

Role of Small-Scale Industries in District Level Development: A Study of Ambedkarnagar, UP

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Abstract - In a developing country like India, the development of Small-Scale Industries (SSIs) and their close relationship with the large industrial units are considered very much essential in any scheme of industrialization. In fact, a modern manufacturing unit is not complete and not as efficient as it should be unless it has both large and small units. The SSIs in India serve the society by providing immediate large-scale employment opportunities, ensuring equitable distribution of national income by facilitating effective mobilization of resources, capital and skills which might otherwise remain unutilized, stimulating the growth of industrial entrepreneurship and promoting the more diffused pattern of ownership and location. Owing to their valuable benefits, the people throughout the country with varying socioeconomic backgrounds are attracted towards these industries. Thus, this paper attempts to provide a glimpse of the SSIs in India, in terms of production, employment and export contributions; historical perspective of SSIs and their conceptual framework, role and achievements; and SSIs under Five-Year Plans. The state industrial policies and SSIs, and the institutional set-up for the development and diversification of SSIs are also the subject matter of this paper. In addition, a brief account of the SSIs in Uttar Pradesh in general and SSIs in Ambedkarnagar in particular, have been presented.

I. INTRODUCTION TO DISTRICT INDUSTRIES CENTERS (DICs)

Entrepreneurship development (ED) refers to the process of improving entrepreneurial skills and knowledge through structured training and institution-building programs. Entrepreneurship development focuses on the individual who wishes to start or expand a business. This accelerates employment generation and economic development. District Industries Centers (DICs) provide full assistance to the entrepreneurs who are going to start the business on their own and in their regional places. These centers provide service and support to small entrepreneurs

under a single roof at both pre and post investments. The DICs program was started on May 1st in the year of 1978 with a view to providing integrated administrative framework at the district level for promotion of small-scale industries in rural areas. Providing complete assistance and support to entrepreneurs in multi-regions are the ultimate aims of DICs. These DIC programs can take over the responsibilities in order to promote cottage and small-scale industries at district level effectively. DIC's are the implementing arm of the central and state governments of the various schemes and programs. Registration of small industries is done at the district industries centre and PMRY (Pradhan Mantri Rojgar Yojana) is also implemented by DIC. Management of DIC is done by the state government.

II. OBJECTIVES OF DISTRICT INDUSTRIES CENTERS (DICs)

The following are the main objectives of DICs:

- To identify the new entrepreneurs and providing assistance to them regarding their own startup's.
- To provide financial and other facilities to smaller blocks.
- To rise the complete efforts for industrialization at district level.
- To enhance the rural industrialization and also the development of handicrafts.
- To reach economic equality in multiple areas of the district.
- To allow various government schemes to the new entrepreneurs.
- To desize the regional imbalance of development.
- To make all the necessary facilities to come under one roof.

III. FUNCTIONS OF DISTRICT INDUSTRIES CENTERS (DICs)

The DIC's program is funded jointly by the concerned state and central government. It took part in various promotional measures In order to bring out the development of small unit sectors in the district level. The DIC's performs the following functions mainly:

1. To spot the entrepreneurs: DICs conducting various motivational programmes so that they can find new entrepreneurs throughout the districts. It is done particularly under some schemes and with the association of SIS's and TCO's for conducting Entrepreneurial programmes.
2. Purchase of fixed assets: To purchase fixed assets, the DICs suggest loan applications of the prospective entrepreneur to some of the concerned financial and development institutions like NSIC, SISI etc., DCI's also recommend commercial banks so that to meet the working capital requirement of SSI to run operations daily.
3. Offers subsidies and other incentives: DCIs help the rural people to subsidies offered by the government on various schemes. It leads to the betterment in boosting financial capacity of the units and may undergo for further development activities.
4. Guidance of import and export: Government provides various types of incentives for import and export on particular goods and services. The license to the importer and exporter is issued on the basis of recommendation of DIC.
5. Entrepreneurial training programs: DCIs allow a lot of training programs for the rural entrepreneurs who are new to the business world and also recommend other institutions to take part in such training programs. These are intended to give better assistance to the new entrepreneurs.
6. Provides employment for unemployed educated ones:

The DICs have introduced a scheme to guide the unemployed educated youth by providing them facilities for self-employment. The age limits between 18 to 35 years with minimum qualification of metric or technical trade. The notable thing here is that the technocrats and women are given importance.

