



ROLE OF PROMOTIONAL ORGANISATIONS IN ENTREPRENEURSHIP AND SMALL – SCALE INDUSTRIES DEVELOPMENT IN INDIA

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ABSTRACT

The government of India has established many institutions to organize and develop entrepreneurship development programme. These institutions have played an important role in organizing the Industrial and Entrepreneurship Development Programmes in India. These institutions help in organizing the entrepreneurship development programmes and help in productive training, research and standard fixation. The present paper aims at highlighting the pivotal role of these organizations in the growth of such entrepreneurship development programmes.

Introduction:

Industries are broadly divided as large scale and small scale industries on the basis of the size, capital resources and labour force of the individual unit. The small scale industries include the cottage or village industries. At one time, small-scale industries were defined by the Government as those units which employed less than 50 workers while using power, or less than 100 workers without using power.

With effect from October 2, 2006, micro or tiny enterprises covered all enterprises with investment in plant and machinery of less than Rs. 25 lakhs; for small enterprises with investment between Rs. 25 lakhs and Rs. 5 crores and for medium enterprise with investment between Rs. 5 crores and Rs. 10 crores.

In the organization of small-scale industries and Entrepreneurship Development Programme, the role of government both central and state is important. The government of India has established many institutions to organize and develop this programme. These institutions do various functions like training the entrepreneurs, providing them business guidance, giving them financial aid, providing technical knowledge, arranging seminars, organizing entrepreneurship development programmes, encouraging and motivating research and innovation, giving market information and



other such things. These institutions have played an important role in organizing the Industrial and Entrepreneurship Development Programmes in India. Through these institutions, the entrepreneurs are given training, finance and managerial guidance. These help in organizing the entrepreneurship development programmes and help in productive training, research and standard fixation. The major institutions are as follows :

1. Small Industries Development Organisations- This was established by the Central Government in 1954. This organization functions through 27 small industries service institutions, 31 branches, 38 extension centres, 4 area-wise training centres, 20 local training centres, 4 production co-process centres, 2 shoe-training centres and 4 production centres. It provides its services throughout the country in the following way :

- (i) Arrangement of regular adhoc training course through small Industries service. Institutions and extension/production centres.
- (ii) Arranging motivational Campaigns for entrepreneurship development programmes, rural artisans, educated unemployed, women entrepreneurs and handicapped persons.
- (iii) Protecting (reserving) some products for small industries.
- (iv) Providing motivation and help in the establishment of industrial units in rural areas.
- (v) To presume the need of raw material for small industries and to make arrangements for its supply.

2. All India Small Scale Industries Board –The establishment of All India Small Scale Industries Board was done in 1954 as an advisory committee. This board decides the policies and programmes for the development of small industries. The chairman of this board is the Cabinet Minister.

The board organizes half-yearly meetings, wherein the important problems of small industries are discussed and new directives and instructions are prepared for the development of small industries sector.



3. National Small Industries Corporation Ltd.- National small Industries Corporation Ltd.

Was established by the Central Government in 1955. The main objective of its establishment is to help small industries to participate in the government purchase programme. This Corporation, under its distribution aid programme, arranges for expansive markets for the products of small industries. Under its Swadeshi distribution programme, this corporation organizes all small industries producing similar goods as one co-operation organization. This corporation searches new markets. Thereafter, small industries are distributed orders based on their productive capacity on agency basis; the corporation also does the distribution of the machines produced by small units. It also arranges for the export of products of small industries.

The establishment of National Small Industries Corporation was done in 1955 to provide special help in the following ways-

- (i) Supply of machines through Hire Purchase Scheme.
- (ii) Help in obtaining orders for small industries under the government purchase programme.
- (iii) Distribution of raw material and components.
- (iv) Help to small industries through the General market facility.
- (v) If machines have to be imported, it provides help in obtaining clearance from General Director, Foreign currency import license, maintaining goodwill and fulfilling the needs of custom duty, etc.

4. National Institute of Small Industrial Extension Training – This institution was established in 1960. Its Head Office is in Hyderabad. Its major function is to organize raining programmes for small entrepreneurs. This institute provides managerial aid and technical advice also. It also arranges seminars for small entrepreneurs and artisans. This institute provides services related to training for various organizations, research, advice, etc.

5. Small Industries Development Bank of India – The establishment of small Industries development Bank of India was done in April 1999 under the parliament laws in the form of an associate of the Industrial Development Bank of India. It was separated from the Industrial Development Bank of 27 March, 2000. As a major financial institution, the SIDBI performs the following functions –

- (i) Promotion
- (ii) Financing



- (iii) Development of industries in small Scale Sector.
- (iv) Co-ordination between various institutions related to small industries.

This bank provides help through various schemes to the very small, rural, cottage and small industries.

6. Small Industries Service Institute – In every state and in New Delhi, there is a small Industries Service Institute. The 'Industries Extension Service' is run through the small Industries service Institute. Under this, information and advice is provided in relation to techniques economic and managerial methods to small industries. The following programmes are organized for managerial training through the Small Industries Service Institute.

- (i) To help the present and proposed (potential) entrepreneurs by providing technical and managerial advice.
- (ii) To arrange entrepreneurship development programmes throughout the country.
- (iii) To advise central and state governments in matters related to small industries policies.
- (iv) To give technical advice to small industries.
- (v) To provide co-operation to small industries in arranging raw material and inspection of products and quality control.
- (vi) To provide market information to the small industries.
- (vii) To recommend financial help for small industries from banks.
- (viii) To prepare a list of entrepreneurs involved in the government Godown Purchase Programme.

7. Entrepreneurship Development Institute of India – It is a major institution having special responsibility for the entrepreneurship development of the country. This responsibility is *related* to giving training to the trainees. This institute has made a special entrepreneurship Development Programme and organized its first programme in September, 1988. At present, this institute is making efforts for the progress of the rural areas.

8. National Entrepreneurship Development Board – This Board is the topmost institution for policy fixation (deciding) of the entrepreneurship development of India. Its major function is giving policy direction and providing guidance. The works proposed by this Board and its



recommendations and suggestions are activated (formulated) by the National Co-operation and Small Trade Development Institution.

9. Management Development Institute (MDI) – In order to improve the quality of the routine managerial tasks, the IFCI began the Management Development Institute in 1975 in Gurgaon near Delhi. Its main objective is bring about improvement in the quality of management works in the industrial and banking sector. This Institute organizes various types of management development programmes.

10. Entrepreneurship Development Institute of India, Ahmedabad – The Development Bank, with the assistance of other institutions has established this institute in Ahmedabad in order to develop the organizational (institutional) fundamental structure for entrepreneurship development. This institute provides its services in Ghana, Nigeria and other countries also, in their activities related to Entrepreneurship development.

Other than the above organizations, there are many other national and state-level organizations associated with the Entrepreneurship Development Programme.

Conclusion:

On the basis of the above discussion it may be concluded that institutions established by central government for a country like India, the development of entrepreneurship is necessary for its planned and rapid economic development. Therefore the central as well as State Govt. has established several institutions to provide aid to the entrepreneurs so that the economic growth and structure of the country may become stronger.

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