

# **Role of Entrepreneurial Development Programme in the Growth of Small Sector**

DR. M. SAEED\*

Entrepreneurial Development Programme has a major role to play in the growth of Small Scale Industrial sector. These programmes by developing entrepreneurial initiative on a widely dispersed basis bring about the speedy growth of small scale sector on a decentralised basis on the basis of local resources and local skills. Mere incentives and concessions cannot bring about speedy growth of small scale sector. In order to run the small scale industrial units on efficient lines, proper training and wide exposure to the entrepreneurial qualities become extremely important. This is more so because entrepreneurial qualities are very much deficient in character in a developing country like India, especially in the smaller towns and the country-side. In a country aspiring for speedy industrialisation, the small sector cannot afford to be inefficient in character. This is so because in India, the basic idea is to encourage the small scale sector to graduate into medium scale sector and medium scale sector into large scale sector. The need for small scale sector to become operationally efficient and technologically sound mainly emanates from the fact the object is to allow the small units to grow into healthy adult within reasonable time frame. It should not develop inertia because of the concessions given to the small scale sector. Moreover, in order to make the ancillarisation programme really effective, small sector has to be equally technically competent and operationally efficient. Otherwise, the end product will not be of the expected quality. In a situation, where large scale and medium scale sector largely depends upon the input and equipments from small scale sector, the growth of the latest ideas in the management of the small scale sector is quite essential. With this end in view the Entrepreneurial

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\*Dr. M. Saeed is the Head of Department of Commerce, Jamia Millia Islamia, New Delhi

Development Programme (EDP) has been formulated by the Small Industries Development Organisation (SIDO) of the Government of India.

SIDO through its network of SISIs (27 SISIs and 31 Branch SISIs) has been conducting EDPs covering a number of target groups such as : (a) Educated Unemployed Youth, (b) Engineer Entrepreneurs, (c) Women, (d) Technical Personnels (e) Physically Handicapped and (f) SC & ST.

### **Management Training Course for Small Scale Industries**

The basic objective of importing training in management subjects is to improve the productivity and profitability of the existing entrepreneurs and secondly developing the new enterprises. The small scale industries have to be helped not only to consolidate their existing growth but also for meeting the challenge in terms of product design, quality, reliability and the competitive market.

During 1986-87, 2650 persons were trained in various management courses conducted by SISIs.

### **Technical Training Course for Workers of Small Seale Industries**

These courses are conducted for improving the existing skills and broadening the areas of competence of the skilled and semi-skilled workers engaged in the small scale industries to meet specific requirements of the industries.

During 1986-87, 2925 persons have been trained in various technical courses conducted by the SISIs in their workshops, Extension Centres and Production Centres, etc.

In order to streamline the management and technical training of SIDO and also to effectvely respond to the engineering situation, the syllabi of the training programmes are being recast.

### **Training of SIDO Officers**

The basic objective in providing training to officers of SIDO is to upgrade their technical knowledge and to keep pace with the modern technology adopted by industry. They are deputed far training in various institutions of the country. During 1986-87, 1005 officers were nominated for training within the country in different fields of specialisation under a crash training programme.

Officers are also deputed for training abroad to expose them to more advanced technologies and know-how.

### **Seminars/Conferences etc.**

In order to provide opportunities to SSI units located in different regions o the

country, SISIs also organise seminars in which problems of the units and the possible ways and means to solve the problems are discussed. During 1986-87 SISIs have organised 90 such programmes.

### **Consultancy for Techno-Managerial Services**

This scheme was formulated in the 5th Plan in order to make available to the small scale units modern technology and knowhow. This scheme complements and supplements the services provided by the SIDO. Under this scheme services of private consultants are made available to small scale units in areas where expertise is not available with SISIs. The services of private consultants are made available to units with investment upto Rs. 5 lakhs in plant and machinery. The coargee of the consultants are subsidised depending upon the investment and the character of the area i.e., whether the area is backward or non-backward.

### **Integrated Training Centre, Nilokheri**

This centre under SIDO provides training to Extension Officers (Industries) of the State Governments as well as to Manager and Technician Entrepreneurs both in modern small scale and traditional village industries. During the year 1986-87 the Centre trained 200 technicians, 85 women under core women training programme and 57 SIDO officers.

