total capital employed in terms of value added.

At the all-district and industry level this ratio was 0.40 for the 70 industrial units in the year 1978-79.

At the all-industry level, Cuttack had a higher ratio (0.40) than Balasore (0.39) than Keonjhar (0.33).

At the district-level, an industrywise analysis indicates that, in Cuttack, Food (0.74), Hosiery and Readymade Garments (0.73) and Non-metallic Mineral Products (0.41) had higher ratios than all industry ratio (0.40) and Wood (0.34) and Metal Products (0.32) lower than it; in Balasore, Food (0.47) and Non-metallic

Mineral Products (0.42) had higher ratios than all-industry ratio (0.39) and in Metal (0.38) and Wood Products (0.36) lower than it; and in Keonjhar, Hosiery and Readymade Garments (0.75), Wood (0.74), Food (0.61) and Non-metallic Mineral Products (0.48) had higher ratios than all-industry ratio (0.33) and in Metal Products lower than it (0.19).

Intra-industry comparisons indicate that, in Food Products, Cuttack had a higher ratio (0.74) than Keonjhar (0.61) than Balasore (0.47); in Wood Products, Keonjhar had higher ratio (0.74) than Balasore (0.36) than Cuttack (0.34); in Metal Products, Balasore had a higher ratio (0.38) than Cuttack (0.32) than Keonjhar (0.19); in Non-metallic Mineral Products Keonjhar had higher ratio (0.48) than Balasore (0.42) than Cuttack (0.41); and in Hosiery and Readymade Garments Keonjhar had higher ratio (0.75) than Cuttack (0.73).

(TABLE VIII.5).

### XIII. VALUE ADDED TO FIXED ASSETS

This ratio measures the productivity of fixed capital in terms of value added.

At the all-district and industry level, this ratio for 70 industrial units was 1.07 for the year 1978-79.

At the all-industry level, Cuttack had a higher ratio of value added to fixed capital (1.12) than Balasore (1.01) than Keonjhar (0.82).

At the district level, industrywise analysis indicates that, in Cuttack, Food (2.19), Wood (1.97) and Hosiery and Readymade Garments (1.34) had higher ratios than all-industry ratio (1.12) and Metal (1.09) and Non-metallic Mineral Products (0.63) lower than it; in Balasore, Non-metallic Mineral Products (2.16) and Wood Products (1.26) had higher ratios than all-industry ratio (1.01) and Metal (0.94) and Food Products lower than it (0.77); and in Keonjhar, Wood (1.34), Hosiery and Readymade Garments (1.02), Non-metallic Mineral Products (0.96) had higher ratios than all-industry ratio (0.82) and Food (0.71) and Metal Products (0.62) lower than it.

Intra-industry comparisons reveal that, Food Products in Cuttack had higher ratio (2.19) than Balasore (0.77) than Keonjhar (0.71); Wood Products in Cuttack had higher ratio (1.97) than Keonjhar (1.34) than Balasore (1.26); Metal Products in Cuttack had higher ratio (1.09) than Balasore (0.94) than Keonjhar (0.62); Non-metallic Mineral Products in Balasore had higher ratio (2.16) than Keonjhar (0.96) than Cuttack (0.63); and Hosiery and Readymade Garments in Cuttack had higher ratio (1.34) than



Keonjhar (1.02).

( TABLE VIII.5)

XIV. SURPLUS TO TOTAL ASSETS

This ratio measures the productivity of total capital in terms of surplus.

At the all-district and industry level, this ratio for 70 industrial units was 0.17 for the year 1978-79.

At the all-industry level, Balasore had a ratio (0.18) higher than Cuttack (0.17) than Keonjhar (0.15).

At the district level, industrywise analysis indicates that, in Cuttack, Food (0.49), Hosiery and Readymade Garments (0.38) and Wood Products (0.26) had higher ratios than all-industry ratio (0.17) and Metal (0.10) and Non-metallic Mineral Products (0.06) lower than it; in Balasore, Non-metallic Mineral Products (0.23), Food (0.20) and Metal Products (0.19) had higher ratios than all-industry ratio (0.18) and Wood Products lower than it (0.13); in Keonjhar, Food (0.40) Wood (0.36), Non-metallic Mineral Products (0.27) and Hosiery and Readymade Garments (0.20) had higher ratios than all-industry ratio (0.15) and in Metal Products lower than it (0.07).

Intra-industry comparisons reveal that, in Food Products, Cuttack had higher ratio (0.49) than Keonjhar (0.40) than Balasore (0.20); in Wood Products, Keonjhar had higher ratio (0.36) than Cuttack (0.26) than Balasore (0.13); in Metal Products, Balasore had higher ratio (0.19) than Cuttack (0.10) than Keonjhar (0.07); in Non-metallic mineral Products, Keonjhar had higher ratio (0.27) than Balasore (0.23) than Cuttack (0.06); and in Hosiery and Readymade Garments, Cuttack had a higher ratio (0.38) than Keonjhar (0.20).

(TABLE VIII.5)

#### XV. SURPLUS TO FIXED ASSETS

This ratio measures the productivity of fixed capital in terms of surplus.

At the all-district and industry-level, this ratio for 70 industrial units was 0.46 for the year 1978-79.

At the all-industry level, Cuttack had higher ratio (0.47) than Balasore (0.45) than Keonjhar (0.38).

At the district level, industrywise analysis indicates that, in Cuttack, Wood (1.49), Food (1.44) and Hosiery and Readymade Garments (0.69) had higher ratios than all-industry ratio (0.47) and Metal (0.35) and

Non-metallic Mineral Products (0.10) lower than it; in Balasore, Non-metallic Mineral Products had higher ratio (1.16) than all-industry ratio (0.45), in Wood Products (0.45) equal to it, and in Metal (0.36) and Food Products (0.34) lower than it, in Keonjhar, Wood (0.65), Non-metallic Mineral Products (0.54) and Food Products (0.47) had higher ratios than all-industry ratio (0.38) and in Hosiery and Readymade Garments (0.27) and Metal Products (0.25) lower than it.

Intra-industry comparisons reveal that in Food Products Cuttack had higher ratio (1.44) than Keonjhar (0.47) than Balasore (0.34); in Wood Products, Cuttack had higher ratio (1.49) than Keonjhar (0.65) than Balasore (0.45); in Metal Products Balasore had higher ratio (0.36) than Cuttack (0.35) than Keonjhar (0.25); in Non-metallic Mineral Products, Balasore had higher ratio (1.16) than Keonjhar (0.54) than Cuttack (0.10); and in Hosiery and Readymade Garments Cuttack had higher ratio (0.69) than Keonjhar (0.27).

(TABLE VIII.5)

VALUE ADDED, WAGES AND SURPLUS EACH PER WORKER

Value added and surplus each per worker signify productivity per worker. Higher ratios indicate better

TABLE VIII.5

## OUTPUT TO CAPITAL RATIOS: 1978-79

District	Industry	No. of units	Value Added/ Total assets	Value Added/ Fixed assets	Surplus/ Total assets	Surplus/ Fixed Assets
1	2	3	4	5	6	7
Cuttack	Food Products	8	0.74	2.19	0.49	1.44
	Wood Products	5	0.34	1.97	0.26	1.49
	Metal Products	23	0.32	1.09	0.10	0.35
	Non-metallic mineral products	4	0.41	0.63	0.06	0.10
	Hosiery and Ready-made Garments	2	0.73	1.34	0.38	0.69
	All Industries	42	0.40	1.12	0.17	0.47
Balasore	Food Products	4	0.47	0.77	0.20	0.34
	Wood Products	5	0.36	1.26	0.13	0.45
	Metal Products	2	0.38	0.94	0.19	0.36
	Non-metallic mineral products	5	0.42	2.16	0.23	1.16
	Hosiery and Ready-made Garments	-	-	-	-	-
	All Industries	16	0.39	1.01	0.18	0.45
Keonjhar	Food Products	2	0.61	0.71	0.40	0.47
	Wood Products	4	0.74	1.34	0.36	0.65
	Metal Products	3	0.19	0.62	0.07	0.25
	Non-metallic mineral products	1	0.48	0.96	0.27	0.54
	Hosiery and Ready-made Garments	2	0.75	1.02	0.20	0.27
	All Industries	12	0.33	0.82	0.15	0.38
All Districts and All Industries		70	0.40	1.07	0.17	0.46

performance. Wages per worker ratio indicates the average emoluments per worker. A higher ratio indicates better well-being position of the worker.

The denominator of the above ratios refer to the total number of workers, including the owner and the members of their family.

#### XVI. VALUE ADDED TO NUMBER OF WORKERS

At the all-district and industry-level value added per worker for 70 industrial units was Rs 2,808 for 1978-79:

At the all-industry level, value added per worker was higher in Cuttack (Rs 3,600) than in Keonjhar (Rs 2,857) than in Balasore (Rs 1,453).

At the district-level, industrywise analysis indicates that, in Cuttack, Food (Rs 5,646) and Wood Products (Rs 5,367) had higher value added per worker than the all-industry average (Rs 3,600) and Metal (Rs 3,494), Non-metallic Mineral Products (Rs 2,361) and Hosiery and Readymade Garments (Rs 1,335) lower than it; in Balasore, Metal (Rs 10,176), Food (Rs 3,498) and Wood Products (Rs 3,294) had higher value added per worker than the all-industry average (Rs 1,453) and Non-metallic

Mineral Products (Rs 183) much lower than it; in Keonjhar, Metal (Rs 3,811) and Hosiery and Readymade Garments (Rs 3,167) had higher value added per worker than the all-industry average (Rs 2,857) and Non-metallic Mineral Products (Rs 2,754), Food (Rs 2,277) and Wood Products (Rs 2,028) lower than it.

Intra-industry comparisons reveal that, in Food Products, Cuttack had higher average value added (Rs 5,646) than Balasore (3,498) than Keonjhar (Rs 2,277); in Wood Products Cuttack had higher average value-added (Rs 5,367) than Balasore (Rs 3,294) than Keonjhar (Rs 2,028); in Metal Products Balasore had much higher average value added (Rs 10,176) than Keonjhar (Rs 3,811) than Cuttack (Rs 3,494); in Non-metallic Mineral Products, Keonjhar had higher average value added (Rs 2,754) than Cuttack (Rs 2,361) than Balasore (Rs 183), and in Hosiery and Readymade Garments, Keonjhar had higher average value added (Rs 3,167) than Cuttack (Rs 1,335).

(TABLE VIII.6)

XVII. WAGES TO NUMBER OF WORKERS

At the all-district and industry level, wages per worker for the 70 industrial units was Rs 1,526 for 1978-79.

At the all industry level, the average wages was higher in Cuttack (Rs 1,979) than in Keonjhar (Rs 1,508) than in Balasore (Rs 761).

At the district-level, industrywise analysis indicates that, in Cuttack, only Metal Products had higher average wages (Rs 2,301) than all-industry average (Rs 1,979) and Non-metallic Mineral Products (Rs 1,876), Food (Rs 1,709), Wood (Rs 1,514) and Hosiery and Ready-made Garments Lower than it (Rs 400); in Balasore, Metal (Rs 4,883), Wood (Rs 1,959) and Food Products (Rs 1,860) had higher average wages than all-industry average (Rs 761) and in Non-metallic Mineral Products much lower than it (Rs 84); in Keonjhar, Metal Products (Rs 2,265) and Hosiery and Readymade Garments (Rs 2,239) had higher average wages than all-industry average (Rs 1,508) and in Non-metallic Mineral Products (Rs 1,208), Wood (Rs 1,030) and Food Products (Rs 726) lower than it.

Intra-industry comparisons reveal that, in Food Products, Balasore had higher average wages (Rs 1,860) than Cuttack (Rs 1,709) than Keonjhar (Rs 726); in Wood Products, Balasore had higher average wages (Rs 1,959) than Cuttack (Rs 1,515) than Keonjhar (Rs 1,030); in Metal Products, Balasore had higher average wages (Rs 4,883) than Keonjhar (Rs 2,265) than Cuttack (Rs 2,301); in Non-metallic

Mineral Products, Cuttack had higher average wages (Rs 1,876) than Keonjhar (Rs 1,208) than Balasore (Rs 84); and in Hosiery and Readymade Garments Keonjhar had higher average wages (Rs 2,239) than Cuttack (Rs 400).

(TABLE VIII.6)

XVIII. SURPLUS TO NUMBER OF WORKERS

At the all-district and industry level, surplus per worker for 70 industrial units in the year 1978-79 was Rs 1,205.

At the all-industry level, Cuttack had a higher surplus (Rs 1,512) than Keonjhar (Rs 1,335) than Balasore (Rs 657).

At the district-level, industrywise analysis, indicates that, in Cuttack, Wood (Rs 4,060) and Food Products (Rs 3,719) had higher surplus per worker than the all-industry average (Rs 1,512) and Metal (Rs 1,122) Hosiery and Readymade Garments (Rs 690) and Non-metallic Mineral Products (Rs 382) lower than it; in Balasore, Metal (Rs 5,223), Food (Rs 1,531) and Wood Products (Rs 1,184) had higher surplus per worker than the all-industry average (Rs 657) and in Non-metallic Mineral Products lower than it (Rs 98); and in Keonjhar, Non-metallic Mineral Products (Rs 1,545), Metal (Rs 1,542)



and Food Products (Rs 1,511) had higher surplus per worker than the all-industry average (Rs 1,335) and in Wood (Rs 985) and Hosiery and Readymade Garments (Rs 862) lower than it.

