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ROLE OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMME IN MSME DEVELOPMENT WITH SPECIAL REFERENCE TO EASTERN UTTAR PRADESH

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ABSTRACT

Entrepreneurship is the terminal stage of the entrepreneurial process wherein after setting up a venture one looks for diversification and growth. An entrepreneur is always in search of new challenges. He is innovative and creative. He can convert a threat into an opportunity.

Functionally all entrepreneurs are self-employed and income generating persons but the reverse is not true—all self-employed and income generating persons are not entrepreneurs. If seen on a continuum, income generation, self-employment and entrepreneurship can be considered as the initial, middle and final stages of the entrepreneurial growth process. Income generating experience encourages self-employment, which in turn facilitates graduating into entrepreneurship.

The Micro, Small and Medium Enterprises (MSMEs) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and contribute enormously to the socio-economic development of the country.

Keywords: Entrepreneurship, Entrepreneurship development programme, Micro, Small and Medium Enterprises (MSMEs), Self-employment, industrialization.

INTRODUCTION

Entrepreneurship can be described as a process of action an entrepreneur undertakes to establish his enterprise. Entrepreneurship is a creative activity. It is the ability to create and build something from practically nothing. It is a knack of sensing opportunity where others see chaos, contradiction and confusion. Entrepreneurship is the attitude of mind to seek opportunities, take calculated risks and derive benefits by setting up a venture. It comprises of numerous activities involved in conception, creation and running an enterprise. According to **Peter Drucker** Entrepreneurship is defined as 'a systematic innovation, which consists in the purposeful and organised search for changes, and it is the systematic analysis of the opportunities such changes might offer for economic and social innovation.'

Entrepreneurship was first coined as a term in the eighteenth century but it was not until the second

half of this century that the term achieved widespread usage and became a focus of concentrated academic research.

An entrepreneur is an individual who accepts financial risks and undertakes new financial ventures. The word derives from the French "**entre**" (to enter) and "**prendre**" (to take), and in a general sense applies to any person starting a new project or trying a new opportunity.

An entrepreneur, typically, is inspired to start a business because the entrepreneur perceives a consumer need that is not being adequately filled. This area of need - sometimes called an "opportunity niche" - can usually be expressed as a problem statement.

MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Government of India has set up a new governing body for promotion and development of Micro, Medium

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and Small Scale Enterprises via “MSME Development Act”, which came into force from 2nd October 2006. The President under Notification dated 9th May 2007 amended the Government of India (Allocation of Business) Rules, 1961. by which, Ministry of Agro and Rural Industries (Krishi Evam Gramin Udyog Mantralaya) and Ministry of Small Scale Industries (Laghu Udyog Mantralaya) have been merged into a single Ministry, namely, “Ministry of Micro, Small and Medium Enterprises”.

The Ministry of “Micro, Small and Medium Enterprises” (MSME) is the administrative Ministry in the Government of India for all matters relating to Micro, Small and Medium Enterprises. It designs and implements policies and programmes through its field organizations and attached offices for promotion and growth of MSME sector. The Office of the Development Commissioner (MSME) is an attached office of the Ministry of MSME, and is the apex body to advise, coordinate and formulate policies and programmes for the development and promotion of the MSME Sector. The office also maintains liaison with Central Ministries and other Central/State Government agencies/organizations financial institutions.

DEFINITION OF MSMES IN INDIA

Enterprises are broadly classified into two categories:

- Manufacturing Sector
- Those Engaged In Providing/Rendering Of Services.

Both categories of enterprises have been further classified into micro, small and medium enterprises based on their investment in plant and machinery (for manufacturing enterprises) or on equipments (in case of enterprises providing or rendering services). The present ceiling on investment to be classified as micro, small or medium enterprises is as under:

Manufacturing Sector	
Enterprises	Investment in plant & machinery
Micro Enterprises	Does not exceed Twenty five lakh rupees
Small Enterprises	More than Twenty five lakh rupees but doesn't exceed Five crore rupees
Medium Enterprises	More than Five crore rupees but does not exceed Ten crore rupees

Service Sector	
Enterprises	Investment in equipments
Micro Enterprises	Does not exceed Ten lakh rupees
Small Enterprises	More than Ten lakh rupees but doesn't exceed Two crore rupees
Medium Enterprises	More than Two crore rupees but does not exceed Five crore rupees

ROLE OF ENTREPRENEURSHIP DEVELOPMENT PROGRAMME IN MSME DEVELOPMENT

The Entrepreneurship Development Programmes (IMC / EDP/ ESDP / MDP)” under “Promotional Services Institutions and Programmes”

