CHAPTER – III

INSTITUTIONAL SUPPORT SYSTEM FOR ENTREPRENEURSHIP DEVELOPMENT

➢ EDP Movement in India

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CHAPTER - III

INSTITUTIONAL SUPPORT SYSTEM FOR ENTREPRENEURSHIP DEVELOPMENT

PART-I

EDP MOVEMENT IN INDIA

The several motivational campaigns taken up in the 1960 and tried to fill the existing information gaps relevant for small entrepreneurs. Entrepreneurship Development Programme movement started in 1963 at Kakinada in Andhra Pradesh. The entrepreneurs required a lot of information for setting up of a business unit in that context, the contribution of programmes was essentially in the areas of disseminating knowledge on technical and managerial aspects. These programmes were in the nature of supportive for the new and existing entrepreneurs.

Programmes for the development of entrepreneurs can be traced to the pioneering efforts of the NISIET then known as SIET with whose collaboration, social scientist Prof. David C. McClelland of Harvard University attempted to verify the behavioral science theory that achievement motivation could be developed among adults with proper training. Experimental training courses on achievement motivation were conducted under his guidance during 1964-65 with the active involvement of SIET faculty Hyderabad. Then, SIET initiated EDP in the state of Jammu and Kashmir.¹

The SBI the apex commercial bank Occupies a place of pride taking clues from Gujarat model of EDP conducted its first EDP in 1978. The State Bank started conducting EDPs mainly in educated unemployed in industrial

back ward districts for the basic objective of creating awareness of self-employment through setting up of small-scale industries by providing training to prospective entrepreneurs.²

The first major systematic effort to identify and develop new entrepreneurs especially from non-conventional community backgrounds began in India in the state of Gujarat in 1970. Only two EDPs were organized in the initial year by one agency in Gujarat as sort of side activity. Later, considerable progress has been made by number of agencies including exclusively to conduct EDPs in all over the country.

EDP originated and developed out of the encouraging result of the two innovative schemes of financing ‘new entrepreneurs’ introduced by the Gujarat industrial investment corporation (GIIC) Ltd. namely Technicians Scheme (T.S) and New Entrepreneurs Scheme (NES).

From 1970-79, EDP were carried out as an auxiliary activity in Gujarat under the aegis of GIIC which setup a separate wing for this purpose. It was in 1979 that the Centre for Entrepreneurship Development (CED) was setup under the initiative of Gujarat government with the help of four state level financial and industrial promotional agencies. The success of GIIC’s financing schemes let to new efforts for identifying potential entrepreneurs from diverse backgrounds. Then package of training inputs made up of motivation, management orientation etc. A three months part-time evening training programme was evolved so that working persons from each local centre could participate.

Encouraged by the continued success of EDP in Gujarat, a number of official and semi-official agencies took up similar EDPs in their respective areas. 25 Small Industry Service Institutes (SISI) setup by Government of India, they conduct EDP for fresh engineers, technical diploma holders. 17 technical Consultancy organizations (TCOs) jointly sponsored by all India level financial institutions along with state level financial institutions. TCOs EDP meant for young graduates, experienced employees and women. The EDP were 6-3 week duration and used the curriculum developed by Entrepreneurship Development Institute of India (EDII)

EDII has been actively accelerating Entrepreneurship Development activity in the country and to improve the effectiveness of EDPs. Acting as a national resource centre of expertise and know how, EDII has been taken EDP to less developed states where the need to identify indigenous Entrepreneurship is of high priority. 3

Small Industry Development Organization (SIDO) started conducting EDPs for unemployed engineers through its SISIs. Industrial Development Bank of India (IDBI) evinced interest in the approach and circulated a paper on the achievements and potential of Gujarat Experience among various state governments which led to creation of the Centre for Entrepreneurship Development in Ahmedabad in 1979, EDI in 1983. Then, IED Lucknow, Bhubaneshwar, Patna established state centre such as Maharastra Centre for Entrepreneurship Development (MCED), Aurangabad, Madya Pradesh Centre for Entrepreneurship Development (MPCED), Bhopal, Centre for Entrepreneurship Development of Karnataka (CEDOK), Dharwad Established for Entrepreneurship development activities down to grass-root level.

Large number of institutions and E.D organizations are engaged in conducting a variety of training and research activities directed towards developing Entrepreneurship.