### **National Institute of Small Extension Training, Hyderabad**

The National Institute of Small Industry Extension and Training, Hyderabad, a Government of India society, is functioning as an autonomous body for promoting and developing small enterprises. The institute undertakes training, research, consultancy and documentation in furthering its objectives. In 1979, a Branch Institute was established at Guwahati to cater to the needs of North Eastern Region. During the year 1985-86 it organised 75 courses and trained 1462 persons, 19 assignments of Consultancy and Research were undertaken and 1225 product profiles/technical notes were prepared.

### **EDP Motivation Campaign**

In order to develop entrepreneurial culture in a big way throughout the country, SIDO is experimenting with special entrepreneurial motivation campaigns with specific emphasis in rural and backward areas. These campaigns are organised involving all the developmental and promotional agencies including the State Directorates of Industries, the State Financial Corporations, the State Small Industries Development Corporations and the Nationalised Banks. The Special thrust in these programmes is to help the entrepreneurs, select the product and complete all the formalities for setting up the unit including registration, application for financial assistance, assistance for supply of machinery on hire purchase from NSIC etc.

### **Women Call**

In order to encourage women to come into the mainstream of industrial activity in a

big way, a National Level Standing Committee on women entrepreneurs was set up in 1986. This Committee held three meetings after its formation and a number of broad policies have been evolved for encouraging participation of women in the field of entrepreneurship. A compendium on development efforts for women entrepreneurs has also been prepared giving the various facilities provided by the Central and State Government agencies in the country.

### **National Awards for Outstanding Entrepreneurs**

Since 1983, a scheme of giving National Awards to outstanding Small Scale Entrepreneurs has been introduced. Under the scheme three National Awards with cash prizes of Rs. 25,000/-, Rs. 20,000/- and Rs. 15,000/- respectively and one special recognition award with a cash prize of Rs. 10,000/- for each State/U.T. exists.

The awards are given once in each calendar year and are open to all the small entrepreneurs who set up their own units during the five years immediately preceding the year of the award. Weightage is given to the entrepreneurs setting up units in industrially backward districts/areas, scheduled castes/tribes and women.

### **Interest Subsidy Scheme for Engineer Entrepreneurs**

In order to motivate engineers to take up industrial ventures, an interest interest subsidy scheme was started in the year 1974 as one of the follow up assistance measures of engineers' training programmes. The scheme came into operation on 16-8-1974. It envisages financial assistance to the trained engineers in the form of subsidy an interest payable on loans taken by them from any of the recognised financial institutions for the acquisition of fixed assets. The quantum of subsidy is the difference between interest at the rate of 7 per cent per annum and the normal rate charged by financial institutions subject to a limit of Rs. 20,000/- per annum per entrepreneur. The scheme was subsequently liberalised in the year 1976 to cover non-trained engineers also.

The subsidy is available for 5 years in the case of units set up in backward areas and 3 years in the case of other areas. The Scheme is applicable to the small scale units registered with the Directorates of Industries.

Since the inception of the scheme, Rs. 123.65 lakhs was disbursed to the eligible units till 1986-87 of which Rs. 36.99 lakhs was disbursed during 1986-87 to 187 units in the States and Union Territories. During the year 1987-88, it was anticipated that a sum of Rs. 30 lakhs is to be reimbursed under the scheme.

Thus it may be concluded that during the last few years concerted efforts have been made to develop entrepreneurial skills on a widely dispersed basis so as to raise the overall efficiency and competence of the small scale sector. New institutions have come up to provide the professional managerial knowledge to the prospective small scale entrepreneurs. In this

regard, the names of the National Institute for Entrepreneurship and Small Business Development, New Delhi, Integrated Training Centre, Nilokheri (Haryana), National Institute of Small Industry Extension Training, Hyderabad and the network of 27 SISIs and 31 Branch SISIs throughout the country, deserve special intention. But in this gigantic task, the State Governments also will have to come forward in a big way. They will also have to develop suitable entrepreneurial development programmes in small towns as also in the semi-rural areas. The contents of the training programmes will also have to be reoriented on the basis of local needs local skills and local resource endowments the areas like electronics food processing, agricultural implements and other agro-based industries are to be given due importance while framing entrepreneurial development programmes especially by the State Government. There is also a great need to expose the rural artisans and the traditional entrepreneurs to the latest technological developments so that they can effectively graduate into bigger units within a reasonable time. It goes without saying that a well thought of network of entrepreneurial development programmes goes a long way in achieving the goal of economic federalism with each segment of industry interlinked with its next segment.