

Correlates of Performance of Entrepreneurship Development Programmes : A Study of Personal and Socio-Economic Variables

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Abstract

EDPs is on the economic agenda of the state government right from the beginning. During the last five years (2004-2008), around 76 EDPs were conducted in the state in which 2,909 persons were trained. So far no worthwhile study has been conducted on the effectiveness of EDPs in the state while as number of studies have been conducted elsewhere. To fill-in this research gap, the present study has been undertaken with the purpose to assess the relationship between personal & socio-economic variables with the performance of EDPs in the State of J&K. The data was processed and analyzed by making use of multiple statistical tools and techniques like parametric tests i.e. Z test, percentage statistics and standard deviation which has revealed no influence of educational qualification and habitat on the start-up rate. But age, work experience, economic status and family background of trainees have been found to have influenced the start-up rate. The age at which a person is more likely to start-up an enterprise after attending EDPs is 30-35 years.

Keywords: Entrepreneurship Development Programmes (EDPs), Personal Variable, Socio-economic Variable, Start-up Rate.

Introduction

Realizing the importance of industrialization as a means to achieve rapid economic growth, the government of J&K emphasized on the development of Industries in particular modern small-scale industries which dovetail well with the geo-physical imperatives of the state. Towards this goal, number of initiatives were taken to generate necessary impulse towards industrialization in the state. A comprehensive package of incentives has been formulated and number of promotional agencies are been established both by the State and Central Governments like, SFC, SIDCO, SICOP, SISI etc. to promote and regulate industrial development in the state. The recent addition to this list is the establishment of J&K Entrepreneurship Development Institute (J&KEDI) in 2003 with the purpose to promote entrepreneurship in the state. Also the centrally sponsored schemes of District Industries Centre (DICs) was launched in the state by establishing DICs in all districts of the state with the purpose to provide all necessary guidance and facilities for the establishment of industrial enterprises at the door steps of the people under one roof.

EDPs were on the economic agenda of the state government right from the beginning. However, this activity of great socio-economic significance got major boost in 2003, when J&KEDI was established in the state. Before the establishment of J&KEDI, the work of conducting EDPs was performed by Small Industries Service Institute (SISI), Industrial Technical Consultancy Organization (ITCO) and the NGOs. In addition, Directorate of Industries and Commerce was arranging entrepreneurship development for the youth of the state by selecting and sponsoring prospective entrepreneurs for training organized by national level

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institutions like EDI Ahmadabad. As on today, there are three state and central government agencies viz. J&KEDI, SISI, and ITCO, which are actively involved in the conduct of EDPs in the state. In addition to these agencies, NGOs and educational institutions are also engaged in the conduct of EDPs on regular basis. During the last five years from 2004-2008, around 76 EDPs were conducted in the state in which 2,909 persons were trained. Most of these programmes were conducted by J&KEDI. On these programmes, it is estimated that a direct cost of around Rs. 12.25 Crores was incurred. But in spite of all these efforts, the entrepreneurship in the state is still dormant.

Since EDPs enjoy high profile in the process of creating necessary impulse towards entrepreneurship, as such it would serve a great purpose to assess the effectiveness of EDPs organized in the state with the purpose to reveal how far EDPs have been successful in the achievement of their stated goals and if not then what factors have constrained the effectiveness of these programmes. So far no worthwhile study has been conducted on the effectiveness of EDPs in the state. As compared to this, a number of studies have been conducted elsewhere either at the national level or international level. To fill in this research gap, the present study has been undertaken with the objective to study the success rate of EDPs in the state in terms of generation of healthy entrepreneurship and to assess the relationship between personal & socio-economic variables with the performance of EDPs in the State of J&K.

