

STUDY OF THE DISTRICT INDUSTRIES CENTRES PROGRAMME

1. The Study

Keeping in view the contribution of Small and Village Industries in improving the economic position of the weaker sections of the Society by providing them gainful employment opportunities, this sector was given highest priority for further development during the successive five Year Plans.

The Centrally sponsored District Industries Centre Programme (DICP) was launched by the Government of India in April, 1978 with a view to minimise the bottlenecks and assist the artisans and craftsmen to promote the development of small and village industries.

At the instance of the Planning Commission, the Programme Evaluation Organisation undertook the study of DICP to find out the extent to which the DIC has been able to provide support and services under `one roof' to small and village entrepreneurs.

2. Objectives of the Study

The main objectives of the study were the following:

- i) to find out the extent to which the District Industries Centre was able to provide support and services under `one roof' to small and village entrepreneurs,
- ii) to assess the views of the entrepreneurs regarding the working of DIC's, and
- iii) to identify the bottlenecks and shortcomings in the functioning of the programme and its overall impact on entrepreneurs.

3. Sample Size/Criteria for selection of sample

For selection of DICs, the States were divided into three categories:

- i) states having upto 20 DICs,
- ii) states having between 21 to 30 DICs, and
- iii) states having above 30 DICs as on 31.3.1986.

From each state under these categories a sample of one, two and three DICs was selected, respectively, with probability proportional to the total number of industrial units/artisans.

The SSI/artisan units within each selected DIC were identified into four major Clusters and classified into eight broad categories. From these a sample of 10 SSI units were selected randomly. Thus a sample of 40 SSI units from four clusters were selected.

In all, a total number of 18 States, 27 DICs, 1080 SSI units and 1079 Artisans were selected for the study.

4. Reference Period

The field work was conducted from April, 1988 to August, 1989 and the secondary data were collected for the years 1984 to 1987.

5. Main Findings

1. Most of the States except the states of Kerala, Tamil Nadu, Gujarat, Haryana and Himachal Pradesh, reported that the funds were adequate.
2. Although some powers had been delegated to the General Managers of the DICs in most of the States, yet the 'one window' concept could not be fully achieved due to certain constraints arising out of statutory compulsions.
3. It was observed that at the state level only a few states namely Andhra Pradesh, Maharashtra, Assam and West Bengal had a monitoring Cell which was regularly monitoring the work of DICs, while in other states, the Director of Industries supervised monitoring work with the help of General Managers of DICs.
4. After the setting up of DIC, the margin money was disbursed at the district level and the loans were given through the local branches of the commercial banks, SFCs and other financial institutions. Toolkit subsidy was also extended to eligible artisans under TRYSEM and IRDP.
5. It was found that most of the DICs did not prepare their own Annual Action Plans.
6. It was reported that the artisan units had to waste a lot of time due to procedural delay on the part of DICs and the bank for raising the fixed capital.

7. There was a wide gap in the number of applications received by DICs and the number of beneficiaries who could actually set up their ventures
8. It was observed that 93.6 per cent of the SSI respondents had received guidance from the DIC officials in getting their units registered. Of these, nearly 94 percent had reported the timely help and 92 percent were satisfied with the help received.
9. It was reported that training programmes were not popular, in the States of J&K, Punjab, Tamil Nadu and West Bengal, as none of the respondent from these States had participated in the training programmes.
10. Only 10 percent of SSIs were helped by the DICs in procuring raw materials in Kamrup, Gaya, Palamau, Rohtak, Ernakulam, Dury, Schore, Imphal, Almora and Varanasi. The DICs role in procurement of raw materials was very little.
11. The selected entrepreneurs had expressed the view that the growth of SSIs and artisan units in terms of production availability of credit and subsidy was faster since the set up of DICs.
12. About 56 percent of the respondents (SSI units) expressed their dissatisfaction over the working of the DICs due to non-availability of the facilities under a single roof.
13. About 64 percent of the artisan respondents were reported to have been contacted by DIC officials at some stage or the other. Of these 31 percent were contacted before starting of the unit.
14. A large number of respondents (87 per cent) appeared to be not interested in training.
15. After the setting up of the DICs' almost one-third of the selected artisan units were using improved tools and implements. It was also reported that only 15 per cent of the selected artisans received help from DICs for purchase of tools and implements.

6. Major Suggestions

1. Keeping in view the importance of small scale and village industries, the State Governments should take immediate steps for constituting the Committees, who could help in providing the entrepreneurs all the services under `single roof`.
2. It was suggested that the State Governments should construct DIC buildings for the smooth functioning of the DIC programme, wherever not constructed.
3. Efforts should be made to minimise the cases of rejection in respect of beneficiaries.
4. The need of training in various fields may be assessed and included in the Annual Action Plan of the DIC. The arrangement for training should be chalked out well in advance in consultation with the agencies imparting training.
5. In order to make the DIC programme more effective, proper collection of statistics regarding the requirement of machinery and raw materials by the SSI and artisan units, monitoring and observation of market fluctuations of certain items of raw materials should be undertaken by DICs more seriously.
6. DICs should mobilise local bodies for purchases from units within the district, arrange for marketing through Super Bazars and fair price shops and organise buyers sellers meetings exhibitions, melas etc.
7. DICs should be given more powers for providing tangible services such as arranging term, loans, working capital and various other inputs including technological innovations for the development and growth of Small Scale Industries and Artisan units.
8. Since there was need for updating the data for its utilisation at the district, state and national level, data banks, already created at the DIC level should be strengthened and trained persons deployed to keep the data upto-date.