Intra-industry comparisons reveal that in Food Products, Cuttack had a higher surplus per worker (Rs 3,719) than Balasore (Rs 1,531) than Keonjhar (Rs 1,511); in Wood Products Cuttack had a higher surplus per worker (Rs 4,060) than Balasore (Rs 1,184) than Keonjhar (Rs 985); in Metal Products, Balasore had a higher surplus per worker (Rs 5,223) than Keonjhar (Rs 1,542) than Cuttack (Rs 1,122); in Non-metallic Mineral Products, Keonjhar had a higher surplus per worker (Rs 1,545) than Cuttack (Rs 382) than Balasore (Rs 98); and in Hosiery and Readymade Garments, Keonjhar had a higher surplus per worker (Rs 862) than Cuttack (Rs 690).

(TABLE VIII.6)

#### CAPITAL-LABOUR RATIOS - 1978-79

Total capital to labour and Fixed Capital to labour are the two specific ratios presented here. In the one total assets are in the numerator and in the other fixed assets, with the number of workers in the denominator in each case. A higher ratio indicates higher capital intensity or lower labour intensity.

TABLE VIII.6

VALUE ADDED, WAGES AND SURPLUS EACH PER WORKER: 1978-79

( In Rs )

District	Industry	No. of units	Value Added/ No. of workers	Wages/ No. of workers	Surplus/ No. of workers
1	2	3	4	5	6
Cuttack	Food Products	8	5646	1709	3719
	Wood Products	5	5367	1514	4060
	Metal Products	23	3494	2301	1122
	Non-metallic mineral products	4	2361	1876	382
	Hosiery and Ready-made Garments	2	1335	400	690
	All Industries	42	3600	1979	1512
Balasore	Food Products	4	3498	1860	1531
	Wood Products	5	3294	1959	1184
	Metal Products	2	10176	4883	5223
	Non-metallic mineral products	5	183	84	98
	Hosiery and Ready-made Garments	-	-	-	-
	All Industries	16	1453	761	657
Keionjhar	Food Products	2	2277	726	1511
	Wood Products	4	2028	1030	985
	Metal Products	3	3811	2265	1542
	Non-metallic mineral products	1	2754	1208	1545
	Hosiery and Ready-made Garments	2	3167	2239	862
	All Industries	12	2857	1508	1335
All Districts and All Industries		70	2808	1526	1205

### XIX. TOTAL ASSETS TO NUMBER OF WORKERS

This ratio indicates total capital intensity.

At the all-district and industry level total assets per worker for the 70 industrial units in 1978-79 was Rs 7,015.

At the all-industry level Cuttack had higher total capital intensity (Rs 8,836) than Keonjhar (Rs 8,441) than Balasore (Rs 3,642).

At the district level, industrywise analysis indicates that, in Cuttack, Wood (Rs 15,419) and Metal Products (Rs 10,869) had higher total capital intensity than the all-industry average (Rs 8,836) and Food (Rs 7,532), Non-metallic Mineral Products (Rs 3,441) and Hosiery and Readymade Garments (Rs 1,812) lower than it; in Balasore, Metal (Rs 26,757), Wood (Rs 9,044) and Food Products (Rs 7,333) had higher total capital intensity than all-industry average and Non-metallic Mineral Products lower than it (Rs 427); and in Keonjhar, Metal Products (Rs 19,555) had higher capital intensity than all-industry average (Rs 8,441) and in Non-metallic Mineral Products (Rs 5,667), Hosiery and Readymade Garments (Rs 4,202), Food (Rs 3,727) and Wood Products (Rs 2,733) lower than it.

Intra-industry comparisons reveal that in Food Products, total capital intensity was higher in Cuttack (Rs 7,532) than in Balasore (Rs 7,333) than in Keonjhar (Rs 3,727); in Wood Products, was higher in Cuttack (Rs 15,419) than in Balasore (Rs 9,044) than in Keonjhar (Rs 2,733); in Metal Products, was higher in Balasore (Rs 26,757) than in Keonjhar (Rs 19,555) than in Cuttack (Rs 10,869); in Non-metallic Mineral Products, was higher in Keonjhar (Rs 5,667) than in Cuttack (Rs 3,441) than in Balasore (Rs 427); and in Hosiery and Readymade Garments was higher in Keonjhar (Rs 4,202) than in Cuttack (Rs 1,812).

(TABLE VIII.7)

XX. FIXED ASSETS TO NUMBER OF WORKERS

This ratio relates to fixed capital intensity.

At the all-district and industry level, fixed capital intensity for 70 industrial units in 1978-79 was Rs 2,605.

At the all-industry level, fixed capital intensity was higher in Keonjhar (Rs 3,445) than in Cuttack (Rs 3,200) than in Balasore (Rs 1,430).

At the district level, industrywise analysis indicates that, in Cuttack, Non-metallic Mineral Products had a higher fixed capital intensity (Rs 3,743) than all industry average (Rs 3,200) and in Metal (Rs 3,181),

Wood (Rs 2,723), Food (Rs 2,577) and Hosiery and Ready-made Garments (Rs 990) was lower than it; in Balasore, Metal (Rs 10,807), Food (Rs 4,498) and Wood Products (Rs 2,608) had higher Fixed Capital intensity than all-industry average (Rs 1,430) and in Non-metallic Mineral Products much lower than it (Rs 84); and in Keonjhar, Metal Products (Rs 6,080) had higher fixed capital intensity than the all-industry average (Rs 3,445) and in Food (Rs 3,172), Hosiery and Readymade Garments (Rs 3,095), Non-metallic Mineral Products (Rs 2,854) and Wood Products (Rs 1,511) lower than it.

Intra-industry comparisons reveal that in Food Products, Balasore had a higher fixed capital intensity (Rs 4,498) than Keonjhar (Rs 3,172) than Cuttack (Rs 2,577); in Wood Products, Cuttack had a higher fixed capital intensity (Rs 2,723) than Balasore (Rs 2,608) than Keonjhar (Rs 1,511); in Metal Products, Balasore had a higher fixed capital intensity (Rs 10,807) than Keonjhar (Rs 6,080) than Cuttack (Rs 3,181); in Non-metallic Mineral Products, Cuttack had a higher fixed capital intensity (Rs 3,743) than Keonjhar (Rs 2,854) than Balasore (Rs 84); and in Hosiery and Readymade Garments, Keonjhar had a higher fixed capital intensity (Rs 3,095) than Cuttack (Rs 990).

(TABLE VIII.7)

TABLE VIII-7

CAPITAL-LABOUR RATIOS: 1978-79

( In Rs )

District	Industry	No. of units	Total Assets/ No. of wor- kers	Fixed Assets/No. of workers
1	2	3	4	5
Cuttack	Food Products	8	7532	2577
	Wood Products	5	15419	2723
	Metal Products	23	10869	3181
	Non-metallic mineral Products	4	3441	3743
	Hosiery and Readymade Garments	2	1812	990
	All Industries	42	8836	3200
Balasore	Food Products	4	7333	4498
	Wood Products	5	9044	2608
	Metal Products	2	26757	10807
	Non-metallic mineral Products	5	427	84
	Hosiery and Readymade Garments	-	-	-
	All Industries	16	3642	1430
Keionjhar	Food Products	2	3727	3172
	Wood Products	4	2733	1511
	Metal Products	3	19555	6080
	Non-metallic mineral Products	1	5667	2854
	Hosiery and Readymade Garments	2	4202	3095
	All Industries	12	8441	3445
All Districts and All Industries		70	7015	2605

## MAIN FINDINGS

- (1) Industrial units of Balasore and Keonjhar had higher ratios of profits to Net Sales than the units of Cuttack.
- (2) Industrial units of Balasore had higher ratio of profits plus interest to total assets than the units of Cuttack than the units of Keonjhar.
- (3) Industrial units of Balasore had higher ratio of profits to equity capital than the units of Cuttack than the units of Keonjhar.
- (4) Industrial units of Cuttack had higher ratio of output to total assets than the units of Balasore than the units of Keonjhar.
- (5) Industrial units of Cuttack had higher ratio of output to fixed assets than the units of Balasore than the units of Keonjhar.
- (6) Industrial units of Cuttack had higher ratio of output to inventories than the units of Balasore than the units of Keonjhar.
- (7) Industrial units of Keonjhar had higher current ratio than the units of Cuttack than the units of Balasore.
- (8) Industrial units of Balasore had higher quick ratio than the units of Keonjhar than the units of Cuttack.
- (9) Industrial units of Balasore had higher ratio of equity capital to total assets than the units of Cuttack than the units of Keonjhar.

- (10) Industrial units of Keonjhar had higher ratio of net fixed assets to equity capital than the units of Balasore than the units of Cuttack.
- (11) Industrial units of Keonjhar had higher ratio of debt to equity than the units of Cuttack than the units of Balasore.
- (12) Industrial units of Cuttack had higher ratio of value added to total assets than the units of Balasore than the units of Keonjhar.
- (13) Industrial units of Cuttack had higher ratio of value added to fixed assets than the units of Balasore than the units of Keonjhar.
- (14) Industrial units of Balasore had higher ratio of surplus to total assets than the units of Cuttack than the units of Keonjhar.
- (15) Industrial units of Cuttack had higher ratio of surplus to fixed assets than the units of Balasore than the units of Keonjhar.
- (16) Industrial units of Cuttack had higher value added per worker than the units of Keonjhar than the units of Balasore.
- (17) Industrial units of Cuttack had higher wages per worker than the units of Keonjhar than the units of Balasore.
- (18) Industrial units of Cuttack had higher surplus per worker than the units of Keonjhar than the units of Balasore.
- (19) Industrial units of Cuttack had higher total capital intensity than the units of Keonjhar than the units of Balasore.



- (20) Industrial units of Keonjhar had higher fixed capital intensity than the units of Cuttack than the units of Balasore.

## CHAPTER IX

### GROWTH OF INDUSTRIAL UNITS OF ENTREPRENEURS

In this chapter, we seek to evaluate industrial entrepreneurship by the contributions entrepreneurs make towards quantitative and qualitative growth of the industrial units. To evaluate the quantitative growth both percentage change and compound growth rates of certain important variables, namely, total assets, fixed assets, equity capital, total output and employment have been worked out for the period 1975-76 to 1978-79. The qualitative growth changes are evaluated on the criteria of expansion of the old unit and market, improvement in design and lay-out and introduction of new technology and production.

The chapter is divided into two parts: Part I - analyses the quantitative growth and Part II - qualitative growth. Both would help us in evaluating industrial entrepreneurship over a long period as distinct from their short period financial and economic performance presented in the last chapter. Both percentage changes and compound growth rates are presented in the Tables. Analysis of growth has been done in terms of compound growth rate.

Percentage change is higher than the compound rate where it is positive and lower than compound rate where it is negative.

## PART I - QUANTITATIVE GROWTH OF THE UNITS (1975-76 TO 1978-79)

### I. GROWTH OF TOTAL ASSETS

At the all district and industry level the compound growth rate during 1975-76 to 1978-79 for 58 industrial units was 5 per cent per annum.

At the all-industry level, Cuttack had a much higher compound growth rate (7.40 per cent) per annum than Balasore (2.30 per cent) than Keonjhar (-4.30 per cent).

At the district level, industrywise analysis indicates that in Cuttack Wood (18 per cent), Food (11.80 per cent) and Non-metallic Mineral Products (10 per cent) had higher growth rates per annum than the all-industry average (7.40 per cent) and Metal (2.80 per cent) and Hosiery and Readymade Garments (3.40 per cent) lower than it; in Balasore, Non-metallic Products (9.90 per cent) and Food Products (2.70 per cent) had higher growth rates per annum than the all-industry average (2.30 per cent) and Wood (-1.40 per cent)

and Metal Products (1.60 per cent) lower than it; and in Keonjhar Wood (19.30 per cent), Hosiery and Readymade Garments (13.20 per cent), Food (10 per cent) and Non-metallic Mineral Products (5.90 per cent) had higher compound growth rates per annum than the all-industry average (-4.30 per cent) and Metal Products lower than it (-8.65 per cent)।

Intra-industry comparisons reveal that, in Food Products, Cuttack had higher compound growth rate per annum (11.80 per cent) than Keonjhar (10 per cent) than Balasore (2.70 per cent); in Wood Products, Keonjhar had higher compound growth rate per annum (19.30 per cent) than Cuttack (18 per cent) than Balasore (-1.40 per cent); in Metal Products, Cuttack had higher compound growth rate per annum (2.80 per cent) than Balasore (1.60 per cent) than Keonjhar (-8.65 per cent); in Non-metallic Mineral Products, Cuttack had a higher compound growth rate per annum (10 per cent) than Balasore (9.90 per cent) than Keonjhar (5.90 per cent); and in Hosiery and Readymade Garments, Keonjhar had higher compound growth rate per annum (13.20 per cent) than Cuttack (3.40 per cent).