Review of Related literature

Number of studies have been conducted to study the relationship between entrepreneurship and socio-economic background of entrepreneurs. The studies include Reddy and Murthy (1981), Malcolm Harper (1985), Dinesh Awasthi and Jose Sebastian (1998). Reddy and Murthy (1981) conducted a study of 118 entrepreneurs in Ananthpura which has revealed that age, and financial background does not contribute to either start-up rate or survival of an enterprise. While others like Malcolm Harper (1985) on the basis of his study has revealed that age, work experience and financial background does influence the venture creation by the EDP trained entrepreneurs. The same opinion was shared by Dinesh Awasthi and Jose Sebastian (1998) in their comprehensive study on evaluation of EDPs.

The effectiveness of EDPs has also been seen in the context of a particular culture. Vesper (1983) conducted a study to find out a relationship between culture and entrepreneurship & has found that societies and cultures that value entrepreneurship tends to develop societal systems which encourages the process. Kao (1993), & Siu and Martin (1992), took similar study in China who have found that among the Chinese people, entrepreneurial role models encourage people to go into business and entrepreneurs are often supported by close networks of family members and relatives. A similar opinion was revealed by Davidson (1991) that programmes which develop societal awareness have a positive effect on small business development

Studies have also been conducted to study the effectiveness of EDPs in terms of output measures like start-up rate, performance of enterprises created by EDP trained entrepreneurs. Malcolm Harper and Vijay Mahajan (1995) studied the performance of the enterprises launched by trained entrepreneurs & have found that the trained group had achieved break-even significantly earlier than the non-trained group and their businesses also have significantly lower capital-output ratios. Gupta. S. K. (1989) studied EDPs in terms of start-up rate and their corresponding survival which has found less than 10% business closure rates in the enterprises set-up by trained entrepreneurs as against 20-25% among the other enterprises set-up by the non-

trained entrepreneurs. The most comprehensive study on the evaluation of EDPs in India was conducted by Dinesh Awasthi and Jose Sebastian (1998) by generating a data through extensive interviews of different groups of respondents. Their study has revealed that the EDPs conducted in the country have succeeded in enterprise creation though not the extent expected. For not having fully succeeded in realizing goals of EDPs in the country, improper selection process, lack of comprehensive training, inadequate follow-up and inadequate post-training support have been found to have constrained the effectiveness of EDPs by their study.

A thorough scan of the various studies conducted in India brings to fore some major limitations. For example a study conducted by Gaikward et al (1974) did not touch some of the major components of EDPs viz; the number of ventures set-up by the trained entrepreneurs and their performance. Some other studies for example those of SBI (1987) and Small Industry Extension & Training Institute, Hyderabad (1997) has a limited focus while the former covered some major components of EDPs like; performance of units started by trained entrepreneurs. The later study reviewed only the organizational issues and had failed to cover in detail the programme related issues. Also studies of Patel (1986) & Singh (1990) with similar objectives were confined to specific objectives only. Several other studies including those of Awasthi & Sebastian (1992), Nubler (1991), North-eastern Technical Consultancy organization (1996), Harper & Mahajan (1995), National Institute of Small industry Extension & Training (1997), Miron (1979) attempted to measure effectiveness of EDPs by comparing the performance of the trained entrepreneurs with those of non-trained entrepreneurs without any attempt to unravel the factors responsible for the poor performance of concerned EDPs. An effort was also made by Dinesh Awasthi and Jose Sebastian (1998), to study the inter-state and inter-organizational variations in the performance of EDPs, however, it did not cover all the states and the organizations involved in the conduct of EDPs in India. On the other hand, many other studies were descriptive in nature, thus lacking empirical evidence.

Objectives of the study

The present study is aimed with the following specific objective:

- To study the relationship between the demographic factors with the start-up rate.

Hypotheses

H₀: There does not exist statistically significant relationship between the start-up rate across all the personal and socio-economic variables except age, work experience and family background.

H₁: There exists statistically significant relationship between the start-up rate and age, work experience and family background respectively.

Scope & Reference Period

The study covered all EDPs conducted by different agencies in the state during the period under reference except the programmes conducted under TRYSEM, RLEGP, JRY and PMRY schemes. These schemes have been omitted for the reason that the aim of these schemes is to enable the beneficiaries to undertake some livelihood activity, that too of an ordinary nature rather than a true industrial activity which requires entrepreneurial skills for success. Five year data (2004-2010) has been referred in the study. The said time period has been taken for the reason that large number of EDPs have been conducted in the state during the said period.

