



ENTREPRENEURSHIP DEVELOPMENT IN ERNAKULAM DISTRICT THROUGH DISTRICT INDUSTRIES CENTRES (DIC)

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Abstract

Entrepreneurship and innovation are critical for the growth of any economy, in an increasingly competitive world. They become even more vital for India since its demographic yield can only be realized with creation of employment and income generation opportunities. Global experience shows that, apart from creating wealth and boosting the economy, new businesses also create more jobs than established ones. Many initiatives and new policies were issued by the government in direction towards Make in India. This paper tries to analyse the role of District Industries Centres in promoting the entrepreneurship in Ernakulam district, the industrial capital of Kerala.

Introduction

Entrepreneurial development today has become very significant in view of the government's new initiative *Make in India*. The objectives of industrial development, regional growth, and employment generation are based upon entrepreneurial development. Entrepreneurs are, thus, the seeds of industrial development and the fruits of industrial development are greater employment opportunities to unemployed youth.

There are a number of institutions which promotes entrepreneurship, among which a prominent place is occupied by District Industries Centres (DIC).

The 'District Industries Centre' (DICs) programme was started by the Central Government in 1978 with the objective of providing acceleration for promoting small, tiny, cottage and village industries in a particular area and to make available to them all necessary services and facilities at one place. The finances for setting up DICs in a state are contributed equally by the particular state government and the central government. To facilitate the process of small enterprise development, DICs have been entrusted with most of the administrative and financial powers. Each DIC is headed by a General Manager who is assisted by four functional managers and three project managers. DICs act as a link between the prospective entrepreneurs and government for the conversion of them as successful entrepreneurs. DICs functions include economic investigation, research, education and training, credit facilities, marketing assistance, promotion of cottage industries etc. They are accelerating the overall efforts for industrialization of Kerala.

Significance of the Study

The development of the micro, small and medium enterprises (MSME) sector is on the priority of Government Agenda. The role of micro, small and medium enterprises (MSMEs) in the economic and social development of the country is well established. Now DICs are entrusted with district wise development of MSMEs through the new directives issued by the central government. By providing all the required assistance to the blooming enterprises, DICs can be rightly termed as the cradle for the new enterprises.

This study tries to evaluate the growth and performance of DIC in promoting entrepreneurship development in Ernakulam District, the Industrial Capital of Kerala.

Objectives of the Study

1. To enumerate the functions of DIC in general for the entrepreneurship development.
2. To analyse the growth rate of number of MSMEs registered through Ernakulam DIC during the study period.
3. To study the growth and performance of Ernakulam DIC in terms of investment, production and employment generation.

Methodology

The study is based on secondary data which is collected from the DIC reports and websites of Department of Industry and Commerce, books and journals dealing with the subject.

Tools Used: To analyse the data, statistical tools such as average, percentage, Karl Pearson Co-efficient Correlation are used.

Reference period

Study covers a period of 5 years from 2010 to 2015.



Importance of District Industries Centre (DIC)

DICs are formed with the objective of accelerating the industrialisation of each district. It provides emphasis to rural industries and handicrafts along with channelling the government schemes to the new entrepreneurs, centralising the procedures required to start a new industrial unit and minimisation of the efforts and time required to obtain various permissions, licenses, registrations, subsidies etc. It brings all the efforts under one roof in order to enter into a venture.

Main functions of District Industries Centres

Various functions performed by the DICs can be listed as follows:

- Act as the focal point of the industrialisation of the district.
- Prepares the industrial profile of the district with respect to statistics and providing information about existing industrial units in the district.
- Provides opportunity guidance to entrepreneurs.
- Compile information about local sources of raw materials and their availability.
- Manpower assessment with respect to skilled, semi-skilled workers.
- Assessment of availability of infrastructure facilities like quality testing, research and development, transport, prototype development, warehouse etc.
- Organises entrepreneurship development training programs.
- Provides information about various government schemes, subsidies, grants and assistance available from the other corporations set up for promotion of industries.
- Gives SSI registration.
- Prepares techno-economic feasibility report.
- Advices the entrepreneurs on investments.
- Acts as a link between the entrepreneurs and the lead bank of the district.
- Implements government sponsored schemes for educated unemployed people like PMRY scheme, Jawahar Rojgar Yojana, etc.
- Helps entrepreneurs in obtaining licenses from the Electricity Board, Water Supply Board, No Objection Certificates etc.
- Assist the entrepreneur to procure imported machinery and raw materials.
- Organising marketing outlets in liaison with other government agencies.

Realising the functions of DIC, it is very clear that DIC are the right place for the new entrepreneurs to get right guidance and assistance to start their business ventures. With 38 years of vast experience DICs are now well sufficient and organised to cater to the varying needs of the entrepreneurs.

Progress of Entrepreneurship Development through DIC

The entrepreneurs, who wish to avail the DIC services, need to submit the Entrepreneurs Memorandum Part I & Part II accordingly with the nearest DIC office.