The Entrepreneurship Development Programmes (EDPs) are conducted through MSME-DIs, development coupled the programmes covered include the following:

- Industrial Motivation Campaigns (IMCs)
- Entrepreneurship Development Programmes (EDPs)
- Entrepreneurship Skill Development Programme (ESDPs)
- Management Development Programmes (MDPs)

INDUSTRIAL MOTIVATION CAMPAIGNS (IMCS)

Industrial Motivation Campaigns (IMCs) programme are being organized to nurture the talent of youth by enlightening them on various aspects of industrial activity required for setting up MSEs. it will focus on the young youth generation to motivate the self employment and implementation of the, behaviours, motivations and business strategies of entrepreneurs in addition to discussions on the core subject of biotechnology. where skill is available to motivate them towards self-employment.

ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES (EDP)

These EDPs are generally conducted in ITIs, Polytechnics and other technical institutions. The Entrepreneurship Development Programmes are designed to provide useful information on product/

process design, manufacturing practices involved, testing and quality control, selection and usage of appropriate machinery and equipments, project profile preparation, marketing avenues/techniques, product/service pricing, export opportunities, infrastructure facilities available, finance and financial institutions, cash flow, etc.

ENTREPRENEURSHIP SKILL DEVELOPMENT PROGRAMME (ESDP)

Comprehensive training programmes are organized to upgrade skills of prospective entrepreneurs, existing workforce and also develop skills of new workers and technicians of 9 MSEs by organising various technical cum skill development training programmes with the basic objective of providing training for their skill up gradation and to equip them with better and improved technological skills of production e.g. Machine Shop Practice, Heat Treatments, Sheet metal, Welding, Tool & Die Making, Glass & Ceramics, Industrial & Art Wares, Herbal Cosmetics, Fashion Garments, Hosiery, Food & Fruit Processing Industries, Information Technology, Hardware Maintenance, Soap and Detergents, Leather Products/Novelties, Servicing of Household Electrical Appliances, Gem Cutting etc.

MANAGEMENT DEVELOPMENT PROGRAMMES (MDPS)

Courses conducted under MDPs are in Industrial Management, Human Resource Management, Marketing Management, Export Management & Documentation, Materials Management, Financial Management, Information Technology & Exports, ISO 9000, WTO, IPR etc. 5% of annual budget under the Scheme will be utilised for providing training aids, equipments and other related infrastructure to strengthen the quality of training activities in the MSME DIs and its Branch Institutes. Allocations under training aids will be demand based for items like LCD projectors, White Boards etc.

FEATURE OF MICRO SMALL AND MEDIUM ENTERPRISES (MSMES)

The Micro Small and Medium enterprises (MSMEs) have been accepted as the engine of economic growth and play an important role in the equitable economic development of country.

- The major advantage of the sector is its employment potential at low capital cost. The labour intensity of the MSME sector is much higher than that of the large enterprises.
- The MSMEs constitute over 90% of total enterprises in most of the economies and are credited with generating the highest rates of employment growth and account for a major share of industrial production and exports.

MSMEs have been established in almost all-major sectors in the Indian industry such as:-

- » Food Processing
- » Agricultural Inputs
- » Chemicals & Pharmaceuticals
- » Engineering; Electricals, Electronics
- » Electro-medical equipment
- » Textiles and Garments
- » Leather and leather goods
- » Meat products
- » Bio-engineering
- » Sports goods
- » Plastics products
- » Computer Software, etc.

EASTERN UTTAR PRADESH

U.P. has great potential in handicraft sector and the State enjoys distinguished place in handicraft industry in the country especially for its Banaras Silk saree and Brocade, Bhadohi and Mirzapur Carpet. These items have good demand in overseas markets

The Eastern Uttar Pradesh are included various Districts i.e. Azamgarh, Pratapgarh, Sultanpur Sonbhadra, Mirzapur, Allahabad, Bahraich, Shravasti, Faizabad, Mau, Jaunpur, Ghazipur, Balia, Deoria, Banaras, Bhadohi, Gorakhpur, and Sant Kaber Nagar.

The Eastern Uttar Pradesh focus to village cottage industries are traditional trades and handed over from generation to generation i.e. Cotton textiles, pottery, oil from oil-seeds, Agricultural Implements, Fertilizer Bricks, Agro-Products, Seed processing, Cycle, Pumps, Paper, Glass, confectionery, Brassware, Iron carpentry Goods and metal goods, foot-wear, baskets and blankets are the products of these industries, Soaps, Candles, Pottery, Hosiery, Khandsari, Combs, Chini Mills Ltd, Chemicals And Allied Products Etc. which

are manned and owned by particular sections of village society.