Research Materials & Methods

To test the hypothesis laid down for the present study, the data on different dimensions of EDPs was collected both from primary and secondary sources, however, the study is mainly

based on primary data. The secondary data on number of EDPs conducted during the period under study has been collected from published and unpublished documents. Further, the data on growth indicators and financial performance has been collected from both the trained entrepreneurs and the entrepreneurs belonging to the control group.

The evaluation of any programme including EDPs is done to know how far the programmes have been successful in their stated goals. So to evaluate EDPs, the most important need is to identify the goals of EDPs which in turn will delineate the basic evaluation parameters. The major goal of EDPs is to widen the base of entrepreneurial supply by converting potential entrepreneurs into actual entrepreneurs with greater degree of motivation, knowledge and skills needed to sustain and grow their enterprises. Accordingly, to study the effectiveness of EDPs conducted in the state during the period under reference, the performance parameters like; start-up rate, survival, performance of the enterprises created by the trained persons in comparison to the enterprises of the controlled group in terms of financial & growth were used. These parameters are in accordance with the methodology followed by Dinesh Awasthi and Jose Sebastian (1998) & N.N Sharma,(1998) to assess the performance of EDPs in the country.

Analysis of Data

The major focus of the study has been to study the relationship between socio-economic factors and the start-up rate. As such the data collected for the present study was processed and analyzed by making use of multiple statistical tools and techniques like parametric tests i.e. Z test, percentage statistics and standard deviation. The test statistic “Z” was worked out and compared with the probable value of (1.96) to be read from a table at 5% level of significance in order to judge the significance of difference between means of two independent samples of EDPs experimental groups and control groups.

Start-up Rate

One of the fundamental objectives of EDPs is to generate entrepreneurship by converting potential entrepreneurs into actual entrepreneurs. Therefore, to conclude about the effectiveness of EDPs, an analysis of the percentage of trained persons who have set-up their enterprises or are in the process of setting-up industrial units has been made. Further to judge whether the EDPs in the state of J&K are as effective as that of EDPs conducted in other parts of the country, the start-up rate in the state has been compared with that of other states. During the period under study (2004-2008), 76 EDPs. The total number of persons trained in these programmes in the state stood at 2,909 persons. An effort was made to contact all these trained persons, however, 386 persons were untraceable and another 124 persons did not respond during the field survey. As such, Out of a total 2,909 trainees, 2,399 persons were enquired whether they have set-up their units, which comes to 82.46 percent of the total trainees, the results of which have been detailed out in table 1.

Perusal of the data regarding effectiveness of EDPs conducted in the state in terms of start-up rate contained in table 1 reveals that out of 2,399 trainees, only 179 trainees which comes to just 7.46% of the total trainees have set-up industrial units. Another 139 i.e. 5.79% of trainees are in the process of setting up their units. There are also 174 i.e. 7.25% of trainees who are blocked at one or the other stage in the process of setting-up their units either due to personal or other reasons. If 50% of blocked persons are also taken as potential start ups, the total number of trainees who have either set up their units or are in the process of setting their units turns out to be 16.88% of the total trainees. Which in other words means that 79.49% of trainees have did

not set up their enterprises. The start-up rate of 16.88% including blocked ones does not compare well with the all India average start-up rate of 31.97 percent. As such concludes the acceptance of alternate hypothesis H1 laid down for the present study. Internationally EDPs conducted in the developed and developing countries have resulted in the start-up rate of 35% to 41% among the trained persons. As such the EDPs conducted in the state during the period under study are less effective in terms of enterprise creation both nationally and internationally.

1: Start-Up Rate of EDPs Conducted in J&K State Between 2004-2008.