IV. RESOURCES FOR DISTRICT INDUSTRIES CENTERS (DICS)

Funding assistance is provided by the Government of India for District Industries Centre in the following manner:

1. A non-recurring grant up to Rs.2 lakh for the construction of an office building.
2. A non-recurring grant up to Rs.3 lakh to meet the expenditure on furniture and fixtures, office equipment and vehicles.
3. Recurring establishment expenditure to the extent of 75% of the actual expenditure, bounded up to Rs.3.75lakhs.

V. STRUCTURE OF DISTRICT INDUSTRIES CENTERS (DICS)

DIC's consists of:

- A. General Manager. _
- B. Functional Managers (4 members): Three of the functional managers would be in the economic investigation domain, credit and village industries. Whereas the fourth functional manager may be with the responsibility in any of the areas such as raw materials marketing, training etc. based on the particular requirements of that district.
- C. Project Managers(3 members): Based on the needs in the area of the district concerned they provide technical service. Their role is to work for modernization and up gradation of technology in small units.

VI. ACTIVITIES OF DISTRICT INDUSTRIES CENTRE (DICS)

The DIC's performs the following activities primarily:

- Economic Investigation.
- Plant and Machinery.
- Research, education and training.
- Raw materials.
- Credit facilities.
- Marketing assistance.
- Cottage industries.

VII. SCHEMES UNDER DISTRICT INDUSTRIES CENTERS (DICS)

The following are the some of the schemes under District Industries Centre (DIC):

1. Prime minister's employment generation program (PMEGP): The objective of this centrally sponsored scheme of Ministry of Micro, Small & Medium Enterprises, and Government of India being

implemented since October 2008 is to provide gainful self-employment opportunities to educated unemployed one's through industrial activities, services and business.

2. Seed money scheme: The scheme focuses to encourage an unemployed person to take up self-employment ventures through industry, service and business, by providing soft loans to meet part of the margin money to avail institutional finance.

3. DIC loan scheme: The aim of the scheme is to generate employment opportunities including self-employment to small units located in towns and rural areas with the population of less than 1 lakh and with the investment on plant & machinery below 2 Lakhs. Such identified micro units falling within the purview of the Small-Scale Industries Board and Village Industries, handicrafts, handlooms, Silk & Coir Industries are covered for financial assistance in the form of margin/seed money under the Scheme.

4. Entrepreneurship development training program: The objective of training educated unemployed persons to take up self-employment ventures or skilled wage employment. Entrepreneurs are given guidance related to industry/service/business activities & skill up gradation. Entrepreneurs are also guided in respect of choice of activity, necessities of land, project report, obtaining various no objection certificates, licenses and marketing strategy.

5. District award schemes: To encourage entrepreneurs in establishing small scale enterprises and also to extols them for their success and achievements, the State Government has started honoring such entrepreneurs with District Award Scheme at the district level. Proprietors / Partner's / Directors of enterprises who have obtained EM registration with the concerned District Industries Centre at least three years earlier and in production for two continuous years are eligible for the award. These awards are given to them under the scheme of this District Award scheme.

6. PMRY Scheme: PMRY (Prime Minister Rozgar Yojana) scheme was introduced on the auspicious day of 2nd October 1993, the birth Anniversary of Mahatma Gandhi all over the country. The main objective of the PMRY scheme was to provide easy subsidized financial assistance to educated unemployed youth for starting their own businesses in the fields like manufacturing, business & service and trade sectors. Firstly, the scheme was aimed at

providing self-employment to one million educated unemployed youth in the country by making up 7 lakh micro enterprises through inducting service and business ventures within 2 ½ years . The scheme was successfully captured the imagination of the youth. Overwhelmed with the response and ever-increasing need, the Government has confirmed to make it as a permanent scheme and framed modalities & guidelines for its successful implementation and to fulfill the purpose for which it is designed.