According to a study conducted by National Institute of Entrepreneurship and Small Business Development (NIESBUD) about more than 686 organization are engaged in conducting EDP in the country. All India level financial institutions, government, and commercial banks have been funding, supporting and organizing EDPs since 1978 in big way.4

Women Entrepreneurship gained importance in India after the launching of international women's year in 1975 as part of the above programmes a special programmes for women viz., “women’s industrial development programme” was planned to commemorate the international women’s year.5

Some other agencies such as management institutes, voluntary organisations, universities and colleges are now beginnings to start EDP by way of few elective papers as part of their regular course study. EDPs of different duration are tailor made for different target groups and are being conducted in different locations.6

PART - II

INSTITUTIONAL SUPPORT SYSTEM

The emergence of Entrepreneurship in a society depends on several influencing factors. The most important among them are considered to be the individual, environment, Socio-economic support system and institutional setup. The environment and the institutional setup are considered to be exerting direct influence on entrepreneurship. The support system and institutional setup would include Entrepreneurship Development Organizations, extension, research and consultancy services as well as large industrial units interested in developing ancillary industries. An attempt is made here to give a bird's eye view of Entrepreneurship Development Organisations in India and the State of Karnataka.

Following are the main division of promotional agencies which are engaged in development of Entrepreneurship in India.

A. Governmental Agencies at State Level

Gujarath is first state in India which spontaneously responded to the development of Entrepreneurship in the country. In Karnataka, some important institutes which are playing that crucial role in the development of Entrepreneurship.

1. Center for Entrepreneurship Development of Karnataka (CEDOK)
2. District Industries Centre (DIC)
3. Karnataka State Industrial Investment and Development Corporation Limited (KSIIDC)
4. Karnataka Industrial Area Development Board (KIADB)
5. Karnataka State Small Industries Development Corporation (KSSIDC)
6. Karnataka State Financial Corporation (KSFC)
7. Technical Consultancy Services Organization of Karnataka (TECSOK)
8. Karnataka State Coir Development Corporation Limited (KSCDC)
9. Karnataka State Handicrafts Development Corporation (KSHDC)
10. Karnataka Khadi and Village Industries Commission (KKVIC)
11. Karnataka Leather Industries Development Corporation (LIDKAR)

B. Governmental Agencies at National Level
1. State Bank of India (SBI)
2. Entrepreneurship Development Institute of India (EDII).
3. National Institute for Entrepreneurship and Small Business Development (NIESBUD)
4. Institute of Entrepreneurship Development (IED).
5. Indian Institute of Entrepreneurship (IIIE).
6. Science and Technology Entrepreneurship Parks (STEPs)
7. National Alliance of Young Entrepreneurs (NAYE).
8. Technical Consultancy Organizations (TCOs)
9. National Small Industries Corporation (NSIC)
10. Development Corporations like IDBI, ICICI, IFCI etc.
11. Small Industry Development Organization (SIDO)
12. Small Industries Service Institute (SISI)
15. National SC/ST Finance and Development Corporation (NSFDC)
16. Lead Banks, Commercial Banks.
17. Life Insurance Corporation of India.
18. Unit Trust of India.
C. Non-Government Organizations (NGOs)

The following are some NGOs playing their role for the development of Entrepreneurship in the Country.

2. Self Employed Women's Association (SEWA)

Along with the above, some Entrepreneurial Development Schemes declared by the government from time to time are also playing an important role for the increasing entrepreneurship among the country. They are

1. PMRY (Prime Minister's Rozgar Yojana) for Urban Micro Entrepreneurs
2. Jawahar Rozgar Yojana
3. Walmiki Ambedkar Yojana etc.

Directorate of Industries and Commerce

This is the primary Governmental agency responsible for promoting industrial growth. It operates through the District Industries Centre (DIC) which are located in the head quarter of each district.¹

District Industries Centre (DIC)

Government at both the levels have in the past taken a number of measures for the development of industries but the actual achievement have been far below the expectations. Also focus of attention for industrial development was mainly on large cities to the neglect of district areas. Accordingly, the DIC were established in May 1978 in order to cater to the needs of small units. Each district has a DIC at its head quarters. The main

responsibility of DICs is to act as chief multifunctional agency in respect of various Government departments and other agencies. The prospective small entrepreneurs would get all assistance from DIC for setting up and running an unit.

At the end of March 1999 422 District Industries Centres have been setup in the county, 431 districts were in operation. These DICs have assisted more than 1.5 lakh units generating employment for more than 10.3 lakh persons. But the metropolitan cities of Delhi, Bombay, Calcutta and Madras have been kept outside the purview of the DIC.