Total No Of Persons Trained	2909
Total No Of Trainees Who Are Non-Traceable	386 (13.27)
No Of Trainees Who Have Not Responded	124 (5.17)
No Of Trainees Interviewed	2399 (82.47)
No Of Enterprises Launched	179 (7.46)
No Of Trainees In The Process Of Setting Up Their Units	139 (5.79)
No Of Trainees Who Have Got Blocked	174 (7.25)
No Of Trainees Having Given Up	1907 (79.49)

Note:

- *Parenthesis indicating percentage to the total.*
- *Blocked trainees are those who have made an effort to establish their enterprise but got blocked at a particular stage due to one reason or the other.*

Source: Primary data

Like other parts of the country, the various agencies in the state conducted general purpose as well as specialised EDPs. The general purpose EDPs covers all aspects of entrepreneurship like potential areas, industrial policies and more importantly what needs to be done to be a successful entrepreneur. On the other hand, specialized EDPs have focus on a particular potential area by discussing its potentialities, government policies towards the sector and above all what entrepreneurs would need to capitalize the potential enjoyed by the specific line of activity. The various agencies involved in conducting EDPs in the state besides conducting general purpose EDPs, have also organised good number of specialised EDPs which includes EDPs on floriculture, medicinal plants, leather industry, electronic industry etc. In order to evolve a deeper probe into the effectiveness of EDPs, an effort has also been made to study the effectiveness of EDPs in terms of start-up rate by the nature and type of EDPs with the purpose to study which type of EDPs are more effective in terms of start-up rate.

Perusal of data detailed out in table 2 reveals that specialized EDPs were little more effective than the generalized EDPs. It can be seen from table 2 that as compared to 12.27.% of interviewed trainees of generalized EDPs, 15.12% of the trainees of specialized EDPs have either made an attempt to either set-up their units or are in the process of setting up their units.

Although the high start-up rate of specialized EDPs in comparison to generalized EDPs in the state corresponds with the national trend but, the start-up rate of the specialized EDPs is also less than the national averages.

The discussion so far has revealed that the EDPs conducted in the state during the period under study suffers from low start-up rate and also the health of the entrepreneurship created through EDPs has not been as good as it ought to be. However, in order to carve out an effective EDP model, it also becomes necessary to study the relationship between start-up Rate and various personal and socio-economic factors. The analysis of the relationship between start-up rate and personal & socio- economic factors would enable to identify the variables which are critical for the success of EDPs. The variables having statistically significant relationship with the start-up rate will be assumed critical for the success of EDPs in terms of start- up rate.

Table 2: Total number of EDP trained starters/non-starters, basis of nature/type of EDPs

EDP Trained Entrepreneurs	GEDPs	SEDPs	Total
Total no of EDPs	52	24	76
Total no of persons trained	1922	987	2909
Total no of non-traceable trainees	254	132	386
Total no of trainees who have not responded	81	43	124
Total no of trainees interviewed	1587 (82.57)	812 (82.26)	2399 (82.46)
Total no of trainees who have set up their units	109 (6.86)	70 (8.6)	179 (7.46)
Total no of trainees who are in the process of setting up their units	86 (5.41)	53 (6.52)	139 (5.79)
Total no of trainees who are blocked	110 (6.933)	64 (7.88)	174 (7.25)
Total no of trainees who have given up to set up their enterprises	1282 (19.21)	625 (23.02)	1907 (79.49)
Actual start-up rate	12.27%	15.12%	
Expected start-up rate	15.72%	19.06%	

Notes:

- *GEDPs = General Type EDPs, SEDPs = Specialised EDPs*
- *Parenthesis indicating percentage to total.*
- *Actual start-up Rate= Trainees who have either set their enterprises plus who are in the process of starting their enterprises.*
- *Expected start-up Rate= Trainees who have either set their enterprises plus who are in the process of starting their enterprises plus 50% of the blocked trainees.*
- *Blocked trainees are those who have made an effort to establish their enterprise but got blocked due to one reason or the other.*

Source: Primary Data

It is in view of this fact that this section has been devoted to establish a relationship between personal and socio-economic factors and the start-up rate. To study the same, the distribution of starters and non-starters on the basis of age, educational qualification, work experience, economic status, and habitat have been analyzed in foregoing paras. Statistical tools

like ‘Z’ Proportion Test and Chi-square Test have been used to study the significance or non-significance of relationship between the start-up rate and personal and socio-economic factors.