(TABLE IX.1)

TABLE IX - 1

## GROWTH OF TOTAL ASSETS: 1975-76 to 1978-79

District	Industry	No. of units	Percentage change	Compound Growth
1	2	3	4	5
Cuttack	Food Products	7	55.08	11.80
	Wood Products	4	93.50	18.00
	Metal Products	18	11.86	2.80
	Non-metallic Mineral Products	3	46.43	10.00
	Hosiery and Readymade Garments	2	14.39	3.40
	All Industries	34	33.10	7.40
Balasore	Food Products	4	11.30	2.70
	Wood Products	3	-5.77	-1.40
	Metal Products	2	6.75	1.60
	Non-metallic Mineral Products	5	45.96	9.90
	Hosiery and Readymade Garments	-	-	-
	All Industries	14	9.60	2.30
Keionjhar	Food Products	1	46.46	10.00
	Wood Products	3	102.51	19.30
	Metal Products	3	-30.38	-8.65
	Non-metallic Mineral Products	1	25.45	5.90
	Hosiery and Readymade Garments	2	64.00	13.20
	All Industries	10	-15.50	-4.30
All Districts and All Industries		58	21.51	5.00

## II. GROWTH OF FIXED ASSETS

At the all-district and industry-level, compound growth rate during 1975-76 to 1978-79 for 58 industrial units was 2.50 per cent per annum.

At the all-industry level, Cuttack had a much higher compound growth rate per annum (4.20 per cent) than Keonjhar (-1.35 per cent) than Balasore (-1.44 per cent).

At the district level, industrywise analysis indicates that, in Cuttack, Wood (13.10 per cent), Non-metallic Mineral Products (7.80 per cent) and Hosiery and Readymade Garments (6.70 per cent) had higher compound growth rates per annum than the all-industry average (4.20 per cent) and Food (1.50 per cent) and Metal Products (2.20 per cent) lower than it; in Balasore, Food (4 per cent) and Non-metallic Mineral Products (0.30 per cent) had higher compound growth rates per annum than the all-industry average (-1.44 per cent) and Wood (-8.80 per cent) and Metal Products (-4.10 per cent) lower than it; and in Keonjhar, Food (12.90 per cent) and Hosiery and Readymade Garments (9.30 per cent) had higher compound growth rates per annum than all-industry average (-1.35 per cent) and in Wood (-8.55 per cent), Metal (-0.83 per cent) and Non-metallic Mineral Products (-3.28 per cent)

lower than it.

Intra-industry comparisons indicate that, in Food Products, Keonjhar had a higher compound growth rate per annum (12.90 per cent) than Balasore (4 per cent) than Cuttack (1.50 per cent); in Wood Products, Cuttack had a higher compound growth rate per annum (13.10 per cent) than Keonjhar (-8.55 per cent) than Balasore (-8.80 per cent); in Metal Products, Cuttack had a higher compound growth rate per annum (2.20 per cent) than Keonjhar (-0.83 per cent) than Balasore (-4.10 per cent); in Non-metallic Mineral Products, Cuttack had a high compound growth rate per annum (7.80 per cent) than Balasore (0.30 per cent) than Keonjhar (-3.28 per cent); and in Hosiery and Readymade Garments, Keonjhar had a higher compound rate of growth per annum (9.30 per cent) than Cuttack (6.70 per cent).

(TABLE IX.2)

### III. GROWTH OF EQUITY CAPITAL

At the all-district and industry-level, the compound growth rate during 1975-76 to 1978-79 for 58 industrial units was 7 per cent per annum.

TABLE IX - 2

## GROWTH OF FIXED ASSETS: 1975-76 to 1978-79

District	Industry	No. of units	Percent- age change	Compound growth
1	2	3	4	5
Cuttack	Food Products	7	6.33	1.50
	Wood Products	4	63.62	13.10
	Metal Products	18	9.15	2.20
	Non-metallic Mineral Products	3	35.16	7.80
	Hosiery and Readymade Garments	2	29.47	6.70
	All Industries	34	18.24	4.20
Balsore	Food Products	4	17.21	4.00
	Wood Products	3	-30.83	-8.80
	Metal Products	2	-15.45	-4.10
	Non-metallic Mineral Products	5	1.15	0.30
	Hosiery and Readymade Garments	-	-	-
	All Industries	14	-5.49	-1.44
Keonjhar	Food Products	1	62.50	12.90
	Wood Products	3	-29.98	-8.55
	Metal Products	3	-3.24	-0.83
	Non-metallic Mineral Products	1	-12.49	-3.28
	Hosiery and Readymade Garments	2	42.86	9.30
	All Industries	10	-5.25	-1.35
All Districts and All Industries		58	10.51	2.50



At the all-industry level, Cuttack had a much higher compound growth rate (10.60 per cent) per annum than Keonjhar (6.70 per cent) than Balasore (-1.60 per cent).

At the district level, industrywise analysis indicates that, in Cuttack, Hosiery and Readymade Garments (33.50 per cent) and Wood Products (16.60 per cent) had higher compound growth rates per annum than all-industry average (10.60) per cent) and Food (9.20 per cent), Metal (10.10 per cent) and Non-metallic Mineral Products (7.60 per cent) lower than it; in Balasore, Non-metallic Mineral Products (7 per cent), Food (2.10 per cent) and Wood Products (1.90 per cent) had higher compound positive growth rates and Metal Products negative growth rate (-1.33 per cent) than the all-industry average (-1.60 per cent); and in Keonjhar, Hosiery and Readymade Garments (30.30 per cent) and Wood Products (21.40 per cent) had higher compound growth rates per annum than all-industry average (6.70 per cent) and Food (3 per cent), Metal (4.30 per cent) and Non-metallic Mineral Products lower than it (4.70 per cent).

Intra-industry comparisons indicate that, in Food Products, Cuttack had a higher compound growth

rate per annum (9.20 per cent) than Keonjhar (3 per cent) than Balasore (2.10 per cent); in Wood Products, Keonjhar had a higher compound growth rate per annum (21.40 per cent) than Cuttack (16.60 per cent) than Balasore (1.90 per cent); in Metal Products Cuttack had a higher compound growth rate per annum (10.10 per cent) than Keonjhar (4.30 per cent) than Balasore (-1.33 per cent); in Non-metallic Mineral Products, Cuttack had a higher compound growth rate per annum (7.60 per cent) than Balasore (7 per cent) than Keonjhar (4.70 per cent); and in Hosiery and Readymade Garments Cuttack had a higher compound growth rate per annum (33.50 per cent) than Keonjhar (30.30 per cent).

(TABLE IX.3)

IV. GROWTH OF OUTPUT

At the all-district and industry level, compound growth rate of output during 1975-76 to 1978-79 for 58 industrial units was 4.50 per cent per annum.

At the all-industry level, Cuttack had a much higher compound rate of growth per annum (6.10 per cent) than Balasore (0.60 per cent) than Keonjhar (-5.90 per cent).

At the district level, industry-wise analysis indicates that, in Cuttack, Wood (18.70 per cent) and

TABLE IX-3

## GROWTH OF EQUITY CAPITAL 1975-76 to 1978-79

District	Industry	No. of units	Percentage change	Compound Growth
1	2	3	4	5
Cuttack	Food Products	7	42.94	9.20
	Wood Products	4	85.03	16.60
	Metal Products	18	47.13	10.10
	Non-metallic Mineral Products	3	34.32	7.60
	Hosiery and Ready-made Garments	2	216.63	33.50
	All Industries	34	49.51	10.60
	Balasore	Food Products	4	8.20
Wood Products		3	7.80	1.90
Metal Products		2	-5.23	-1.33
Non-metallic Mineral Products		5	31.05	7.00
Hosiery and Ready-made Garments		-	-	-
All Industries		14	-5.94	-1.60
Keonjhar		Food Products	1	12.36
	Wood Products	3	117.46	21.40
	Metal Products	3	18.42	4.30
	Non-metallic Mineral Products	1	20.17	4.70
	Hosiery and Ready-made Garments	2	188.33	30.30
	All Industries	10	29.46	6.70
	All Districts and All Industries		58	31.39

Non-metallic Mineral Products (16.60 per cent) had higher compound growth rates per annum than all-industry average (6.10 per cent) and Food (3.20 per cent), Metal (4.20 per cent) and Hosiery and Ready-made Garments (3.20 per cent) lower than it; in Balasore, Non-metallic Mineral Products (9.10 per cent), Wood (0.90 per cent) and Food Products (0.70 per cent) had higher compound growth rates per annum than the all-industry average (0.60 per cent) and Metal Products lower than it (-1.17 per cent); and in Keonjhar, Non-metallic Mineral Products (14.80 per cent), Wood Products (11.50 per cent) Hosiery and Readymade Garments (6 per cent) and Food Products (1.20 per cent) had higher compound growth rates per annum than the all-industry average (-5.90 per cent) and Metal Products lower than it (-14.24 per cent).

Intra-industry comparisons reveal that, in Food Products, Cuttack had higher compound rate of growth per annum (3.20 per cent) than Keonjhar (1.20 per cent) than Balasore (0.70 per cent); in Wood Products Cuttack had a higher compound rate of growth (18.70 per cent) than Keonjhar (11.50 per cent) than Balasore (0.90 per cent); in Metal Products, Cuttack had a higher compound rate of growth (4.20 per cent) than Balasore (-1.17) per cent) than Keonjhar (-14.24 per cent); in Non-metallic Mineral Products, Cuttack

had a higher compound rate of growth per annum (16.10 per cent) than Keonjhar (14.80 per cent) than Balasore (9.10 per cent); and in Hosiery and Readymade Garments Keonjhar had higher compound rate of growth per annum (6 per cent) than Cuttack (3.20 per cent).

(TABLE IX.4)

V. GROWTH IN EMPLOYMENT OF LABOUR

At the all-district and industry-level, the compound rate of growth per annum of the average employment of labour by the 58 industrial units was 7.30 per cent, for the period 1975-76 to 1978-79.

At the all-industry level, Balasore had higher compound rate of growth per annum (11.50 per cent) than Cuttack (7.60 per cent) than Keonjhar (5 per cent).

At the district level, an industrywise analysis indicates that, in Cuttack, Non-metallic Mineral Products had higher compound rate of growth (12.30 per cent) than the all-industry average (7.60 per cent) and in Food (3.90 per cent), Wood (4 per cent), Metal (4.60 per cent) and Hosiery and Readymade Garments (3.40 per cent) lower than it; in Balasore, Non-metallic Mineral Products had higher compound rate of growth per annum (22.80 per cent) than all-industry average (11.50 per cent) and in Food (1 per cent), Wood (5.60 per cent) and Metal Products

TABLE XIX-4

## GROWTH OF OUTPUT: 1975-76 to 1978-79

District	Industry	No. of units	Percentage change	Compound Growth
1	2	3	4	5
Cuttack	Food Products	7	13.51	3.20
	Wood Products	4	101.49	18.70
	Metal Products	18	17.92	4.20
	Non-metallic Mineral Products	3	82.13	16.10
	Hosiery and Readymade Garments	2	13.56	3.20
	All Industries	34	26.86	6.10
Balasore	Food Products	4	2.79	0.70
	Wood Products	3	3.47	0.90
	Metal Products	2	-4.64	-1.17
	Non-metallic Mineral Products	5	41.67	9.10
	Hosiery and Readymade Garments	-	-	-
	All Industries	14	2.25	0.60
Keonjhar	Food Products	1	4.71	1.20
	Wood Products	3	54.78	11.50
	Metal Products	3	-45.87	-14.24
	Non-metallic Mineral Products	1	73.22	14.80
	Hosiery and Readymade Garments	2	26.47	6.00
	All Industries	10	-20.69	-5.90
All Districts and All Industries		58	19.17	4.50

(5.70 per cent) lower than it; and in Keonjhar, Non-metallic Mineral Products (15 per cent) and Hosiery and Readymade Garments (10.70 per cent) had higher compound rates of growth per annum than the all-industry average (5 per cent) and in Wood (2.10 per cent) and Metal Products (-20.66 per cent) lower than it. In Food Products there was no employment of labour during the period.

Intra-industry comparisons reveal that, in Food Products, Cuttack had a higher compound growth rate per annum (3.90 per cent) than Balasore (1 per cent) and in Keonjhar it was zero; in Wood Products, Balasore had higher compound growth rate per annum (5.60 per cent) than Cuttack (4 per cent) than Keonjhar (2.10 per cent); in Metal Products, Balasore had higher compound growth rate per annum (5.70 per cent) than Cuttack (4.60 per cent) than Keonjhar (-20.66 per cent); in Non-metallic Mineral Products, Balasore had higher compound growth rate per annum (22.80 per cent) than Keonjhar (15 per cent) than Cuttack (12.30 per cent); and in Hosiery and Readymade Garments, Keonjhar had higher compound growth rate per annum (10.70 per cent) than Cuttack (3.40 per cent).