Each DIC has one General Manager (GM) in the rank of joint director of industries as the head and seven managers like four Functional managers, three project managers, each looking after a separate functional area as follows

![Organisational Setup of DIC](image)

The G.M has to provide on Effective leadership and Co-Ordination. Hence, The success of the center depends upon the functioning of G.M and his team of managers and other personnel. At the sub-divisional level, there could be Assistant Director of industries and industry promotion officer. Each DIC has Deputy Resource person who conducts EDPs, in accordance with the guidelines issued by Center for Entrepreneurship Development of the respective state.
Functions

DIC’s role is mainly promotional and developmental. To attain this end, it has to provide needed services and support to small and village Industries. Its various functions include the following.

1) DIC identifies prospective entrepreneurs by conducting entrepreneurial motivational programmes throughout the district. DIC gives training to rural entrepreneurs and also assists other units giving training to small entrepreneurs. EDPs, are an important aspect of industrialization since the entrepreneur may be highly qualified but still he may not be familiar with the different aspects and steps required in setting up of an industrial venture. DICs have been conducting EDPs in association with SISI and various TCOs to develop Entrepreneurial skills in the young entrepreneurs.

2) DIC offers Technical advice to new entrepreneurs for the selection of projects suitable to them.

3) DIC provides provisional and permanent registration to new entrepreneurs. Entrepreneurs are issued with Provisional SSI registration which is essential for obtaining assistance from the financial institutions.

4) DIC sponsors the loan application to SIDCO and Banks for the purchase of fixed assets and sanction margin money under Rural industries project loan scheme payable to other financial agencies for the purchase of fixed assets.

5) It takes the initiative to get clearance from department and takes follow up measures to get speedy power connection.

6) It makes necessary recommendation to the concerned raw-material suppliers and issues the required certificates for the import of Raw material and machinery.

7) DIC arranges for the financial assistance with the lead bank of the respective areas.

8) DIC assists SSI units and rural artisans to get subsidies under IRDP from various institutions.
9) It assists under self-employment for unemployed educated youth scheme introduced in 1983-84 for youths between 18-25 years with SSLC qualification.

Centre for Entrepreneurship Development (CED)

For institutionalising the entrepreneurial development activities at the state level, CED came into existence.

Gujarat is the first state in India which spontaneously responded to the need for development of entrepreneurship in the country. Thus, Gujarat is the most progressive state in India which manifested itself in the setting up of CED in Ahmedabad in May 1970 with the joint collaboration of the four state level institutions namely GIDC, GSIC, GIIC, and GSIC as well as IDBI, IFCI, and ICICI. Government of Gujarat, SFC, and Commercial banks provided special financial assistance to set up this national Centre for entrepreneurship development in the country. Gujarat government has played a pioneering role in the promotion of EDP in the country. It is conducting a series of innovative programmes since 1970.

Broad Objective of CED

CED was committed to achieve the following objectives:

1. To promote indigenous Entrepreneurship in the country.
2. To help other state level agencies in the promotion of EDPs
3. To conduct EDP in the state
4. To encourage innovative policies and programmes in Entrepreneurship formation.
5. To render valuable services in the identification and training of new Entrepreneurs.

6. To provide infrastructural facilities for the promotion of sound base of Entrepreneurship.

7. To alleviate the increasing unemployment among the fairly educated graduates of the country by imparting training in Entrepreneurship Development.

It calls for the innovative approaches in every field of Entrepreneurship Development. It also extends the liberal follow-up support to all the successful entrepreneurs to setup their own small scale units in the state.³

From 1970-79, almost for a decade, EDPs were carried out as on auxiliary activity in Gujarat under the aegis of GIIC which setup a separate wing for this purpose.

