
CHAPTER 1

SCOPE AND METHODOLOGY OF THE STUDY (ABOUT THE STUDY)

1.1 INTRODUCTION

Promotion of small-scale industries has been one of the main strategies for economic development in the developing countries. In many countries there has also been a growing awareness of the immense potentiality this sector (SSI) holds for channelling the creative energies of young entrepreneurs. The Development of Small Industry can no longer be regarded merely as an isolated economic programme but as a powerful tool to activate the weaker regions and sections of the country. The centre of attention in small industry development during the seventies has shifted from products to people. Development of small industry is essentially the 'development of small people' - as it is they who form the majority.

'Small is beautiful.' The SSI sector forms an integral and vital part of the national economy. It generates employment at low cost, assists in the dispersal of industrial activity; and can help redress regional imbalances. The case, therefore, for promoting small business enterprises in our country rests primarily on the

desire to honour the sacred commitments to build up a democratic society ensuring social justice, equality of opportunity and decentralisation of economic wealth and power. The adaptability of small-scale industry to semi-urban and rural environments, makes an additional case for this sector to flourish. The sole object of developing SSI in rural areas to extend job opportunities; raise per capita income and thereby standard of living and to bring about a more balanced and integrated rural economic development.

The rural-urban dichotomy had become more acute due to the Five Year Plans which, except in few cases, did not have any specific locational orientation. While large industries and even modern small industries began to come up in the urban areas, the lot of the village spinner, carpenter, cobbler, blacksmith, potter & the skilled artisan became worse with increasing affluence their skills had slowly become irrelevant. This has resulted into growing unemployment, under employment & also disguised unemployment. Therefore, promotion and development of village and small-scale industries, especially in the rural and backward areas assumes paramount significance in bringing about the balanced regional development.

Keeping this in view, the Government of India has introduced a wide range of policies and programmes, ever since independence, to support the development of SSI sector. An intensive institutional support-network has also been

created. Various policies and programmes and institutional arrangements, among other things, included the establishment of District Industries Centres, at the district levels. The Industrial Policy Statement made by the government on 23rd December, 1977 paved the way for the establishment of DICs.

The importance of the new Policy Statement (1977) was not that it said anything new but that it changed the priorities from the large industry to small & cottage industry. The New Industrial Policy was launched by Janata Government, on 23rd December, 1977. This Policy, it was claimed, marked a significant departure from the previous Industrial Policies. The Policy Statement aimed, among other things, at removing the deficiencies that cropped-up to impede the growth of small-scale and cottage industries and to place them back on their pedestal. The main thrust of the policy was upon the effective promotion of the small-scale sector. This called for shifting the focal point of the heavily industrialised metropolitan-cities to the district headquarters. This Policy, thus, proposed the establishment of DICs as the focal points for the growth of industries in the rural areas for which specific incentives would be provided.

The District Industries Centre Programme was launched on 1st May, 1978 with a view to providing an integrated administrative framework at the district level which would look at the problems of industrialisation in the district in a composite manner. Till then, this subject has been

fragmented in a number of departments and, in most states, the district industries officer was a low level functionary who had hardly the capacity or the ability to plan industrialisation of the district in a systematic manner. Many of the central and state level organisations had their own functionaries working at the regional, and in some cases at the district levels, and they tended to operate individually with no contacts with each other. Therefore, it was considered necessary to weave all the government functionaries in a single institutional frame so that the district industries centres can act as a focal point for the entire industrial growth of the district.

District Industries Centres were set up to provide infrastructural facilities; render the services relating to identification, formulation and implementation of the projects and to ensure the availability of raw materials and to gauge the market potentiality. Thus for promoting village and small-scale industries, the government had initiated the scheme of district industries centres in 1978-79. The organisational set up under the policy have been envisaged for the promotion of VSI sector at the district level, which is popularly known as " District Industries Centre. " (DIC)

" These DICs were supposed to conduct managerial courses and impart requisite training that was relevant to the specific needs of each district. The initial enthusiasm with which number of DICs were set up, tapered off very soon. These district industries centres have been in operation for

a decade or so. Of late, the performance of DICs has come under severe criticisms. The performance of the DICs, as pointed out by many of their critics, has been somewhat uneven, which is not at all surprising considering the magnitude of the programme & number of problems and difficulties they have to face & deal with. As the working of these DICs has evoked mixed reactions, it is the right/appropriate time to take stock of the working of such centres. Keeping this in view, a study of the working of district industries centres has been undertaken by the researcher.