(TABLE IX.5)

TABLE IX-5

GROWTH IN EMPLOYMENT OF LABOUR: 1975-76 to 1978-79

District	Industry	No. of units	Percentage change	Compound Growth
1	2	3	4	5
Cuttack	Food Products	7	16.51	3.90
	Wood Products	4	16.98	4.00
	Metal Products	18	19.38	4.60
	Non-metallic Mineral Products	3	58.73	12.30
	Hosiery and Readymade Garments	2	14.29	3.40
	All Industries	34	33.95	7.60
Balasore	Food Products	4	4.17	1.00
	Wood Products	3	24.32	5.60
	Metal Products	2	25.00	5.70
	Non-metallic Mineral Products	5	127.59	22.80
	Hosiery and Readymade Garments	-	-	-
	All Industries	14	55.21	11.50
Keonjhar	Food Products	1	0	0
	Wood Products	3	8.33	2.10
	Metal Products	3	-60.38	-20.66
	Non-metallic Mineral Products	1	75.00	15.00
	Hosiery and Readymade Garments	2	50.00	10.70
	All Industries	10	17.58	5.00
All Districts and All Industries		58	32.59	7.30



PART II - QUALITATIVE GROWTH OF THE  
UNITS (1975-76 TO 1978-79)

Qualitative growth of the units are as important as their quantitative growth in terms of the major variables discussed above. Not only capital and labour employed and output produced should grow over the years but also the following qualitative changes take place; namely, expansion of the old units, establishment of new units, improvement in design or layout, introduction of new technology, introduction of new production and expansion of the market. These are the important developments in the life of an industrial unit and hence can be considered as good tests of its qualitative growth.

At the all-district and industry level, out of a total of 73 industrial units, a majority of 22 (30 per cent) had expansion of the market, 21 units (29 per cent) had expansion of the old units; 10 units (14 per cent) had improvement in design or lay out; 7 units (10 per cent) had introduction of new production; 5 units (7 per cent) had established new units and only 1 unit (1 per cent) had introduced new technology.

Of those which had expansion of the market, Cuttack had higher percentage (40) than Balasore (24) than Keonjhar (7); of those which had expansion of the old unit Cuttack had higher percentage (40) than Balasore (18) than Keonjhar (7); of those which had improvement in design or lay out, Cuttack had higher percentage (19) than Keonjhar (7) than Balasore; and of those which had established of new units Balasore had higher percentage (12) than Cuttack (7). Only 1 unit in Balasore in Food Products had introduced new technology.

At the all-district level, it is found that very little changes had taken place in Wood and Hosiery and Readymade Garments industries. In each of the remaining

contd..

three industries the two important changes that had taken place were expansion of the old unit and expansion of the market in Food and Metal Products and improvement in design or lay out and expansion of the market in Non-metallic Mineral Products.

At the district-level, in Food, Wood, Metal and Non-metallic Mineral Products of Cuttack and in Food and Metal Products of Balasore the two important changes that took place were expansion of the old unit and expansion of the market. In all the industries of Keonjhar hardly any qualitative change had taken place.

Intra-industry comparisons indicate that in Hosiery and Readymade Garments industry of Cuttack, in Wood and Hosiery and Readymade Garments industries of Balasore and in all the industries of Keonjhar no qualitative changes had taken place.

(TABLE IX.6)

MAIN FINDINGS

- (1) Industrial units of Cuttack had much higher compound rate of growth in total assets per annum than the units of Balasore than the units of Keonjhar. Industrial units of Keonjhar had negative growth in total assets whereas the units of Cuttack and Balasore had positive rates of growth.

TABLE IX-6  
 QUALITATIVE GROWTH OF UNITS SINCE ESTABLISHMENT

District	Food Products									Wood Products							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		Expansion of old unit								Expansion of old unit							
		Estt. of new unit								Estt. of new unit							
		Improvement in design or lay-out								Improvement in design or lay-out							
		Introduction of new technology								Introduction of new technology							
		Introduction of new production								Introduction of new production							
		Expansion of market								Expansion of market							
		Any other								Any other							
		No. of units								No. of units							
Balasure		1															
		(50.00)								(60.00)							
Keionjhar		1															
		(25.00)															
All Dists.		5								3							
		(35.71)								(20.00)							
		2															
		(14.29)															
		1															
		(7.14)															
		2															
		(14.29)															
		5															
		(35.71)															
		14															
		(100.00)															
		3															
		(20.00)															
		3															
		(20.00)															
		15															
		(100.00)															

(contd.)

TABLE IX-6 (contd.)

District	Metal Products					Non-metallic Mineral Products					
	No. of units	Any other	Expansion of market	Introduction of new production	Introduction of new technology	No. of units	Any other	Expansion of market	Introduction of new production	Introduction of new technology	
Cuttack	18		(34.78)	8	2	26		(50.00)	2		
	19		(13.04)	3	1	27				(10.00)	
	20		(17.39)	4	1	28		(50.00)	2		
	21					29					
	22		(13.04)	3	1	30		(25.00)	1		
Balasore	23		(34.78)	8	2	31		(50.00)	2		
	24				1	32					
	25		(100.00)	2	2	33		(100.00)	4		
	26										
	27		(20.00)	1	1						
Keonjhar	28		(50.00)	1	1						
	29		(100.00)	2	2						
	30										
	31		(20.00)	1	1						
	32										
All Dists.	11		(25.00)	1	1						
	4										
	5		(50.00)	1	1						
	7										
	11		(37.93)	1	1						
All Dists.	29		(100.00)	4	4						
	2										
	1										
	3		(100.00)	1	1						
	1										
All Dists.	3		(30.00)	1	1						
	10		(100.00)	1	1						

(contd.)

TABLE IX-6 (contd)

District	Hosiery and Readymade Garments										Total									
	Expansion of old units	Estt. of new units	Improvement in design or layout	Introduction of new technology	Introduction of new production	Expansion of market	Any other	No. of units	Expansion of old units	Estt. of new units	Improvement in design or layout	Introduction of new technology	Introduction of new production	Expansion of market	Any other	No. of units				
Cuttack	-	-	-	-	-	-	-	2	17	3	8	-	6	17	-	42				
Balasore	-	-	-	-	-	-	-	1	5	2	1	1	1	4	-	17				
Konjhar	-	-	-	-	-	-	-	2	1	1	1	-	1	1	-	14				
All Districts	-	-	-	-	-	-	-	5	21	5	10	1	7	22	-	73				
	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(100.00)	(28.77)	(6.85)	(13.69)	(1.37)	(9.59)	(30.14)	(100.00)					
		(7.14)	(17.65)	(11.76)	(7.14)	(5.88)	(5.88)	(5.88)	(7.14)	(7.14)	(5.88)	(5.88)	(14.29)	(40.48)	(100.00)					

- (2) Industrial units of Cuttack had much higher compound rate of growth in fixed assets per annum than the units of Keonjhar than the units of Balasore. Industrial units of Keonjhar and Balasore had negative rates of growth in fixed assets whereas the units in Cuttack had experienced positive growth rate.
- (3) Industrial units of Cuttack had a much higher compound rate of growth in equity capital per annum than the units of Keonjhar than the units of Balasore. Industrial units of Cuttack and Keonjhar had positive rates of growth in equity capital whereas in Balasore the units had exhibited negative growth rate.
- (4) Industrial units of Cuttack had much higher compound rate of growth in output than the units of Balasore than the units of Keonjhar. In Cuttack units had positive and high rate of growth in output whereas in Balasore units had positive but negligible growth rate in output. Industrial units of Keonjhar had negative rate of growth in output.
- (5) Industrial units of Balasore had higher compound rate of growth in average employment per annum than the units of Cuttack than the units of Keonjhar.
- (6) Industrial units of Cuttack had better qualitative growth than the units of Balasore than the units of Keonjhar. In Keonjhar almost no qualitative growth of units had taken place.

## CHAPTER X

### CONCLUSIONS AND IMPLICATIONS

We may now take stock of the main points of our investigation and highlight the significance of some of the principal findings.

#### I. APPROACH AND SCOPE

Entrepreneurship is considered to be a strategic variable in the economic development of a country. In the context of poverty and economic underdevelopment of Orissa, it has often been asserted by the policy makers, bankers, executives of promotional agencies and government officials in the Department of Industries that, one of the major factors for the slow and tardy pace of industrialisation has been the paucity of able entrepreneurship. There has also been a marked deficiency of technical and managerial skills in the State. The local people have not shown enterprise or availed of the opportunities of entering into some of the more lucrative urban industries. The natural resources have remained largely unexploited partly due to the absence of indigenous



entrepreneurial classes. Moreover, Orissa does not have a tradition of business and entrepreneurship. Industrial establishments being few and far between the demonstration effect of 'others doing well' and the sense of security and satisfaction offered by industrial units throbbing in the neighbourhood of the investors are very much lacking in the State. All this made it necessary to know about the entrepreneurs already in the field and hence the present study.

The study sought to find out social, educational technical and economic background of entrepreneurs, their inception level problems, general features of the industrial units run by them, production and related operational problems, financial position and financial and economic performance and above all growth of the industrial units. It was thought that a comparative assessment of entrepreneurship relating to an advanced, a backward and a more backward district would capture the variations in regional differences in socio-cultural traditions, resource endowments, infra-structural facilities, economic backwardness of population and so on and would highlight the differences in origin, problems, performance and growth of

entrepreneurship. In the context of the current emphasis on development of entrepreneurship in the backward areas of the country it was hoped that such an exercise would be both light and fruit-bearing.

The study is confined to the industrial entrepreneurship in the small-scale industries of Orissa for the following reasons:

- (1) Units belonging to the household and handicrafts sector were too small to be of any use for the type of study aimed at. Medium and large scale units were too few to merit consideration.
- (2) Small industry was supposed to provide a better picture of entrepreneurial activities than the other types.

Of the small-scale industries we were interested in studying entrepreneurship in modern small-scale industries and hence only the SIDO units were chosen as the universe of the study excluding industrial units coming within the purview of other government agencies and statutory boards.

Of the 14 industrial districts of Orissa, 8 are considered to be industrially backward of which 6 have been declared as specially/more backward. The remaining six districts are considered to be industrially advanced.

Of the advanced districts, Cuttack, of the backward districts Balasore and of the more backward districts Keonjhar were selected on the basis of largest number of units in each category of districts. Food, Wood, Metal, Non-metallic Mineral Products and Hosiery and Readymade Garments industries were the common industries in the above districts and hence these industries were selected for intensive analysis. The five industries selected had a share of 460 units in total. Considering 30 per cent non-response, we decided to make the enumeration for 115 units for all the districts put together so that a minimum number of 80 units were covered. For allotment of sampling units for a district among the five industries the principle of proportional allocation was adopted.

Empirical data could, however, be collected for 81 units of which 8 were closed units. Since the entrepreneurs of these closed units could be contacted, informations regarding the closure of units were collected from them and presented separately in the appendix to Chapter VI. Of the remaining 73 existing units 42 belonged to Cuttack, 17 to Balasore and 14 to Keonjhar. Data relating to socio-economic background of entrepreneurs, general features of industrial units, initial and operational problems were collected from all these

units. But the financial and economic data for the latest year (1978-79) were collected from 70 units. To study the growth of continuing units, data for 1975-76 to 1978-79 were collected from 58 industrial units.

We have attempted to measure the financial and economic performance of entrepreneurs in terms of certain ratios, namely, profitability, turnover, liquidity, stability and solvency, output to capital and capital to labour ratios, etc. Growth of the industrial units have been presented in terms of both percentage change and compound growth of certain major variables, viz. total assets, fixed assets, equity capital, total output and employment.

## II. TESTING OF HYPOTHESES

Our hypotheses are:

- (1) A greater number of socio-economic factors making for better entrepreneurship may be expected to be associated with entrepreneurship in the industrially advanced district than in the backward district than in the more backward district.
- (2) Inception level factors and initial problems may be expected to be more favourable for the origin of industrial entrepreneurship in the advanced district than in the backward district than in the more backward district.

- (3) Industrial units of entrepreneurs in the advanced district may be expected to possess a greater number of features of more developed units than in the backward district than in the more backward district.
- (4) Operational problems of entrepreneurs of the more backward district may be expected to be greater and of more varied nature than in the backward district than in the advanced district.
- (5) Industrial units of entrepreneurs in the advanced district may be expected to show better performance at a point of time than the units of entrepreneurs in the backward district than the units in the more backward district; and
- (6) Industrial units of entrepreneurs in the advanced district may be expected to show improved performance overtime and that this performance may be expected to be better than the performance of units of entrepreneurs in the backward district than the performance of the units in the more backward district.

#### First Hypothesis

This hypothesis is examined in terms of rural/urban background, age, family income and occupation, community background, level of education, practical experience and technical training of entrepreneurs.

While details have been presented in Tables III.1 to III.4 a perusal of some of the findings given at the end of Chapter indicate that:

Advanced district had highest percentages of those entrepreneurs who had urban upbringing, were of younger age, hailed from families belonging to higher income group and with business and industry as the principal occupations, had high school/intermediate level of education and also had technical training/occasional courses.

Backward district had highest percentage of those entrepreneurs who had graduate/post-graduate, both general and technical education.

More backward district had highest percentage of those entrepreneurs who had practical experience, artisan community and business and industry background.

The above findings lend partial support to the hypothesis. On this basis, we may put our principal findings as - a greater number of socio-economic factors making for better entrepreneurship were associated with industrial entrepreneurs of advanced district than more backward district than backward district.

### Second Hypothesis

This hypothesis is examined in terms of certain inception level factors and initial problems of entrepreneurs. While details have been presented in Tables IV.1 to IV.9, a perusal of some of the main findings given at the end of Chapter IV indicate that -

Advanced district had highest percentage of those who perceived the opportunity based on own skill and experience in the line and market study and information, highest percentage of those attracted by profit for taking risk in manufacturing business and all the 5 entrepreneurs who entered industry with achievement motive belonged to this district. Moreover the district had lowest percentage of those who faced the initial problems of capital and raw materials.