Start-up Rate and Age

The data about the distribution of starters and non-starters on the basis of age has been presented in table 3 which reveals that the mean age of starters is 31.47 years with a standard deviation of 5.147 which means that higher start up rate can be expected above 31years. The mean difference at this age between two groups i.e. starters and non-starters is statistically significant as can be seen from the table, as such concludes the acceptance of **H5**. The Z value for the age group between 30-35 is more than critical value at 5% level of significance.

Table-3: Distribution of starters & non-starters on the basis of age of sample trainee entrepreneurs

Ages	Starters		Non-starters		Z Values
	No	%age	No	%age	
20-25	5	10.20	59	10.51	-0.068
25-30	14	28.57	226	40.28	-1.746
30-35	19	38.77	156	27.80	2.72*
35-40	8	16.32	78	13.90	0.444
40-45	3	6.12	42	7.48	-0.72
Total	49		561		
Mean Age	31.47		30.87		
Standard Deviation	5.147		5.37		

Note: For age group between 30-35, Cal Z=2.72>1.96 at 5% level of significance*

The important inference that can be drawn from the above analysis is that the ideal age for more start-up rate is above 31 years. This is perhaps owing to the fact that potential entrepreneurs at this age are more resolute about their career option. In other words, it means that potential entrepreneurs below this age group are not fully decided whether to go for self-employment or seek employment. This is confirmed by 40.28 percent of the non-starters falling in the age group of 25-30. Based on this inference it can be concluded that in order to derive the maximum from EDPs in the state, the agencies involved in EDPs should focus more on this age group.

Family Background

Like work experience, family background is believed to have a close relationship with the start-up rate. Trainees belonging to families with business background are assumed to have a greater propensity to launch an enterprise after attending EDP. This is owing to the fact that such

Table-4: Distribution of Starters and Non-Starters on the Basis of Family Background

Family Background	Starters (N=49)	%age of Starters to the Total	Non-Starters (N=561)	%age of Non-Starters to the Total	Total (N=610)
With Business Background	21	42.8%	35	0.89%	56 (9.18%)
Without Business Background	28	57.1%	526	93.7%	554 (90.82%)
Total	49		561		610

$X^2=0.000, df=2, p<0.05$

persons are more oriented towards self-employment due to family background and also due to their family support than their counterparts belonging to non-business background. To study how far this is a correct assertion, an attempt has been made by analyzing the data statistically regarding the distribution of sample trainees between starters and non-starters on the basis of family occupation. To draw the meaningful conclusions about the relationship between the family background and the start-up rate has been studied statistically using Chi-square Test. For this purpose, trainees have been classified into two categories; one with business background and the other without any family background in business.

Perusal of the table 4 which details out the data about family background and the start-up rate brings to fore that the percentage of sample trainees belonging to the family with business background are quite less. As can be seen from the table that only 9.18% of total sample trainees belong to the families with business background which in other words means that majority of sample trainees belonged to the families without business background. The other fact that can be observed from the table is that statistically there is a significant difference between starters and non-starters as far as family background is concerned, as becomes clear from the calculated probable value of 0.000 which is less than 0.05. As such it can be safely concluded that family background has a close correspondence with the start-up rate. The trainees with business background are more likely to establish their enterprises after attending EDPs. This is perhaps due to better orientation at their homes right from the beginning towards the careers in business.

Educational Background

The question is whether the education of potential entrepreneurs influences the start-up rate or not? To seek an answer to this question, the sample trainees have been classified into eight groups according to the level of education viz; below matriculation (10th Standard), ITI Trained, pre-university, undergraduate, post-graduate, engineering diploma, and engineering degree. Accordingly, the distribution of starters and non-starters has been statistically analyzed across each educational group, the results of which have been presented in table 5.