1.2 TITLE OF THE STUDY

" A study of the Working of District Industries Centres - with Special Reference to Satara, DIC. " The present study is an attempt to review the working of the district industries centre, set up at Satara - (district level.)

1.3 OBJECTIVES OF THE STUDY

The present study has been undertaken with the following objectives:

- A) To know all about " The District Industries Centre - Programme; & various schemes & programmes launched through DICs, for the promotion of SSI.
- B) To Review the Working of DICs in general and of Satara, DIC in particular, under/through various schemes & programmes.
- C) To pinpoint the various bottlenecks that come in

the way of better functioning of DIC.

- D) To suggest measures to overcome the various problems - for better performance & prospects.

For rapid industrialisation, through promotion of SSIs, the Government of India has introduced the DICs in May, 1978. It is an ambitious programme of the government & DICs are treated as important district level agencies to bring a revolution in the promotion of SSIs. The common belief is that the DIC's performance, though somewhat satisfactory, has been subject to certain inherent problems & difficulties. On the basis of this general belief, the present study is also undertaken to test the following hypotheses:

- i) That there has been steady growth in the registered SSI units.
- ii) That there are certain problems/bottlenecks that come in the way of better functioning of DIC.

1.4 METHODOLOGY ADOPTED

The Study, depending upon the nature & purpose of the study, is based on both the ' people ' source and ' paper ' source; i.e. primary & secondary data. The Unit under study is Satara, DIC, set up at Satara, in the M.I.D.C. Area.

The primary data is collected through the personal interviews (with the help of questionnaire) with the general manager and other functional managers & staff of the Satara, DIC. An attempt is also made to contact small entrepreneurs in Satara & banks, especially Lead-Bank, through personal interviews to elicit their considered views & opinions as to

the working of DIC.

The Secondary data is collected through the published literature on DIC and Annual Returns/Reports of Satara, DIC.

1.5 LIMITATION OF THE STUDY

The study is undertaken as a part of the fulfilment of the requirements of the degree course of " Master of Philosophy in Commerce. " " The Study of the Working of DICs " has been undertaken by the researcher by limiting the study to Satara, DIC only. All the findings, and conclusions are based on the study of the working of Satara, DIC. Satara, DIC is a single unit under the study.

The Dissertation is required to be submitted to the University within a prescribed period of time and hence, the study of the working of DICs is limited to the study of one DIC, set up at Satara, known as Satara, DIC. Therefore, the conclusion drawn as regards to the working of and performance of Satara, DIC, may not hold true and likely to vary in respect of other such DICs established at district-levels in the country. Time is the main constraint; because of which the beneficiaries under various schemes launched through DIC, in Satara district were not contacted to elicit their opinions. Major part of the study is based on the secondary data; i.e. data collected through the published literature on DICs in general & Satara, DIC in particular.

1.6 CHAPTER SCHEME

The Study is mainly comprised of the following

chapters:

Chapter I: Scope & Methodology of the Study:-

This chapter outlines, a) introduction to the study, b) title of the study, c) objectives of the study, d) methodology of the study and e) limitation of the study etc.

Chapter II: Small-Scale Industries - A profile:-

This chapter deals with various aspects of SSI sector like definition, role of SSI sector in Indian economy and problems and prospects of this vital sector in the economy.

Chapter III: District Industries Centres:-

This chapter gives an over-all idea about the DIC, Programme. The Scheme of DIC, as initiated by the Government of India, has been fully explained in this chapter. The over-all performance of DICs, at the national-level and state-level (Gujarat & Maharashtra); with reference to their problems and prospects has also been portrayed in this chapter.

Chapter IV: Satara - District - Profile:-

An attempt has been made in this chapter to give a brief account and profile of Satara district, i.e. socio-economic, political, cultural, geographical and also industrial background of the district.

Chapter V: Satara, DIC - Working:-

This chapter deals with analytical aspect of the main study, i.e. working of Satara, DIC. This chapter, therefore, forms the main part of the study.

Chapter VI: Observations & Suggestions:-

This chapter is devoted to summarize the main findings and the problems of the DICs, with special reference to Satara, DIC. It reviews summary, findings, suggestions and conclusions of the study.