Backward district had not the highest percentages of inception level factors favourable for the origin of industrial entrepreneurship. In addition, it had the highest percentage of those entrepreneurs who faced the initial problems of capital and raw materials.

More backward district had the highest percentage of those attracted by own professional skill and experience for taking risk in manufacturing business, highest percentage of those whose own experience in the

line created confidence in the feasibility and viability of the units and highest percentage of those who entered into industry with profit motive. But the district had the highest percentages of those who faced the problems of trained labour and government control and regulations.

Thus we find that in the backward district both inception level factors and initial problems were unfavourable for the origin of industrial entrepreneurship. In the more backward district although some of the inception level factors were favourable for the origin of industrial entrepreneurship, entrepreneurs had to face a number of initial problems. In the advanced district some of the inception level factors as well as the initial problems were favourable for the origin of entrepreneurship.

On the basis of the above findings we may put our principal finding as - inception level factors and initial problems were more favourable for the origin of industrial entrepreneurship in the advanced district than in the more backward district than in the backward district.



### Third Hypothesis

This hypothesis is examined in terms of location of the units, types of legal ownership, types of products, percentage of sale in the local market, number of shifts per day, nature of operation, employment of labour, mechanisation of production and use of motive power. While details have been presented in Tables V.1 to V.20, a perusal of some of the main findings given at the end of Chapter V indicate that:

Advanced district had highest percentage of those who had business centre consideration in locating their units, lowest percentage of units organised on individual proprietorship/family business basis and highest percentage of those organised on partnership-joint family basis, manufacture of less of common types of products, lowest percentage of those who sold all their products in the local market, lowest percentage of units with perennial nature of operation, highest percentage of units employing skilled labourers of 11 and above and unskilled labourers of 6 to 21 and above, lowest percentage of units not employing managerial personnel, lowest percentage of units which were not mechanised and used manual power and highest percentage of units which used electricity.

Backward district had highest percentage of units belonging to partnership; other and highest percentage of units working on one shift and two shift basis per day.

More backward district hardly had highest percentage of units with any of the features of developed units. On the contrary the district had the highest percentage of units belonging to individual proprietorship and partnership; family business, more products of common type, highest percentage of those who sold all their products in the local market, highest percentage of units with perennial nature of operation, highest percentage of units with low unskilled labour employment, highest percentage of units employing managerial personnel and highest percentage of units using manual labour as motive power.

The above findings support our hypothesis. Considering the size of assets and liabilities it was also found that the average size of assets and liabilities of the industrial units of advanced district was higher than those of backward district than those of more backward district. On the basis of the above findings we may put our principal finding as -

Industrial units of entrepreneurs in the advanced district possessed a greater number of features of more developed units than in the backward district than in the more backward district.

#### Fourth Hypothesis

This hypothesis is examined in terms of a number of operational problems confronted by the entrepreneurs relating to sale of products, raw materials, finance and other problems. While details have been presented in Tables VI.1 to VI.6, a perusal of some of the main findings given at the end of the chapter VI indicate that:

Advanced district had the highest percentage of those who faced the problems of sale of products in the aggregate. Coming to specific problems it was found that the highest percentage faced the problem of delay in payment of bills and delay and red-tapism in getting loans. Highest percentage also faced the problems of production technology, management and labour.

Backward district had the highest percentages of those who faced the specific problems of limited demand, complexation, irregular and inadequate supply of raw materials, inadequacy of loan amount and other problems of finance.

More backward district had the highest percentages of those who faced the problems of raw materials, finance and other problems in the aggregate. Coming to specific problems it was found that the highest percentages faced the problems of seasonal nature of demand, problems of raw materials like quota allotted at distant place and high transportation cost of raw materials, inability to offer security for loan, inability of some entrepreneurs to run several times to banks and other agencies for loan, 'play safe' attitude of bank officials and untimely sanction of loan, frequent load shedding and interruption in the supply of electricity and inadequate water supply. The district had the lowest capacity utilisation due to limited demand and shortage of finance.

Judged by the number of problems it was found that more backward district had a greater number of problems than advanced district than backward district. Judged by the specific problems operational problems were of varied nature.

Based on the above findings we may put our principal finding as - operational problems of entrepreneurs in the more backward district were greater and of varied nature than in the advanced district than in the backward district.

### Fifth Hypothesis

This hypothesis is examined in terms of profitability, productivity (of capital and labour) and capital intensity ratios with reference to the latest year data. While many ratios have been presented in Tables VIII.1 to VIII.7, only seven ratios given below are picked up for this summary.

#### (i) Profits to Equity Capital

Industrial units of Balasore had higher ratio of profits to equity capital than the units of Cuttack than the units of Keonjhar.

#### (ii) Value Added to Total Assets

Industrial units of Cuttack had higher ratio of value added to total assets than the units of Balasore than the units of Keonjhar.

#### (iii) Value Added per Worker

Industrial units of Cuttack had higher value added per worker than the units of Keonjhar than the units of Balasore.

#### (iv) Surplus to Total Assets

Industrial units of Balasore had higher ratio of surplus to total assets than the units of Cuttack than the units of Keonjhar.

(v) Surplus per worker

Industrial units of Cuttack had higher surplus per worker than the units of Keonjhar than the units of Balasore.

(vi) Wages per worker

Industrial units of Cuttack had higher wages per worker than the units of Keonjhar than the units of Balasore.

(vii) Total Assets per worker

Industrial units of Cuttack had higher total capital-intensity than the units of Keonjhar than the units of Balasore.

If a higher value on the first six ratios and a lower one on the seventh ratio (total assets/workers) are regarded as marks of superior performance, the performance of industrial units of more backward district was in no case superior to both advanced and backward districts. In four cases, namely, value added to total assets, value added, surplus and wages per worker, the performance of the industrial units of advanced district was superior to other districts and in three cases, namely, profit to equity capital, surplus to total assets and total assets per worker the performance

of the industrial units of backward district was superior to other two districts. In other words, while the industrial units of advanced district had higher capital and labour productivity, higher surplus per worker and higher wages per worker the units of backward district had higher profitability, higher surplus per unit of capital and lower capital intensity.

Thus the above findings support our hypothesis. We may put our principal finding as - Industrial units of entrepreneurs of advanced district showed better performance at a point of time than the units of entrepreneurs of backward district than the units of entrepreneurs of more backward district.

#### Sith Hypothesis

This hypothesis is examined in terms of growth rates of total assets, fixed assepts, equity capital, output and employment of labour. Growth rates are expressed in terms of per cent per annum (compound) with reference to the first and last years of the four year period. The details are given in Tables IX.1 to IX. 5.

On four indicators, namely, total assets, fixed assets, equity capital and output, advanced district had much higher and positive growth rates and backward district on one, namely, employment of labour. On no indicator more backward district had positive and higher rate of growth. On the contrary on indicators of total assets and output the district had much higher negative growth rates and on indicator of fixed assets a lower and negative growth rate. Backward district had negative growth rates on two indicators, namely, fixed assets and equity capital.

Moreover, considering the qualitative growth of industrial units, it was found that advanced district had better qualitative growth than backward than more backward district. In the more backward district almost no qualitative growth of units had taken place.

Thus the above findings are in conformity with our hypothesis. We may put our principal finding as - Industrial units of entrepreneurs of advanced district showed better performance overtime and that this performance was better than the performance of the units of entrepreneurs of backward district than the performance of the units of entrepreneurs of more backward district.



### III. EXPLANATIONS AND IMPLICATIONS

How do we explain our findings ? And what is their significance for policy ?

These results put together and considered generally indicate that industrial entrepreneurship in the small-scale industries of Orissa originates and grows differently under different locations. Locational advantages/handicaps seem to have definite impact on entrepreneurial ability and performance.

In the advanced district a number of socio-economic factors considered to be vital for its sturdy growth are associated with entrepreneurship. Inception level factors are favourable. Initial problems and production and related problems are few. Industrial units exhibit the structural characteristics of relatively developed units. Performance and growth of such units are also better.

Backward and more backward districts do not seem to compare well with the advanced district in the above respects. These districts lag far behind the advanced one. As between the backward and more backward districts we do not find any marked differences. However, of the two, it is in the more backward district a greater number of socio-economic variables making for

better entrepreneurship are found to be associated with entrepreneurship. Inception level factors and initial problems are more favourable. Operational problems of the units are many more than the units of backward district. The units of the backward district are also found to have an edge over their counterparts in the more backward district as regards structural developments and performance both at a point of time and over a period of time.

Thus it may be concluded that while there may be differences in the origin of industrial entrepreneurship, the problems, performance and growth of entrepreneurship varies according to the industrial backwardness of the districts.

#### IV. POLICY SUGGESTIONS

Needless to emphasise that these results justify our concern for balanced regional development in general and accelerated industrialisation of backward areas in particular. The policy thrust against the persistence of agglomeration tendencies around a few developed pockets and continuance of imbalance in the spatial spread of industries with fiscal and financial incentives and other measures has to be intensified further for quite a long time.

The differential performance of the units of entrepreneurs behave on us to think accordingly and it is quite tempting to subscribe to the above view. However, the task of development of entrepreneurship in the backward and more backward districts is more challenging than can be achieved by a package of assistance. A perusal of our main findings as follows will illustrate the point:

- (1) There were certain deficiencies at the personal level of entrepreneurs. Most of them were born and brought up under rural environment in poor families. A large number of family members depended on them. Although some of them had established their units for quite a long time they continued to have a mere hand to mouth existence. Many entrepreneurs were illiterate or had primary or middle school level of education. On the other hand highly educated entrepreneurs did not have necessary practical experience. Most of the entrepreneurs did not get necessary support from their parents or in-laws in starting the units. Very few of them in the backward and more backward districts had perceived the opportunity based on own skill and experience in the line.

Moreover, sociological factors such as family, friends and relatives rather than economic factors had encouraged the entrepreneurs in starting their units. Economic factors, such as resources, competition, labour and location were quite discouraging.

- (2) Non-availability of capital, raw materials, trained labour and Government control and regulations were some of the initial problems of the entrepreneurs.

At the operational level, some of the specific problems were limited demand, competition, seasonal demand, irregular and inadequate supply of raw materials, inability to offer security and inadequacy of loan amount and other problems. Most of these problems had resulted in unutilised installed capacity to a great extent.

Besides, some of the causes of sickness and closure of the industrial units were non-availability of critical inputs, difficulties in getting orders from the principal buyers, delay and red-tapism in the supply of raw materials, finance and in making payment of bills, diversified interests of the entrepreneurs, dishonesty of workers and supervisors, evil designs and foul play by the vested interests, spend-thrift attitude of entrepreneurs and above all lack of interest on the part of the Government officers.

- (3) Productivity of both labour and capital was lower, on several indicators such as total assets, fixed assets, equity capital and output industrial units showed negative growth rates. Qualitative growth of such units, namely, expansion of old units, establishment of new units, improvement in design or layout, introduction of new technology, introduction of new production and expansion of markets, was also quite negligible. Industrial

units exhibited many features of the under-developed units also.

- (4) Although the schemes of incentives and supporting facilities had been in vogue for quite a long-time yet very few entrepreneurs had availed of such opportunities. Some were not very enthusiastic about getting Government help and assistance as these were not easily available. The entire process of giving assistance being cumbersome due to procedural difficulties, red-tapism, unsympathetic attitude of officials and above all discriminatory treatments and corrupt practices frustrated enterprising spirit. After months of hectic activities or running from pillar to post for assistance they stopped. Those who did not want to avail of any opportunity were confident of running the units well with their own resources and with the arrangements they had made otherwise.

Thus solutions have to be found for personal deficiencies of entrepreneurs, limited market demand, irregular and inadequate supply of raw materials, inability of entrepreneurs to offer security and inadequacy of loan amount and excess capacity resulting therefrom; lower labour and capital productivity; stagnation and decline of the industrial units; and inefficacy of incentives and supporting facilities.

In the light of the above, the policy support for the development of industrial entrepreneurship in the small-scale industries may be in the following directions:

- (i) Necessary education, training/short-term courses, etc. as provided for the new entrepreneurs should also be extended to the existing entrepreneurs to compensate for some of their personal deficiencies like illiteracy, lack of skill and experience in the line and so on.
- (ii) An integrated system of the supply of raw materials and finance and marketing of products should be evolved. Increased availability of quality raw materials at reasonable price and on time, a buffer stock of critical raw materials; liberalised institutional credit particularly without insisting on margin money/collateral security upto a limit and above all organisation of producer-oriented system of marketing with necessary directives for the State and Central Government agencies to buy from small units on a preferential basis would go a long way in activating the idle capacity of the units.
- (iii) To ensure viability and growth of the small units in the industrially backward districts other sectors of the economy of these districts like agriculture, medium and large-scale

industries, service and business and other activities should also be developed pari passu. Moreover, as per Industrial Policy Statement of July, 1980 of Government of India, a few nucleus plants in each district identified as industrially backward should be set up to generate as many ancillaries and small units as possible. In this way enough income would be generated resulting in an expansion of the internal market. Necessary impetus would thus be provided for the quantitative as well as qualitative growth of the small units.