Tbale-5: Educational Background of EDP Trained Starters and Non-Starters

Qualification	Starters		Non-starters		Z values
	No of Starters (N=49)	%age to the Total	No of Non-starters (N=561)	%age to the Total	
• 10 th Standard or Below	1	2.04	6	1.06	0.5
• ITI Trained	2	4.08	18	3.20	0.5
• Pre-university	3	6.12	21	3.74	1.00
• Undergraduates	20	40.8	226	40.28	0.082
• Post Graduates	12	24.48	234	41.7	-2.95*
• Engineering Diploma	3	6.12	22	3.92	1.5
• Engineering Degree	6	12.2	2	0.35	2.92*
• Others	2	4.08	32	5.70	-0.34
Total	49		561		

Note: For trainees with educational background of Post Graduation Cal $Z = 2.95^* > 1.96$ at 5% level of significance & trainees with educational background of Engineering degree Cal $Z = 2.92^*$ at 5% level of significance.

Source: Primary data.

It is clear from the above table that there does not exist statistically any significant difference at all educational levels except P.G and Engineering as is evident by their corresponding Z values. The only difference which is statistically significant is with regard to the holders of post-graduate and engineering graduates ($Z > 1.96$ critical value at 5% level of significance). As can be seen from the table that the number of non-starters among P.Gs is higher as compared to non-starters indicating thereby that highly educated persons are less likely to launch their enterprises after attending EDPs. This is perhaps that highly qualified people keep employment options open for themselves till the last. It is also a fact that highly qualified people generally opt for employment. Contrary to the post graduates as far as the sample engineering graduates are concerned, the proportion of starters with this degree is more than the non-starters. This is indicative of the fact that more the engineering graduates, more will be the start-up rate. It may be attributed to the fact that engineering graduates are more oriented towards industrial entrepreneurship than others.

From the data, it can be safely concluded that overwhelming majority of sample trainees are well qualified. Further it can be inferred that there does not exist any strong relationship between education of potential entrepreneurs with the start-up rate except in case of engineering graduates and post-graduates. It has also been found that highly educated people i.e. P.Gs are less likely to start their own enterprise after attending EDPs. As such this fact requires to be given due consideration while framing strategies for attracting more people towards entrepreneurship.

Work Experience

Generally, it is believed that past experience of the entrepreneurs is closely linked with the success of an enterprise which in other words means that more the experience, more is the probability that an individual will launch an enterprise after attending EDP and will be successful in organizing and managing his enterprise. To analyze, how far it is a true, the distribution of trainees between starters and non-starters on the basis of work experience has been analyzed statistically. For this purpose, the sample entrepreneurs have been classified into five groups viz No experience, less than one year experience, 1-2 years of experience, 2-3 years experience and above 3 years experience. Z values have been calculated to conclude about the significance of relationship between the start-up rate and work experience, the results of which have been presented in table 6.

Table-6: Distribution of EDP trained starters and non-starters on the basis of work experience

Work Experience in Years	Starters (N=49)	Non-Starters (N=561)
• No Experience	21	398
• 0 – 1 year	5	51
• 1-2 year	9	27
• 2-3 year	11	47
• 3 years and above	3	38
Total	49	561
Mean Experience in years	1.10 yrs.	0.564 yrs.
Standard Deviation	0.909	1.709

Note: Cal “Z”=3.72>1.96 at 5% Level of significance.

Source: Primary data

Perusal of the data presented in table 6 reveals that starters on an average have a work experience of (1.10yrs) as compared to non-starters with 0.564yrs of experience, which is indicative of the fact that start-up rate is positively correlated with experience. It can be seen from the above table that mean difference between starters and non-starters on the basis of experience is statistically significant at 5% level of significance as calculated Z value > critical value of 1.96 at 5% level of significance. As such it can be concluded that experience does help in the start-up rate. This in other words means that more the experience, more would be the start up rate. This corresponds with the findings conducted at the national level. This is perhaps due to the fact that experienced people join EDPs with greater conviction to launch an enterprise. The other factor likely to be in favour of this inference is that experienced people are better prepared to cope up with the challenges of mobilizing resources needed to organize and manage an enterprise.