Table - 3.1

<table>
<thead>
<tr>
<th>Period</th>
<th>No. of programmes conducted</th>
<th>No. of Entrepreneurs selected and developed</th>
<th>Total units started</th>
<th>Additional units expected to start</th>
<th>Total units</th>
</tr>
</thead>
<tbody>
<tr>
<td>GIIC EDP wing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-4-70 to 31-3-79</td>
<td>84</td>
<td>2134</td>
<td>1380</td>
<td>-</td>
<td>1380</td>
</tr>
<tr>
<td>CED</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-4-79 to 31-3-81</td>
<td>87</td>
<td>2164</td>
<td>1400</td>
<td>-</td>
<td>1400</td>
</tr>
<tr>
<td>1-4-81 to 31-3-82</td>
<td>38</td>
<td>950</td>
<td>620</td>
<td>-</td>
<td>620</td>
</tr>
<tr>
<td>1-4-82 to 31-3-83</td>
<td>39</td>
<td>902</td>
<td>568</td>
<td>-</td>
<td>568</td>
</tr>
<tr>
<td>1-4-83 to 31-3-84</td>
<td>64</td>
<td>1560</td>
<td>736</td>
<td>200</td>
<td>936</td>
</tr>
<tr>
<td>1-4-84 to 31-3-85</td>
<td>41</td>
<td>1075</td>
<td>295</td>
<td>360</td>
<td>655</td>
</tr>
<tr>
<td>1-4-85 to 31-3-86</td>
<td>23</td>
<td>521</td>
<td>105</td>
<td>181</td>
<td>286</td>
</tr>
<tr>
<td></td>
<td>376</td>
<td>9306</td>
<td>5104</td>
<td>741</td>
<td>5845</td>
</tr>
</tbody>
</table>

Source: V.G. Patel, 1987, EDP in India.

From the above table, it shows that the tempo of EDP activity got specifically accelerated after 1979.\textsuperscript{4}

A CED was registered in Madhya Pradesh on 17\textsuperscript{th} Nov. 1988 taken up later by IFCI. A few states Govt. of Karnataka, Andhra Pradesh, Rajasthan etc. have also expressed the desire to setup CED in their respective states. The proposals of these states Govt. to be considered on their merits by financial institutions in due course. The state level institutes / CED endeavored to carry out at the grass-root level to provide the support of human resources to various states and district level EDP organisation as engaged in entrepreneurship. The state level organisation continued to provide industrial extension, motivation services, business opportunity guidance, project counseling etc, and to provide training to various target groups. The CED Ahmedabad was sponsored by the state Govt. and public sector corporation concerned with industrial development in the state. This centre conducts EDP continuously for different target groups for the development of potential entrepreneurs.

Centre for Entrepreneurship Development of Karnataka (CEDOK), Dharwad

Dharwad in Karnataka is well connected by rail, road to all major cities. The campus is an eight hour drive from the state capital Bangalore on the NH-4 and is a three hour drive from Panjim airport. Air travel service are expected to resume at Hubli and Belgaum airports.

CEDOK is an autonomous organisation registered on 15\textsuperscript{th} May 1992 and promoted by Government of Karnataka, industrial development agencies of the

state viz. KSSIDC, KSFC, KSIIDC, KIADB and national level financial institutions viz. IDBI, IFCI, ICICI and the Government of India.

CEDOK has been spearheading Entrepreneurship movement in the state with a belief that entrepreneurs need not necessarily be born, but they can be trained and developed through well conceived and directed activities. It is now widely recognised that Entrepreneurship education can be a very effective instrument to bring out latent resources and capability of people. Based on this practical belief, the mission of CEDOK is

- To augment the supply of entrepreneurs through education and training.
- To produce multiplier effect on opportunities for self-employment.
- To improve the managerial capabilities of small entrepreneurs.
- To contribute to the dispersal of entrepreneurship and thus expand the social base of entrepreneurial class.
- To contribute to the creation and dissemination of knowledge and insight in entrepreneurial theory and practice through research.
- To augment the supply of trainer-motivator for entrepreneurship development.
- To participate in institution building efforts.
- To collaborate with academic institutions abroad and international organisations and to organise programmes for participants from other developing countries.

The centre has established state wide reputation and currently offers structured and specific EDPs and assistance to the first generation potential entrepreneurs. CEDOK has regional managers assisted by district training officers who act as full-time trainer-motivator in all the district head quarters throughout the state.
CEDOK conducts EDPs for individuals with family background or experience in business or industry. Programmes are specially designed and fine tuned to cater to the requirement of the participants such as middle-level managers, teachers, accountants, traders, fresh graduates from technical and non-technical institutions, artisans, school and college dropouts, Ex-servicemen, women and backward/minority communities. Centre also trains officers from various Govt. departments and non-Governmental organisations (NGOs).

Facilities at CEDOK

The centre is having faculty members who regularly consult with industry, trade and Govt. organisations. This enables the faculty to bring the reality of today's world into the classrooms. CEDOK is having excellent infrastructure facilities on the campus.