- (iv) Organisational base at the district level should be restructured to make it more effective and result-oriented.
- (v) Giving timely and adequate assistance and avoidance of giving assistance belatedly or excessively or deficiently, streamlining of procedures and expeditious decision-making would produce greater impact of assistance programmes on entrepreneurs. Therefore, this principle should be strictly followed for making the system of incentives and supporting facilities more effective and result-oriented.

#### V. CONCLUDING REMARKS

Development of industrial entrepreneurship is a national task in which policy makers, Government and other officials and entrepreneurs themselves participate.

It is necessary that the policy makers of the nation should have pragmatic approach to the problems of entrepreneurs and necessary policies and programmes designed accordingly. Based on data collected from various sources realistic policy measures would enable us to proceed on the right direction. But much more rests with the officials incharge of implementing such policies and programmes. The officials instead of doing the routine work of entrepreneurial development mechanically should have a commitment to the cause of development of industrial entrepreneurship. Corruption, delay and red-tapism and highhandedness should be avoided as far as practicable and colossal waste of scarce resources of the national due to erratic, belated or hasty decisions should be eschewed. Instead of acting as officials as such they should become the friends, philosophers and guides to the entrepreneurs, many of whom are new to the industry and its ways. It should be their duty to see that the genuine claims of entrepreneurs are not ignored at any time.

Responsibilities of entrepreneurs in the industrialisation of industrially backward areas can hardly be exaggerated. They should learn to help themselves and stand on their own legs instead of looking to the Government for



help and guidance always and ever. They should remember that assistance cannot be assured to them on a perpetual basis. Blackmarketing of raw materials, non-payment of loan instalments, investment of funds received on concessional or subsidised basis for purposes other than their use in industry, indolence and spend-thrift habits and above all an attitude of getting rich-quick should be shunned. Instead they should cultivate the entrepreneurial habits and a spirit of dedication to the cause of industry and nation building. Perfect understanding and close co-operation between entrepreneurs on the one hand and Government and other officials on the other would usher in a new era of industrialisation in areas where it does not exist or exists to a limited extent.

With such transformation in attitude, behaviour and institutional factors, we may hopefully look forward to an accelerated development of industrial entrepreneurship in an industrially backward State like Orissa.



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## APPENDIX A - III.1

## A TYPICAL CASE OF ENTREPRENEUR'S POVERTY

The typical entrepreneur belonged to the food Products industry of Cuttack district.

The entrepreneur immigrated from Sorada in the Ganjam district of Orissa where his father had a good income from farming and oil ghani. But as a young man this entrepreneur did not like to work with his father and came to Cuttack City for seeking some opportunity for business.

At Cuttack he had some friends from his native place who were pedlars in bread and biscuits. They advised him to start a bakery unit and extended all possible help including the retailing of bread. With the help of such friends the entrepreneur started bread manufacturing.

Under painful necessity (which the respondent was reluctant to divulge) his father had to dispose of all his belongings including the homestead land and the family moved to Cuttack to stay with the respondent. As the respondent had to support a total of 8 members



his domestic expenses increased beyond what he could earn from his small bakery unit and consequently his indebtedness increased in course of time.

At the time of interview, the respondent was suffering from acute poverty and indebtedness. He had an outstanding loan of Rs 8000 to be repaid. His children were in schools and their schooling expenses had to be met. His wife had gone blind due to some disease which required quite an expensive treatment. His mother was staying with her son-in-law to lighten the financial burden on his son and was suffering due to old age. His father being too old was unable to help him in any way. The family subsisted on whatever the entrepreneur could earn from his bakery unit.

It was a painful and pathetic experience to see both the respondent and his father bursting into tears when asked about the economic status of the family.

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## APPENDIX A - IV.1

## CASE STUDY ON PERCEPTION OF OPPORTUNITIES

One respondent in Food Products of Cuttack was a 'Gumasta' in a mal-godown. Once he had been to Calcutta to meet his father who was working there in a factory. On his way back he brought 10 Kg of lozenges for making some money by selling the same during 'Durga Puja' festival. But he could not sell his lozenges as the price of lozenges sold by him was higher than those manufactured locally. Consequently, he thought of manufacturing the same locally. At first, he was much encouraged by the demand for his products. Another respondent was simply attracted by the absence of mechanised bakery in Cuttack which he could perceive because of his earlier contact with the place. One Post-Graduate in Metallurgy from the U.S.A. was advised by the Director of Industries to start manufacturing aluminium conductors to meet the requirements of the Orissa State Electricity Board. Another graduate engineer was advised by the officials of the Small Industries Service Institute (SISI) to start manufacturing business in Metal Products. In two cases the then Collectors of the Districts of Keonjhar and Balasore perceived the

opportunities on behalf of the respondents. A respondent belonging to Wood Products of Cuttack District was helped by an I.A.S., Officer to perceive the opportunity. He brought the respondent from Delhi. This officer was the Chief Secretary of the State. A lady entrepreneur of Cuttack City belonging to Hosiery and Readymade Garments industry was running a Usha School before starting the unit. She was advised by the trainees of her school to start a garments manufacturing unit and the trainees had extended all possible help to her.

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## APPENDIX A - VI.1

## CASE STUDIES OF SICK UNITS

## CUTTACK DISTRICT

Respondent 15 (Metal Products)\*

This unit was incorporated as a proprietorship concern in 1973 with a base capital of Rs 1.00 lakh. Its proprietor was a foreign trained metallurgical engineer who looked after the management of the unit. The unit was located in a shed in the Industrial Estate, Madhupatna, Cuttack. The product line of the unit was manufacture of aluminium conductors for supply to the Orissa State Electricity Board. Since no other marketing avenue was available for the product the working of the unit was solely dependent on the purchases made by the Orissa State Electricity Board. The unit mainly manufactured the following products:

1. All aluminium conductors, 7-strands
2. Aluminium conductor Steel reinforced, 7-strands

M/S Hindusthan Aluminium Company and M/S Bharat Aluminium Ltd., Korba Supplied raw materials in the form of aluminium

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\* Based on the feasibility Report of 5th April 1979 for revitalisation of the unit with the permission of the proprietor.

proper zi rods of 9 mm dia. which were drawn to required size before standing. M/S Hindusthan Wires supplied the steel reinforcement wires.

The unit started production with effect from December, 1974. The unit did not function for two years from 1975 - 1977. It had worked intermittently only for a period of two months during June and July 1976 to process some semi-finished goods. It incurred heavy business losses due to the intermittent and under capacity production and ultimately went sick.

The following were some of the causes of sickness:

The unit recorded higher production cost of Rs 15.72 per Kg. of conductor as against Rs 14.05 per Kg fixed in the rate contract concluded for the year 1978-79. Due to lack of proper linkage between in-flow of raw materials and out-flow of finished products raw material was left unused in the factory store against payment of higher amount of interest. Loan availed against pledge of finished goods also led to accrual of heavy interest on the unit. In other words marketing of finished products could not be matched with production. Aluminium conductors worth Rs 1.10 lakhs had remained idle with the unit for a period of more than one year during the period when the unit was closed and the unit had to pay interest to the tune of Rs 1.2 lakhs which deteriorated its financial

position severely. It is also revealed that a sizeable portion of its working capital had remained blocked in the form of outstanding receivable (Sundry Debt) with the OSEB.

The causes of the sickness of the industrial unit can thus be summarised:

- (a) faulty production planning
- (b) under capacity production and higher production cost
- (c) defective financial management
- (d) unfavourable marketing strategy

Besides certain inherent limitations from which the industrial unit suffers are:

- (1) dependence of production on the demand of a single buyer (OSEB)
- (2) No possibility of product diversification with the existing machinery

In the meantime an attempt has been made to pull the unit out of the morass of sickness and gradually it is gaining in health and vitality.

#### Respondent 9 (Metal Products)

The respondent of this unit was an ITI trainee. Besides he attended a course on Industrial Management conducted by the U.S.I.C. in July 1972. He was induced by his father and some Government officials to take to

manufacturing business because of the above background. He started the unit for manufacturing silencer for automobiles on partnership basis. Feasibility report for the unit was prepared by the O.S.I.C. State Bank of India sanctioned Rs 60,000 and OSIC Rs 5,500/-. Machines were purchased through the SBI from Calcutta. Tail pipe was the critical raw material for the unit which was at first purchased from the open market and through the OSIC.

The unit was established on 26 January 1973 and worked till 18 December 1973 only for less than a year. It was closed from 18 December 1973 to 2 March 1977 for the following reasons.

- (a) Non-availability of cold rolled pipe for the manufacture of silencer
- (b) the unit cost of production of silencer was higher than the price at which silencer was available in the local market

From 2 March 1977 some attempts were made to revive the unit for the manufacture of some alternative products. The unit started manufacture of agricultural implements from 1 April 1978 on the basis of a contract for the purchase of the products by the Agricultural Implements Factory of the Government of Orissa. With such assistance the respondent hoped to pay back an outstanding debt of Rs 60,000 gradually to the State Bank of India.

Respondent 12 (Metal Products)

The father of the respondent died in his early childhood and the family had to live in grinding poverty. Consequently, the respondent had to work and earn from his childhood.

Respondent had no education but was trained in trunk manufacturing in Calcutta by his brother-in-law.

He had a partnership business in truck manufacturing along with two other partners. Ultimately partnership broke down due to quarrel among the partners and the respondent started his own truck manufacturing unit in 1972.

The unit although established since 1972 did not show any sign of growth. Rather it was in a declining state at the time of investigation in 1979. Manufacturing activities of the entrepreneur were not very impressive. He relied more on repairing activities and had almost a hand to mouth existence.

The respondent complained of the inferior quality and irregular supply of the raw materials by the District Industries Centre. Also short and long-term finance were not available to him as he had nothing to offer as security.



The principal cause of industrial sickness had been dire poverty in the case of this respondent.

Respondent 16 (Metal Products)

The respondent was born in a poor family. He was trained in trunk manufacturing in an important factory in Tatanagar in 1937-38.

He established his unit in 1953. He trained many persons in his factory who are at present working in different places. But his unit did not show any sign of growth. Rather it had declined from what it was prior to the declaration of emergency in 1976. At the time of investigation it was found to be a repair shop with some amount of manufacturing activities. The unit was found to be sick and the respondent pointed out the following causes of sickness.

- (a) During emergency his shop in the Cuttack town was broken and consequently he was forced to sell the manufactured articles below the cost price.
- (b) Theft was committed twice in his factory and raw materials, manufactured articles and hand tools were stolen away.
- (c) He has been suffering from a chronic disease.
- (d) Governmental agencies were willing to give loan but he was not willing to borrow till his children are grown up.

Respondent 20 (Metal Products)

It was a unit established under family partnership. Due to family quarrel machines of some thousand rupees were lying idle and the unit had gone sick. It is now run by one of the family members with hand tools.

Respondent 1 (Non-metallic Mineral Products)

The unit was established in 1973 with a loan of Rs 1,20,000 from the State Bank of India and the owner could not pay any amount to the bank till 1976. Consequently he was forced to sell the unit to the respondent with the agreement that the respondent would pay back the loan to the SBI. Thus the respondent being highly indebted the unit had gone sick.

Respondent 2 (Non-metallic Mineral Products)

The Lime Stone factory was established in 1974 on partnership basis. The respondent was one of the two partners. The other partner was very capable for getting work done at the official level. In addition to his job as a pharmacist he was running an ink factory independently. He instigated the present proprietor to start the unit on partnership basis for manufacturing lime, mosaic, etc.

Then the Governmental agencies were helping such entrepreneurs liberally. The other partner could arrange for Rs 22,000 from the Orissa State Financial Corporation and Rs 50,000 from the State Bank of India. None of them had any experience in lime and mosaic manufacturing. The other partners acted as a Managing Director.

At first the partners tried to get raw materials from Katni in Madhya Pradesh at a very high price. Consequently the cost of production of mosaic was very high and they were not able to sell the product in the market. As a result they gave up this manufacturing and tried to procure lime stone from the nearby areas to save the cost of transport. Moreover 'Disintegrated machine' had a basic manufacturing defect which could not be rectified inspite of the best efforts and expenditure of some two to three thousand rupees. Thus production suffered frequently. The respondent told us that another Rs 3000 was necessary to remove the defects fully. The electric motor had to be replaced by a new one. Moreover Rs 30,000 which they got for the purchase of raw materials from the State Bank of India was spent lavishly for the construction of office rooms, etc. and for meeting the travelling and other expenses of the Managing Director. Consequently very little was left for the purchase of lime stone. Quantity

produced was much less and hence the profit. Ultimately the partners left the unit also. The failure of the unit is a sad story of -

- (1) lack of practical experience in the concerned manufacturing business and mis-utilisation of funds obtained from the State Bank of India.
- (2) Basic defects of the machine purchased which could not be rectified.
- (3) Dishonesty of partner

The respondent informed us that if Rs 15,000 could be made available to him for investment in machines he would be able to resuscitate the unit and pay back the loans promptly.

#### BALASORE DISTRICT

##### Respondent 1 (Wood Products)

This unit was the former Training-cum-Production centre turned into P.S.I. unit by the State Government of Orissa in 1964. The Government had given a contingent grant of Rs 14,000 and contributed an equity share of Rs 50,000. The main products of the unit were wooden furniture, chaukath and shutters, etc.