Habitat

It is generally accepted that people living in the urban and semi-urban areas have more avenues, as such are more oriented towards entrepreneurship. In relation to this statement, the present study has attempted to see the influence of the area of habitat on the start-up rate. For this purpose, the habitat of starters and non- starters has been categorized into urban, semi-urban and rural. The distribution of starters and non-starters has been statistically analyzed using chi-square value, the results of which have been detailed out in table 7 which is given as under:

Table-7: Distribution of Starters and Non-Starters on the Basis of Habitat

Habitat	Starters N=49	%age of Starters to the Total	Non- Starter N=561	%age of Non- starters to the Total	Total Starters & Non- starters
Urban	23 (23.46)	46.9%	269 268.54	47.9%	292
Semi-Urban	14 (15.10)	30.6%	174 172.90	31%	188
Rural	12 (10.44)	24.4%	118 118.64	21%	130
Total	49		561		610

$$X^2 = 0.840, df=2, p>0.05$$

Source: Primary data

Perusal of table 7 reveals that there does not exist any statistical difference in start-up rate between starters and non-starters on the basis of habitat, as the calculated probable value is 0.840 which is more than 0.05. However, it be seen from the above table that the participants to the EDPs under study from the urban areas are on the higher side than the proportion of people coming from semi-urban and rural areas. It may be attributed to the fact that people belonging to urban areas have more exposure than their counter parts from rural areas.

Economic Status

Financial Position of a person is considered as one of the important determinants of ones capacity to start a business. Generally, it is believed that people with strong financial base, have more probability to venture into entrepreneurship. This is owing to the fact that such people are unlikely to face any difficulty in arranging finances as most of the capital comes internally. How far it is true about the sample trainees of various EDPs conducted in the state during the period under study? The answer to this question was sought by studying the relationship between the start-up rate and the economic background of sample trainees. For this purpose sample trainees i.e. starters and non-starters have been classified into three groups viz. Upper Class, Middle Class, and Lower Class on the basis of economic background. The distribution of starters and non-starters across all the three classes has been statistically analyzed, the details of which have been presented in table 8.

Perusal of the data detailed out in table 8 reveals that the relationship between the starters and non-starters across all the three groups of trainees is statistically insignificant except in case of lower class as becomes clear from the calculated value of $Z >$ critical value of 1.96 at 5% level of significance. It can be seen from the table that the trainees belonging to lower class find less chances of actually launching their own enterprises probably due to a constraint of poor financial base. It also becomes clear from the table that the proportion of sample trainee starters and non-starters in the middle class category are almost same, although the percentage of starters is more than the non-starters, yet the difference between the two group of starters and non-starters is not statistically significant as becomes clear from its corresponding Z value. What emerges from the above is that the economic-status of trainees does matter to a little extent only in determining the start-up rate of EDPs in the state.

Table-8: Distribution of Starters and Non-Starters on the basis of Economic Status

Economic Status	Starters N=49	%age of Starters To The Total	Non- Starters N=561	%age of Non-starters to the Total	Z Values
Upper Classes	13	26.5%	116	20.6%	0.907
Middle Classes	32	63.26%	346	61.85%	0.2
Lower Middle Classes	4	8.16%	98	17.4%	-2.1*
Total	49		561		

Note: For trainees with lower middle classes, Cal $Z=-2.1^* > 1.96$ at 5% level of significance.

Source: Primary data

Conclusions:

Entrepreneurship Development Programmes (EDPs) conducted in the state during the period under study has resulted in the generation of entrepreneurship but not to the extent expected. The EDPs conducted in the state suffer from low start-up rate which is one of the fundamental goals of EDPs. While analyzing the relationship of start-up rate with personal & socio-economic variables of sample trained entrepreneurs no influence of educational qualification and habitat of the trainees have been found to have influenced the start-up rate. Contrary to this the age, work experience, economic status and family background of trainees have been found to have an influence on the start up-rate. The age at which a person is more likely to start-up an enterprise after attending EDPs is 30-35 year.

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