The district has very good potential for establishment of units based on Agro outputs, light and cottage industries, local handicrafts and other small scale industrial units e.g. rice-mills, flour-mills, oil-mills, pulses-mills and units like wooden furniture.

Banaras sarees, but also of related products such as silk brocades, dress material, bed and table covers manufactured in the traditional manner by weavers in Varanasi, Azamgarh, Chandauli, Jaunpur, Mirzapur and Sant Ravi Dass Nagar – Bhadohi Mostly produce Carpet ,zari etc(Carpet town).

The Banaras: Banaras sarees and brocades, Banaras Silk Jamdani, Jangla Saree, Jamawar Tanchoi Sari, Tissue Saree, Cutwork Saree, Butidar Saree, institutions, spots. Garha was the coarse cloth and grant the finer fabric or muslim, which were woven in the district. The weaving of cotton cloth was confined to Muslim weavers known as Julahas and to Hindu.

KHADI AND VILLAGE INDUSTRIES SECTOR (KVI)

All advances granted to units in the KVI sector, irrespective of their size of operations, location and amount of original investment in plant and machinery will be covered under priority sector advances and will

be eligible for consideration under the sub-target (60 percent) of the micro enterprises segment within the MSE Sector.

STATISTICAL INFORMATION

Statement showing All Uttar Pradesh & Eastern Uttar Pradesh cumulative number of MSME Units granted Permanent Registration by the State/UT Directorates of Industries upto the Financial Year 2012.

Establishment of the Micro & Small Scale Industries in Eastern U.P. (2007&12)			
Year	No. of MSMEs	Employment	Fixed investment (Crore)
2007-08	8571	32909	229.42
2008-09	8811	34760	301.76
2009-10	9145	35126	349.84
2010-11	9219	35343	488.31
2011-12	9463	37395	534.68
Total	45209	175533	1904.01

Establishment of the Micro & Small Scale Industries in U.P (2007-12)	
Area	No. of Enterprises Units
No. of enterprises units	166809
Employment	857505
Fixed investment (Crore)	13433.1399

MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Establishment of Micro & Small Scale Industries in U.P

Progressive Report in 31.3.2011

S.No.	Zone / (Mandal) wise name	Total no. of Establish Unit (Annual target)	Total no. of Establish Unit in (Achievement target)	Establish no. of Unit in Percentage	Investment in units (Rs. in lakhs.)	Production (Rs. In lakhs.)
1	Allahabad	1170	1201	102.64	15321.41	16923.46
2	Varanasi	1846	1895	102.65	7306.03	24865.63
3	Mirzapur	1040	1065	102.40	5382.27	5195.41
4	Basti	574	575	100.17	1924.40	942.62
5	Davipatan	894	896	100.22	3200.46	3480.47
6	Gorakhpur	1308	1331	101.76	8197.50	19188.43
7	Azamgarh	1072	1075	100.28	4084.08	6638
8	Faizabad	7907	8042	100.08	45426.15	77246.02
	Total	15814	16084	101.49	90852.3	154492.04

Source: DIRECTORATE OF INDUSTRIES, UTTAR PRADESH

CONCLUSION

Entrepreneurship Development programme is one of the key elements for promotion of micro small and Medium (MSME) enterprises, particularly the first generation entrepreneurs. The entrepreneurship are resultant creation of employment and wealth, it is a major mean for inclusive development. The entrepreneurship development Programme has been one of the priorities in countries, promotes & development of micro small and Medium enterprises in the country with the objective of creating self-employment opportunities and upgrading the relevant skills of existing and potential. It is promote establishment of new enterprises.

The Micro, Small and Medium Enterprises (MSMEs) sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and contribute enormously to the socio-economic development of the country.

SUGGESTIONS

- Bank's positive commitment to its MSME customers to provide easy, speedy and transparent access to banking services in their day to day operations and in times of financial difficulty.
- Positive thrust to MSME sector.
- Hassle free credit to Micro and Small Enterprises.
- Proper appraisal and evaluation of advances proposal.
- Cluster Based approach for financing MSE.
- Increased Coverage under credit guarantee scheme of CGTMSE.
- Complete adherence to BCSBI,s Code of Bank's commitment to Micro and Small Enterprises.
- Generation of large number of youth entrepreneur.
- The policy strives to ensure that the socio economic obligations cast on the bank are fully met.
- The policy document ensures compliance of all the directives/guidelines issued by the Government/RBI and all other regulatory requirements on MSME.
- With regard to guidelines issued from time to time by the authorities, the Bank would follow them in all their aspects. However, if these permit varying interpretations, the Bank will adopt a reasonable interpretation, as determined by the Credit Risk Management Committee without deviating from the spirit behind the guidelines.

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