At the time of investigation this unit was found to be on the verge of close down being too sick for the

following reasons:

- (1) Lack of interest of the industries extension officers who were in-charge of the unit from time to time.
- (2) PIO in-charge was very frequently remaining absent from the work place. He was also under constant threat of transfer to a distant place.
- (3) Difference between the rate contract set by the EPM and the price of timber changed by the DFC.
- (f) Indulgence of PIO's and other persons in corrupt practices.

Respondent 2 (Hosiery and Readymade Garments)

This unit was established in 1969 and had its days of prosperity during which the respondent of the unit was able to earn a net income of around Rs 30,000 annually.

The respondent, however, went astray. He indulged himself in wine and women. He was involved in litigation with his relatives. As a result the financial strength of the unit deteriorated gradually and finally the unit was reduced to a mere repair shop enabling the respondent to make his ends meet some how.

In the mean time DIC official have sufficiently induced him to revive the manufacturing business. The respondent was also thinking to do so by recalling his three sons working outside the State.

## KEONJHAR DISTRICT

Respondent 3 (Wood Products)

The respondent worked in Bihar, Madhya Pradesh and Orissa in several fields of activities and thus had gained varied experience of trade and business. He worked as a Supervisor for the unit now taken by him on lease. He frankly confessed that he tried to cheat the owner several ways along with some of the workers of the unit. On one or two occasions he was caught by the owner. But ultimately the owner suffered heavy losses due to his foul play and had to hand over the unit to the respondent on lease for a monthly rental of Rs 350/-. The unit has gone sick without any repair and maintenance.

Respondent 1 (Metal Products)

The respondent was a retired army personnel. The affluence of the family of the respondent was widely known in Keonjhar. Besides being a owner of landed property the respondent was also a civil contractor. He started the unit in January 1974 being induced by his brother who was a purchase officer of the Ferro-Chrome Plant located at Jajpur Road. His brother in fact played the major role in the establishment of the unit.

The respondent got Government land on lease; OSFC supplied block capital of Rs 1,20,000 and Bank of India, working capital of Rs 2,00,000/-. Goods manufactured were meter box, cross arm, L.T. and H.T. Stay set, Switch Box, Trusses, Gate, Grills, steel furniture, trunk suit-case and bucket. However, the unit mainly relied on the production of the electrical goods for sale to the Orissa State Electricity Board. Some Government Departments were also buying from the respondents.

But at the time of investigation in May 1979 the unit was found to be too sick. Production of the unit which was once throbbing with activities is now limited to few items only the reasons being as follows:

- (a) It was not always possible to get orders from the OSEB and other Government departments,
  - (b) difficulties were faced in getting raw materials
  - (c) the respondent being a P.W.D. contractor was remaining busy for the purpose throughout the day leaving the production to be looked after by a Paid Manager.
  - (d) The entrepreneur was interested in setting up a stone-crushing unit.
-

## APPENDIX VI-2

## CASE STUDIES OF CLOSED UNITS

In addition to the 73 existing units data were also collected for 8 closed units. These closed units represented the typical case of the circumstances under which the industrial units close down. The district-wise and industry-wise break-up for the units is as follows:

	<u>Cuttack</u>	<u>Balasore</u>	<u>Keonjhar</u>
Metal Products	2	1	-
Non-metallic Mineral Products	1	-	1
Food Products		1	
Wood Products		1	
Hosiery and Readymade Garments		1	

The detailed case studies of the units are as follows:

## CUTTACK

Respondent 4 (Metal Products)

The respondent was born in a poor family. He suffered acute financial difficulties during his childhood.



It was difficult for his father to meet the expenses of his studies at the High School stage and as a result the respondent had to give up his studies on completion of class X studies.

Giving up his studies he acted as a 'Gumasta' to somebody. He could not continue as 'Gumasta' for long and joined as a helper to a truck driver. One night out of ignorance he put a burning candle on the petrol tank of the truck for some check up. The truck driver who was taking tea in a nearby stall came running and gave him a smart kick. The respondent left the job and worked with his father in a cycle repair shop.

He obtained ITI diploma and attended a short course conducted by the SISI in 1971. As a participant in the short course he received many encouraging information about market demand for altraps, decorative covers, washers, trunks, suit-cases and articles of steel fabrication. He was also advised by an industry supervisor on the feasibility and viability of the unit.

He was encouraged by the officials of the SISI. Directorate of Industries and Rural Industries Project to manufacture the above commodities. The SISI prepared the feasibility report. A shed in the Industrial Estate, Madhupatna, Cuttack was also allotted to him. He got a

loan of Rs 10,000 from the State Bank of India and another Rs 8000 from the OSIC. He purchased machines through the OSIC and OSIC also supplied him raw materials. The production was started in 1974. Production is now stopped but the respondent continues to occupy the shed in the Estate. On enquiry the respondent reported the following reasons for closing down the unit.

- (1) Dishonesty of the customers who purchased commodities on credit and defaulted.
- (2) OSIC did not supply quality materials in time.
- (3) Cheated by an agency in Cuttack supplying dice to him.

Respondent 13 (Metal Products)

The respondent was a young Marwari businessman with graduate degree in Commerce. His father was running an aluminium utensils shop at the heart of the Cuttack City for about 20 years. He was rendering part time help to his father even during his student days and thus had enough of practical experience in aluminium products business. To sell trunks, suit cases and buckets in the same shop he started manufacture of these products as a subsidiary business.

The unit is closed since 1978. The respondent could be contacted as at the time of field investigation, he was running paper business in the locality. When enquired

about the closure of the unit he stated as follows:

- (1) The foremost reason was the tyranny and highhandedness of the persons belonging to commercial tax department. They had many unjust demands on him. As the respondent was reluctant to meet all such demands they put the father and son into a lot of difficulties. Ultimately the father and son decided to wind up their business in aluminium products and along with it the manufacture of trunks, suit-cases and buckets.
- (2) It was difficult for the respondent to get quality raw materials from the OSIC. In the open market the prices of such materials were high.

To avoid harassment by the personnel of the Commercial Tax Department the respondent was engaged in paper business in which there is no such difficulty as the quantity bought and quantity sold can be easily ascertained.

Respondent 4 (Non-metallic Mineral Products)

The respondent was a Science graduate belonging to goldsmith caste. He was working in Titagarh Paper Mills as an operator. Because of some rift with the company he resigned from the job and ultimately became a P.W.D. contractor.

As an ancillary business the respondent started manufacturing bricks. From 1968 upto 1976 the unit was running well and the respondent was getting an income of 10 to 20 thousand rupees annually. In 1976 he got an order from the PWD to supply bricks worth 2 lakhs of rupees. The PWD also agreed to supply coal as required by the respondent. Instead of doing the work of manufacture in his own factory he did it at a different place as per the contract signed with the PWD and along with it also diverted resources from his old factory to the new one. But the PWD could not supply coal on time. As a result production suffered. Some bricks being half baked were not acceptable to the PWD. Moreover due to shortage of coal some lakhs of bricks could not be baked at all and ultimately washed away by rain.

The case was pending with the executive engineer and the unit was closed. The respondent was thinking of going to the court of law.

#### KEONJHAR

#### Respondent 2 (Non-metallic Mineral Products)

It is the sad story of a new entrant into the industry who was ultimately thrown out of the market by a monopolist to strengthen his own position.

After passing the H.S.C. Examination the respondent remained unemployed for two years. In 1974 having been advised by his friend he thought of manufacturing cement tile and ridges as there was a great local demand for them. He was very poor. He did not have much capital. Some how he arranged for capital and had a humble start. He himself worked with the labourers. The cost of production of tiles and ridges was less and quality better. Gradually his reputation in the town grew and customers were attracted towards his products. Seeing this another manufacturer of cement tile, etc. became jealous. This man was a man of lakhs and had a monopoly position in the market. He played the game of undercutting the price of his own product. The new entrant being poor could not maintain an inventory of cement. He purchased cement from the black market at a higher price. As a result, he was forced to raise the price of his products and thus lost his clientele to the monopolist. All these adversely affected his unit and he was forced to wind up his manufacturing business and take up a government job to earn his livelihood.

#### BALASORE

#### Respondent 5 (Food Products)

The respondent as a Superintendent of Government Ice Plant and Cold Storage established in 1966 near an

important fishing centre of the district.

There was a great demand for ice and cold storage facilities by the fisherman of the area. Perceiving this market demand the fishery department of the Government of Orissa started the unit to help the fishermen of the area who were suffering heavy losses.

But the unit was closed and fishermen were getting ice from Cuttack about 155 Kms away from the place. The main reason for the closure of the unit was the need for immediate repair and replacement of machinery. Delay and redtapism at the government level had resulted in colossal waste of plant and machinery worth Rs 1,13,000 which had been lying idle since last 3 years. Besides the Superintendent and his staff were sitting idle as they did not have any work. After making repeated requests to the department the superintendent was feeling helpless as everything depended on the decisions of the higher officers.

Respondent 5 (Wood Products)

The respondent was an illiterate man belonging to the oilman caste. His father was a rich farmer with 30 acres of fertile land. The respondent happened to be the only son of his father. Prior to his entry into industry he was a dealer in controlled commodities, timber and fire wood in a nearby business centre.

Somehow the respondent could purchase old machines and equipments and started sawing timber. In course of time he realised that the market for saw mills is limited. Frequent failure of electricity supply caused disruptions in production. In spite of these shortcomings when machines were worn out the respondent ordered for new machines and got the supply also.

But the respondent was bed ridden at the time of field investigation. He had been suffering from a chest disease since last two years and had lost all interest in his unit. The machines were lying idle. He expected to start his unit again after recovering from illness. His children were small and nobody else was there to help him except his father who was looking after the land.

#### Respondent 1 (Metal Products)

This metal products unit was established in 1957 under the auspices of Regional Co-operative Marketing Society (RCMS). The Secretary of the society perceived the market opportunity of manufacturing trunks, suitcases, cash boxes and bath tubs, etc. which were in great demand then. To the great advantage of the unit RCMS was the only supplier of cold rolled sheets, G.P. sheets and scrap sheets which were controlled commodities

at the time. The industrial unit was established with an investment of Rs 15,000 by the RCMS. The unit was closed for the following reasons:

- (1) Cold rolled sheet, G.P. sheet and scrap sheet were controlled items and RCMS was the only supplier of these materials at the time of establishment of the unit. Consequently the unit was in a favourable position in so far as the raw materials were concerned. When the unit was getting cheap materials in sufficient quantity it had an edge over the competitors. It sold the products at prices lower than that of other rivals in the field. But with the lifting of control the prices of raw materials were lowered down and the unit lost its competitive position.
- (2) The man who was incharge of the unit at its inception and successfully managed it for long years died of cancer in 1970. He was very skilled and nobody could replace him. When this man was gone, the unit started declining. The man could not handover the charge before his death even.
- (3) The labour charges gradually increased and the unit had to pay bonous.
- (4) There was mismanagement. The Board of Directors did not take much interest in the unit.
- (5) Labourers leaving the unit being fully trained started competing with it in one way or other.
- (6) Only one man was in charge of both production in the unit and sale of consumer goods by the RCMS. Hence it was difficult for him to supervise the manufacturing work properly.



- (7) Government officers on deputation did not look after the unit properly. RCMS mainly concentrated its activities on agricultural produces. During the period when a private secretary was there the unit had a smooth running.

Respondent 1 (Hosiery and Readymade Garments)

The respondent belonged to the place of respondent 5 in Wood Products. The most important thing about the place was that it was a business centre in the midst of sprawling rural area and situated at a distance of only 23 Kms away from Bhadrak town. Consequently for making small purchases only people depended on the business centre. Otherwise, they purchased from Bhadrak town. Thus, the market opportunity of the area was severely limited. It depended to a great extent on annual agricultural harvests of the area.

The important reasons as reported by the respondent for the closure of the unit were the following:

- (1) Many people bought from him readymade garments on credit but did not repay the dues.
  - (2) Limited market for readymade garments.
-

APPENDIX -

QUESTIONNAIRE FOR RESEARCH SURVEY

ON

INDUSTRIAL ENTREPRENEURSHIP  
IN SMALL SCALE INDUSTRIES OF ORISSA

## APPENDIX -

## GENERAL INFORMATION

1. Name of the Industrial Unit:
2. Address:
  - 2.1 Factory:
  - 2.2 Office (if separate)
3. Entrepreneur interviewed:
  - 3.1 Name:
  - 3.2 Position in the Unit:
4. Date of establishment/acquisition of the Unit:
5. Whether registered with:
  - 5.1 The Director of Industries                      Yes/No
  - 5.2 The Chief Inspector of Factoris              Yes/No

## SECTION - I - BACKGROUND OF ENTREPRENEUR

1. Personal Information:
  - 1.1 In what year and at what age did you enter  
this manufacturing business?                      Year      Age
  - 1.2 Place of Birth:                                      Rural/Urban
  - 1.3 If migrated, from where ?                      Place:  
District:  
State:  
Year:
  - 1.4 Reasons for migration

**2. Educational Background:**

2.1 What was the level of your education at the time of starting the unit ? Specify as follows:

- |              |                    |
|--------------|--------------------|
| (i) None     | (iv) High          |
| (ii) Primary | (v) Degree         |
| (iii) Middle | (vi) Post Graduate |

2.2 Please mention if you have:

- (i) Technical Training
- (ii) Occasional courses
- (iii) Education abroad

**3. Social Background:**

3.1 What is your religion ?

3.2 What is your caste/community ?

**4. Type of Family:**

4.1 Single person without family

4.2 Single family or Nuclear family

4.3 Number of persons in the family

4.4 Joint family

4.5 Number of persons in the family

4.6 Number of dependants on you

**5. Economic Background:**

5.1 What is the monthly income

5.2 What is (was) your Father's Principal occupation?

5.3 Mother's occupation ?

5.4 Guardian's occupation  
(if other than the parents)

- 5.5 Please mention the business experience of father and other members of your family (if any)
- 5.6 In what way the above experience has been useful for you in your career in industry?
- 5.7 What was your principal occupation before you entered manufacturing? State briefly.
- 5.8 To which class of the following does your family belong ?
- (i) Rich class
  - (ii) Upper middle class
  - (iii) Low middle class
  - (iv) Poor class
6. Any other information

## SECTION - II

### INITIAL PROBLEMS OF ENTREPRENEUR

1. Origin of the Entrepreneurial idea -
- 1.1 How did you perceive the opportunity of establishing the unit ?

- 1.2 Among the following what were the THREE main factors that encouraged you and the THREE factors that discouraged you in the process of starting this unit ? Kindly indicate in order of importance:

<u>Factors</u>	<u>Encouraged/ Discouraged</u>	<u>Remarks</u>
(i) Family		
(ii) Relatives		
(iii) Friends		
(iv) Industrialists		
(v) Industrial Institutions		
(vi) Resources		
(vii) Location		
(viii) Competition		
(ix) Labour		
(x) Any other (specify)		

- 1.3 Which of the following attracted you for taking the risk in manufacturing ?