The software inventory is continuously updated to keep pace with the requirements of the centre's diverse educational endeavours. Participants have access to a specialised collection of books, directories, newsletters, periodicals, journals, reports, video cassettes and dissertation extracts. Special services include major library catalogues, computer assisted database searching and media services. The participants have access to photo copying, library and information services.

Residence on the campus is recommended for all participants. The auditorium can accommodate 300 participants. It is provided with two green rooms and is equipped with a projector, acoustic and lighting equipments. It is designed to conduct business related seminars and conferences. A business centre for entrepreneurs and a broad room with a seating capacity of 20 is

5. A Note on Activities of CEDOK. 2000.
The administrative block provides for the faculty, library, reprographics and Audio-visual room. The two seminar halls have a seating capacity of 40 each. The centre offers many opportunities in Entrepreneurship and plan careers as successful entrepreneurs.

CEDOK has trained 91,433 candidates under various programmes, since its inception in 1992 till the end of March 2000. During the year 1999-00, CEDOK has trained 15,869 candidates under various programmes viz. EDPs, EDP trainers training programmes, executive development programmes, management development programmes, seminars, workshops etc.

Rural industrialisation programme promoted by SIDBI and Government of Karnataka has been in progress in the erstwhile Dharwad district since 1996-97. So far, 106 entrepreneurs have obtained financial assistance and started their ventures. Rural Industries Project (RIP) in Hasan District was also be taken up during the year 2000-01. National Rural industrialisation programme will be launched in Bellary district during the current year. CEDOK is associated with the district (RIP) sponsored by NABARD in Bijapur and Bagalkot districts. Science and Technology Entrepreneurship Development (STED) projects has been sanction by the department of science and technology Government of India for implementation of the project in Dharwad district.

Faculty support from CEDOK has been provided to the MBA, BBM and BA students by teaching entrepreneurship development and small enterprise management in the college situated in and around Dharwad.
A few candidates are sponsored under the open learning programme on entrepreneurship promoted by EDII; Ahmedabad. CEDOK has been spearheading entrepreneurship movement throughout the state.6

Table - 3.2
Details of Programmes Conducted by CEDOK as on 31-3-2000

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Types of Programme</th>
<th>Duration</th>
<th>Number of Programmes</th>
<th>Number of Participants</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>PMRY EDP</td>
<td>30 days</td>
<td>251</td>
<td>12628</td>
<td>Allover Karnataka</td>
</tr>
<tr>
<td>2</td>
<td>EDP for PRC holders for women</td>
<td>1 week</td>
<td>1</td>
<td>21</td>
<td>Bellary</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 week</td>
<td>1</td>
<td>30</td>
<td>Chitradurga</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 week</td>
<td>1</td>
<td>46</td>
<td>Hubli</td>
</tr>
<tr>
<td>3</td>
<td>EDP general</td>
<td>6 weeks</td>
<td>4</td>
<td>103</td>
<td>Ramanagar, Hasan, Davangare, Belgaum.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 weeks</td>
<td>1</td>
<td>15</td>
<td>Davangere.</td>
</tr>
<tr>
<td>4</td>
<td>EDP SC/ST</td>
<td>6 weeks</td>
<td>4</td>
<td>74</td>
<td>Bangalore, Udupi, Hospet, Hubli, Davangere.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6 weeks</td>
<td>1</td>
<td>25</td>
<td>Bellary</td>
</tr>
<tr>
<td>5</td>
<td>Special EDP plastics</td>
<td>4 weeks</td>
<td>1</td>
<td>33</td>
<td>Mysore</td>
</tr>
<tr>
<td>6</td>
<td>EDP for KVI sector</td>
<td>4 weeks</td>
<td>1</td>
<td>25</td>
<td>Bellary</td>
</tr>
<tr>
<td>7</td>
<td>EDP under DRIP scheme of NABARD</td>
<td>4 weeks</td>
<td>1</td>
<td>26</td>
<td>Bijapur</td>
</tr>
<tr>
<td>8</td>
<td>TTP for NGO3</td>
<td>10 days</td>
<td>1</td>
<td>31</td>
<td>CEDOK campus</td>
</tr>
<tr>
<td></td>
<td>Product development workshop for women</td>
<td>3 days</td>
<td>1</td>
<td>23</td>
<td>CEDOK campus</td>
</tr>
</tbody>
</table>