VIII. ROLE OF DIC FOR THE PROMOTION OF SMALL SCALE AND COTTAGE INDUSTRIES

- DIC provides the information on sources of machinery and equipment.
- Promotes new industrial growth centres, electronic industries etc.,
- Conducts multiple training programs to encourage the entrepreneurs.
- Gives assistance to entrepreneurs under State Incentives scheme and funding assistance through self employment schemes.
- It allots raw materials to the concerned industries at district level.
- DIC gives the information about marketing and its assistance on participating trade fairs/buyers-sellers meet and so on.
- Guidance regarding Import and Exports of specific goods and services.
- Improves the managerial capacity by organizing various seminars, workshops etc.
- It clears the problems related to SSI Registration/Bank loan/Marketing of production etc.
- Single window assistance through SIDA and District Industries Centers.
- Products standardization
- Promotion of products under Non-conventional Energy Sources.
- Design and product development for handicrafts.

IX. LIST OF UTTAR PRADESH STATE DICs

The location of different Small and Cottage industries in Uttar Pradesh is as follows;

S.N.	Industry Name	Centre Name
1.	Clay Toys	Agra
2.	Biscuits	Modinagar, Agra and Aligarh
3.	Perfume and fragrant oil	Kanauj, Ghajipur, Jaunpur, Lucknow and Allahabad
4.	Carpet construction	Bareilly, Agra, Aligarh, Etawah, Mirzapur
5.	Floor cloth	Agra, Varanasi, Bhadohi, Mirzapur, Bareilly, Saharanpur
6.	Matchbox Industry	Bareilly, Saharanpur, Allahabad, Meerut
7.	Soap Industry	Kanpur, Agra, Modinagar, Ghaziabad, Meerut
8.	Furniture Industry	Hathras, Varanasi, Saharanpur, Bareilly
9.	Handloom and cotton textiles	Meerut, Deoband, Dhampur, Secunderabad, Tanda
10.	Cigarette Industry	Saharanpur, Ghaziabad
11.	Paint-and-Varnish Industry	Kanpur, Meerut, Ghaziabad, Modinagar
12.	Torch Manufacturing	Lucknow
13.	Medicine Manufacturing	Kanpur, Jhansi, Lucknow, Saharanpur
14.	Faucet Pipe	Allahabad, Kanpur, Lucknow
15.	Ceramic utensils	Khurja, Allahabad
16.	Manufacturing of paper by hand	Mathura, Kalpi and kagji Sarai
17.	Iron Weights	Saharanpur, Agra
18.	Brass statues	Mathura
19.	Brass locks, Pliers, Knives, Scissors	Hathras, Mathura, Aligarh, Meerut
20.	Brass pot	Varanasi, Mirzapur, Farrukhabad, Hathras
21.	Sports equipment	Agra and Meerut

22.	Wooden toys	Lucknow and Varanasi
23.	Cane sticks	Bareilly

Some other essential facts about the industries of Uttar Pradesh are as follows;

1. After the agriculture the handloom industry is the largest industry in the Uttar Pradesh
2. Number of approved Special Economic Zones in Uttar Pradesh is 24.
3. Uttar Pradesh's main industrial city is Kanpur.
4. Uttar Pradesh is the second most sugar producing state in India after Maharashtra.
5. Uttar Pradesh is third largest cotton textile producing state in India and there are 60 cotton mills in the state.

X. CONCLUSION

In India, District Industrial Centre performs an important role in Entrepreneur development. DICs Provide complete assistance and support to entrepreneurs to start and develop the industries. This government program is yielding better results when compared with the past programs in terms of generating self-employment. This process will cause to reduce the regional imbalance among developed and developing areas of the country. The DICs should take much more efforts to give advices and also help the entrepreneurs to start, run and develop the industries effectively.

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