- (i) Profit made by others in similar concerns.
- ✓(ii) Shortage of such goods and higher demand in the market.
- ✓(iii) Facility in obtaining financial, technical and such other help.
- (iv) Your professional experience and technical skill in the line.
- (v) Your own capital strength
- (vi) Absence of competitive market
- (vii) Any other source of attraction.

- 1.4 What important motive you had in mind in entering the present line of manufacture ?
- (i) Profit
  - (ii) Achievement
  - (iii) Social Status
  - (iv) Independence in business
- 1.5 How did you become confident of the feasibility and viability of the unit ?
- 1.6 Were you the man first to start a unit in this industry in this location ? Yes/No  
If Yes, how did you come to know about the possibilities in this line ?
- 1.7 Was there objection or indifference from your close social group to your choice of this industrial career ? Yes/No  
If yes, on what ground it was raised ?
- 1.8 If you were to start the same career to-day would you meet with the same objection ?
- 1.9 If you were to choose afresh a new career would you go into one you have ?

2. Inception level problems -

2.1 What was the time lag between the perception of opportunity and the actual establishment of the unit ?

2.2 Once you became aware of the idea, what were the next steps in your thinking and action ?

2.3 Which of the following difficulties were faced in planning out the enterprise.

(i) Feasibility report

(ii) Capital

(iii) Machines

(iv) Raw materials

(v) Trained labourers

(vi) Technical Guidance

(vii) Government control and Regulations

(viii) Any other problem.

3. Any other information



SECTION III  
THE ESTABLISHMENT OF ENTREPRENEUR

The Establishment -

1. Form of ownership:

Individual Proprietorship:  
Partnership: Joint family  
Partnership: other

Company form:

Co-operative:  
Family business:  
Any other (specify)

2. Give the following particulars about the type and ownership of building in which the unit is housed:

Type	Ownership
(i) Kachha	(i) Hired
(ii) Factory Shed	(ii) Owned by self
(iii) Residential-cum-factory type	

3. Products of the unit:

4. State the nature of your industrial activity:

(i) Manufacturing	(iii) Assembly
(ii) Job work	(iv) Ancillary

5. Working period of the unit:

(i) Number of days worked in a year:  
(ii) Number of shifts in a day.

6. Nature of operation (specify months)
  - (a) Seasonal
  - (b) Perennial
  - (c) Intermittent
- 7.7.1 Number of persons employed: (Average)
  - (i) skilled
  - (ii) Unskilled
  - (iii) Managerial
  - (iv) Others
- 7.2 Number of family labour employed (if any)
  - (i) Part time
  - (ii) whole time
- 8.8.1 State whether production in your factory is fully mechanised, partly mechanised or not mechanised:
- 8.2 What is the motive power used in factory ?
  - (i) Oil
  - (ii) Steam
  - (iii) Gas
  - (iv) Electricity
  - (v) Completely manual
9. Give details of the disposal of products (in percentage):
  - (i) In the local market
  - (ii) Inside the district
  - (iii) Outside the district
  - (iv) Outside the State
  - (v) In the foreign market

- 10.10.1 What were the reasons for locating the unit in the place in which it is located ?
- 10.2 What were the reasons for starting a small unit ?
- 10.3 What were the reasons for your selecting this venue of enterprise ? (If an outsider)
- 10.4 From which source did you get the amount of capital supplied by you initially ?
- (i) From another business
  - (ii) Sale of property
  - (iii) From Parents
  - (iv) From father-in-law
  - (v) From other source
11. Any other information

## SECTION - IV

## OPERATIONAL PROBLEMS OF ENTREPRENEUR

- 1.1.1 Installed capacity of the unit: Rs  
(On the basis of shifts normally worked)
- 1.2 Actual Production: Rs
- ✓ 1.3 Capacity utilisation:  $\frac{1.2 \times 100}{1.1}$
- ✓ 1.4 If the unit was not working to full capacity last year, what were the obstacles in raising production to full capacity ? ( in order of importance)
- Demand
  - Power

## Finance

Supply of labour/Strikes, etc

Supply of raw materials:

Other reasons (kindly specify):

2. Do you experience difficulties in getting raw materials ? Yes/No  
If yes, please describe the nature of these difficulties.
  
3. Do you experience difficulties in production technology and technical guidance ? Yes/No  
If yes, please describe the nature of these difficulties
  
4. Do you experience difficulties in the day-to-day management of the unit ? Yes/No  
If yes, please describe the nature of these difficulties.
  
5. Do you experience difficulties in getting short/long term finance for your unit ? Yes/No  
If yes, please describe the nature of these difficulties.
  
6. Do you experience difficulties in recruiting workers for your unit ? Yes/No  
If yes, to which type of labour do they relate ?  
Unskilled  
Skilled  
Managerial

7. Is there Labour Union in the plant? Yes/No  
If yes, is it organised within the unit or from outside ?
8. Do you experience difficulties in selling your products ? Yes/No  
If yes, please describe the nature of these difficulties.
9. What difficulties do you face in competition with your rivals ?
10. Is your unit a "Sick unit" ? Yes/ No  
If yes, kindly describe the cause of sickness:
11. What suggestions do you propose to improve the conditions of Industries ?

## SECTION - V

## GROWTH OF INDUSTRIAL UNITS

1. Kindly indicate the major changes in the following variables with respect to your unit, beginning with the first year of production:

Variables	Year
1.1 Total Capital Employed:	First year of production
	Other years
Fixed Capital	First Year:
	Other years:
Working Capital	First Year:
	Other years:

Variables	Year		
Equity Capital	First Year:		
	Other years:		
Borrowed Capital	First Year:		
	Other years:		
1.2 Total Production	First Year:		
	Other years:		
1.3 Average Employment		<u>Year</u>	<u>No. of workers</u>
Unskilled:	First Year:		
	Other years:		
Skilled:	First year:		
	Other years:		
Managerial:	First year:		
	Other years:		
2.	Have any of the following changes taken place since establishment?		
	Variables	Yes/No	Year      Specification
2.1	Expansion of the old unit		
2.2	Establishment of the new unit		
2.3	Improvement in design or layout		
2.4	Introduction of new Technology		
2.5	Introduction of new Production		
2.6	Expansion of the market		
2.7	Any other (specify)		

3. Were any changes planned but not carried out ? Kindly give reasons:
  
4. Is there any plan for any change in the future ? Kindly specify the type of change and the reasons:

#### SECTION - VI

##### SUPPORTING FACILITIES FOR ENTREPRENEUR

- 1.1.1 From which organisation/offices did you receive assistance in starting this unit ? Kindly specify specify the type of assistance received:

IDBI

SFC

SIC

IDC

IPICGL

SBI

SISI

Commercial Bank

Co-operative Bank

Directorate of Industries

Any other industrial organisation  
(kindly specify)

- 1.2 Which of the above organisation constitute the problem areas for your unit at present ? Give a brief outline of the problem created by each in order of importance:
- (i)
  - (ii)
  - (iii)
  - (iv)
  - (v)
- 1.3 State whether your entry into this business depended totally or partially on the above incentives:
- 1.4 Of the many incentives which one would you regard as the most important and why ?
- 1.5 If the incentive and other measures of the governmental agencies did not play any appreciable part in your starting the business what would account for the same ?
- 1.6 How do government institutions help you in getting indigenous and imported raw materials ?
- 1.7 Do you get assistance from government in selling your products ? Yes/No  
If yes, what is the nature of this assistance ?
- (a) Only information:
  - (b) Exhibition at various places:
  - (c) Purchase by Government:
- 1.8 What type of assistance do you expect from the Government ?



1.9 Are you a member of the local Small Industrialists Association ? Yes/No

If yes, how does this Association help you to promote your industry ?

1.10 Are you a member of the Rotary, Lions or similar clubs ? Yes/No

If yes, how do these clubs help you to solve the industrial problems ?

## SECTION - VII

### CAPITAL AND FINANCE

(As on 197 ) For the latest year.

#### 1. Fixed Capital (Rs)

Item	Year of installation/purchase	Value of installation/purchase	Expected years of life at installation purchase	Accumulated depreciation on	Book Value	Current replacement value of the item as it is	Annual Rent if leased on NEW item	Annual Rent
1	2	3	4	5	6	7	8	9

- 1.1 Land
- 1.2 Building
- 1.3 Machinery & equipment (specify)
- 1.4 Tools etc (specify)
- 1.5 Furniture & Fixture (specify)
- 1.6 Other Fixed assets (specify)
- 1.7 Total

2.	Total Assets and Total Net Assets: as On	
		(for the last year)
2.1	Gross Fixed Assets:	Rs
2.2	Accumulated Depreciation:	Rs
2.3	Net Fixed Assets (1-2)	Rs
	a) Land:	Rs
	b) Building:	Rs
	c) Plant, Machinery, Tools and Equipments:	Rs
	d) Furniture and Fixture:	Rs
	e) Others (specify)	Rs
2.4	Other Assets:	Rs
2.5	Investments:	Rs
2.6	Raw materials, Fuels & Stores	Rs
2.7	Semi-finished Products:	Rs
2.8	Products and By-products:	Rs
2.9	Cash in hand and at Bank:	Rs
2.10	Loans and Advances:	Rs
2.11	Total Current Assets (6 to 10):	Rs
2.12	Balance Sheet Total (3+4+5+11)	Rs
2.13	Current Liabilities & Provisions:	Rs
2.14	Net Current Assets (11-13)	Rs
2.15	Total Net Assets (3+4+5+14)	Rs
3.	Liabilities as on	(for the latest year):
	Equity Capital:	
3.1	Paid-up Capital:	Rs
3.2	Reserves:	Rs
3.3	Total (1+2)	Rs

## Medium and Long-term Loans:

3.4	Government	Rs
3.5	State Financial Corporation	Rs
3.6	Co-operative Banks	Rs
3.7	Commercial Banks	Rs
3.8	Others	Rs
3.9	Total (4 to 8)	Rs

## Short-term Loans:

3.10	Commercial Banks	Rs
3.11	Co-operative Banks	Rs
3.12	Indigenous Banks	Rs
3.13	Friends and Relatives	Rs
3.14	Others	Rs
3.15	Total (10 to 14)	Rs
3.16	Total Loans (9+15)	Rs
3.17	TOTAL FUNDS EMPLOYED (3+16)	Rs

## SECTION - VIII

## COMPOSITION OF OUTPUT

For the year ending

1	Output:	
1.1	Sales	Rs
1.2	Less: Commission paid	Rs
1.3	Excise:	Rs
1.4	Net Sales (1 - 2 - 3)	Rs
1.5	Stock of finished and semi-finished products: (closing stocks - opening stocks)	Rs

1.6	Other Income	Rs
1.7	Work done for others:	Rs
1.8	TOTAL PRODUCTION (4+5+6+7):	Rs
2.	Composition:	
2.1	Basic Raw materials; (Opening stock + Purchase during the year - closing stock)	Rs
2.2	Water, Power, Fuel, Lubri- cants, etc.	Rs
2.3	Other Materials:	Rs
2.4	Miscellaneous Expenditure	Rs
2.5	Amount paid to other concerns for work done	Rs
2.6	Depreciation	Rs
2.7	Rent: (a) Land & Building	Rs
	(b) Plant & Machinery	Rs
2.8	Wages & Salaries inclusive of all benefits:	Rs
	(a) Employees	Rs
	(b) Other Expenditure	Rs
	(c) Management Remuneration	Rs
2.9	Interest: (a) Long-term Loans	Rs
	(b) Short-term Loans:	Rs
2.10	Total Expenditure (1 to 9)	Rs
2.11	Profits	Rs
2.12	Total Output (10+11)	Rs
2.13	Taxes on Profits	Rs
2.14	Net Profits (14-13)	Rs

Thank You.

Date on which the unit was visited:

Date of completed interview:

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