6. A Note of CEDOK: Commitment to Entrepreneurship Development. 1999.
<table>
<thead>
<tr>
<th>No.</th>
<th>Program Description</th>
<th>Duration</th>
<th>Participants</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>EDP opportunities in software development</td>
<td>10 days</td>
<td>1</td>
<td>22 Hubli</td>
</tr>
<tr>
<td>11</td>
<td>Vocational RYLA skill development</td>
<td>2 weeks</td>
<td>1</td>
<td>60 CEDOK campus</td>
</tr>
<tr>
<td>12</td>
<td>Rural women SHGs</td>
<td>1 day</td>
<td>1</td>
<td>180 Mugad (Dharwad)</td>
</tr>
<tr>
<td>13</td>
<td>EAP</td>
<td>3 days</td>
<td>10</td>
<td>525 Karwar, Hubli, Mandya, Gulburga, Davangare, Bijapur, Bangalore.</td>
</tr>
<tr>
<td>14</td>
<td>EAP</td>
<td>3 days</td>
<td>4</td>
<td>230 Chitradurga, Bhatkal, Manipal, Chikkaballapur</td>
</tr>
<tr>
<td>15</td>
<td>Business counseling</td>
<td>1 day</td>
<td>1</td>
<td>40 CEDOK campus</td>
</tr>
<tr>
<td>16</td>
<td>Industrial Exhibition and seminar</td>
<td>1 day</td>
<td>1</td>
<td>350 Badami</td>
</tr>
<tr>
<td>17</td>
<td>EAP for students</td>
<td>1 day</td>
<td>2</td>
<td>69 CEDOK campus</td>
</tr>
<tr>
<td>18</td>
<td>Seminar on investment opportunities</td>
<td>1 day</td>
<td>1</td>
<td>237 Gulgarga</td>
</tr>
<tr>
<td>19</td>
<td>Awareness programme on tobacco less day for industrial employees</td>
<td>1 day</td>
<td>1</td>
<td>60 CEDOK campus</td>
</tr>
<tr>
<td></td>
<td>Event</td>
<td>Duration</td>
<td>Participants</td>
<td>Location</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------------------------------------------</td>
<td>----------</td>
<td>--------------</td>
<td>----------------</td>
</tr>
<tr>
<td>20</td>
<td>Financial for casting and computer application</td>
<td>1 day</td>
<td>1</td>
<td>28</td>
</tr>
<tr>
<td>21</td>
<td>Study tour for SIMA Participant</td>
<td>1 day</td>
<td>1</td>
<td>18</td>
</tr>
<tr>
<td>22</td>
<td>Seminar on Contract labor</td>
<td>1 day</td>
<td>1</td>
<td>50</td>
</tr>
<tr>
<td>23</td>
<td>Divisional Level work shop for officers of I and C department</td>
<td>1 day</td>
<td>2</td>
<td>143</td>
</tr>
<tr>
<td>24</td>
<td>Career in Furniture business for women</td>
<td>3 days</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>25</td>
<td>Technology upgradation for glass fibre Reinforced plastics</td>
<td>1 days</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>26</td>
<td>Pollution control in industries</td>
<td>1 day</td>
<td>1</td>
<td>25</td>
</tr>
<tr>
<td>27</td>
<td>Workers education programme</td>
<td>3 days</td>
<td>1</td>
<td>24</td>
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<tr>
<td>28</td>
<td>Conference for opportunities Entrepreneurs and role of NGO's</td>
<td>1 day</td>
<td>1</td>
<td>250</td>
</tr>
<tr>
<td>29</td>
<td>Book Keeping orientation programme</td>
<td>3 days</td>
<td>10</td>
<td>351</td>
</tr>
<tr>
<td>30</td>
<td>Training on Financial Forecasting and working capital management and marketing management</td>
<td>1 day</td>
<td>3</td>
<td>69</td>
</tr>
</tbody>
</table>
PMRY : Prime Minister's Rozgar Yojana
SHGs : Self-Help Groups
EAP : Entrepreneurship Awareness Programme
JDs : Joint Directors
DDs : Deputy Directors

Small Industries Service Institutes (SISIs)

A SISI a pioneer in industrial extension work is a multipurpose institution. It is by and large an advisory agency rendering services to Small Scale Industries and to government departments, semi public institutions and other agencies directly and indirectly responsible for the development of the Small Scale Sector but it has no authority to enforce the proposal or advice. There are more than fifteen SISs set up by the Government of India, they conduct programmes primarily for fresh engineers and unemployed science graduates.