- Entrepreneur Memorandum Part I is for the proposed enterprises.
- Entrepreneur Memorandum Part II is to the established enterprises after commencement of commercial production.

Table 1: Number of Part II Enterprises in Ernakulam

Year	Micro	Small	Medium	Total	Investment (in crores)
2010-11	1201	192	6	1399	384
2011-12	1041	153	0	1194	270
2012-13	1087	116	4	1207	312
2013-14	1387	147	5	1539	289
2014-15	1300	132	4	1436	268
Total	6016	740	19	6775	1523
Average	1203	148	4	1355	305

Source: DIC Reports

Table 1 shows the number of established enterprises in Ernakulam. It is worth noting that 6775 enterprises were registered through Ernakulam DIC during the study period with an average of 1355 units per year which is a best indicator of DICs



significance. Also it is understood that more blooming enterprises belong to micro sector with an average number of 1203 in a year owing to the lower investment. Small and medium enterprises have an average number of 148 and 4 respectively since heavy investment is required. It is remarkable to mention that total funds invested are Rs.1523 crores shows an average of Rs. 305 crores in a year.

Table 2: Gender Wise Classification

Year	Men	Growth Rate	Women	Growth Rate	% of women entrepreneurs to the total entrepreneurs
2010-11	1171	--	228	--	16
2011-12	985	(3)	209	(8.3)	17
2012-13	1016	3	191	(8.6)	16
2013-14	1252	23	287	50	18
2014-15	1178	(5.9)	258	(10)	18
Total	5602		1173		

Source: DIC Reports

From table 2, it is inferred that on an average in a year 1120 men and 234 women respectively are starting their business ventures with the help of DIC. Women entrepreneurship showed a positive momentum only in the year 2013-14, whereas men ventures gained positive trend during 2012-13 and 2013-14. But it is relevant to note that out of the total entrepreneurs, women account for nearly 21%

Table 3: Investment & Total Employment Generated

Year	Investment (Rs. in crores)	Employment Generated	Average Investment per Employment (Rs. in Lakhs)
2010-11	384	15945	2.40
2011-12	270	11992	2.25
2012-13	312	12154	2.56
2013-14	289	12302	2.34
2014-15	268	10522	2.54
Total	1523	62915	

Source: DIC Reports

Table 3 reveals the total investment and number of employment generated through Ernakulam DIC for the previous 5 years. The total investment amounts to Rs. 1522 crores and the total employment generated is 62915. On an average Rs.2.42 lakhs needed to generate an employment during the years 2010-15.

Table 4: Investments & Production

Year	Investment	Production
2010-11	384	150078.59
2011-12	270	105582.50
2012-13	312	123700.10
2013-14	289	86480.81
2014-15	268	135729.9

Source: DIC Reports

A correlation analysis made between investment and production shows a strong positive relationship (Pearson Co-efficient Correlation of 0.61) between the variables as the investment increases there is corresponding increase in production also.



Table 5: District Wise Details of MSME Units Registered in Kerala Up to 31.03.2015

District	Total Number	Total Investment (Rs. in lakhs)	Employment Generated
Thiruvananthapuram	33472	1835.54	164791
Kollam	17537	1200.87	118391
Pathanamthitta	10684	682.09	59246
Alappuzha	18256	1116.24	103070
Kottayam	24466	1257.30	85448
Idukki	5426	495.40	30691
Ernakulam	33099	3501.94	226815
Thrissur	32084	1723.65	131988
Palakkad	17026	1358.61	77856
Malappuram	13969	927.15	62762
Kozhikode	19307	1252.67	93397
Wayanad	3931	249.65	19870
Kannur	3931	774.81	61502
Kasargode	7345	362.52	38558
Total	249696	16738.51	1274385

Source: Directorate of Industries & Commerce

District wise achievements as on March 2015, indicates Ernakulam occupies the highest position in total investment with Rs. 3501.94 crores and a generated employment for 226815 persons. Thiruvananthapuram only outperform with the total number of MSMEs with 33472 units. This owes to the effectiveness of entrepreneurship development programmes boosted in Ernakulam district through District Industry Centres. Also Government envisages economic development through the creation of new employers rather than employment seekers. Though the progress made in upgrading skills and encouraging new entrepreneurs have been noteworthy, the efforts should be sustained to achieve higher levels of social development.

Conclusion

The term entrepreneurship is gaining wider acceptance for the creation of wealth and thereby social development. Even though many institutions and government bodies are involved in the generation of employment, the current scenario demands innovation and skilled manpower. The skill shortages need to be addressed and effort is required towards acquisition of new skills. Also more women oriented enterprises need to be generated.

It is necessary to create an encouraging environment which promotes research and development, nurtures entrepreneurial skills and helps in acquisition of new skills in tune with the needs of the economy so .Also an entrepreneurial system needs to be sustained with a knowledge base. Higher education and scientific research institutions will be the engine for new ideas for sustaining innovative enterprises. Joining hands with research institutions and focussed approach will make DICs enable to pave way for the new ideas and new horizons for the economic development.

References

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2. DIC Reports.