Objectives

Unique objectives of SISIs are
- Identification of projects.
- Preparation of project reports.
- Managerial consultancy services.
• Conducting EDP, technical Management programmes.
• Common facilities workshop services.
• Demonstrations, training programmes on consumer goods etc.

Organisation
The SISI has normally the following divisions, each headed by a deputy director or assistant director or as the case may be.

• Administrative including accounts.
• Industrial management and training.
• Economic investigation.
• Mechanical division.
• Electrical including electronics.
• Metallurgy division.
• Chemicals division.
• Leather ceramic and glass.
• Industrial design division.

Functions
The functions of the SISI include,

• Policy advisory service.
• Technical advisory service.
• Workshop and laboratory service.
• Management consultant services.
• Economic services, economic data and preparation of Feasibility report.
• Industrial extension and other promotional programme like Financing, export promotions, Research.
• Design and development of appropriate technology.
• Ancillary Development.
• Training of workers, foreman, Managers, etc.
Promotion of entrepreneurship and development of small industries in rural and other under developed areas.7

SISI at Bangalore

The SISI Bangalore has been setup by the Government to supplement the activities of the state Government for promotion and development of SSIs. SISI network in Karnataka state is a part of the national network under the SIDO, ministry of Industry. SIDO is an apex body and a nodal agency for formulating, co-ordinating and monitoring the policies and development of small-scale industries in the country. The function of SISI which are primarily to provide industrial extension services for promotion / developing small scale ventures in Karnataka state are briefly here under:

I. Consultancy Service Activities

a) Technical Consultancy Services

Technical consultancy is an important extension services rendered by SISI for prospective and existing industries in the area of mechanical engineering, Leather and metallurgy. The institute assists Entrepreneurs in product selection, choice of technology, selection of machinery etc.

b) Management Services

SISI renders management consultancy services in important areas like personnel management, Financial Management, marketing management, cost reduction, quality control, Accounting procedures, inventory management, Financial control, etc.

c) Economic Information Service

The economic information division provides statistical data and economic information in respect of selected products to enable entrepreneurs to

choose right products line. Some of the important studies undertaken are industrial development potentialities of the district, market surveys, etc.,

**Marketing Services**

SISI assists small-scale units for enlistment under single point Registration programme under National Small Industries Corporation (NSIC) for supply of stores to Government department.

d) **Export Promotion Counseling Services**

Exports promotion cell provides information to entrepreneurs on potential for exports, preparation of exports documents.

**II. Training Activities**

a) **Technical Training**

SISI is conducting technical training programmes for the benefit of prospective entrepreneurs in various fields such as tool and dye making, cutting tool technology, master cam, pro engineer, hydraulic pneumatics mechanist, Decoration of glass and ceramic ware, plaster toys, leather utility articles, screen printing etc., In addition to the technical training, demonstration programmes for the benefit of entrepreneurs is also being conducted. A nominal service charge is levied in trades like screen printing, Agarbathi rolling, etc.

b) **Entrepreneurial Development Programmes**

SISI conducts specific training programmes to develop entrepreneurs among the engineers, women candidates, defense personnel, students, educated unemployed, etc.

c) **Skill Development Programmes**

There are short – term courses aimed to provide mainly practical inputs. Generally one / two week programmes are conducted on various topics.
Prescribed fee has to be paid for the programme. A certificate will be issued at the end of the programme.

d) Management Training

SISI conducts management courses for the benefit of middle and higher level managers of small-scale units in various functional areas like industrial management, production management etc., other function of SISI are.  

Special EDP Programmes

SISI Bangalore took up EDPs at the instance of the development commissioner SSI New Delhi in 1970. These programmes were basically to provide entrepreneurial inputs to the qualified young engineers who were facing unemployment in those days. Therefore, this programme comes up as a social necessity to cater to this section of educated people and the candidates who were undergoing training were even paid stipend by the Government. The programme was of 3 months duration and was carried out directly in accordance with curriculum issued by development commission SSI New Delhi.

In the second half of 1970, SISI Bangalore changed the pattern of EDPs. While for the young Engineers, the EDP was a general one, the EDP designed to be conducted by the SISI Bangalore from 1978 onwards were of the product-process oriented type. SISI Bangalore had to resort to this step since a number of organisations had come up both at the central and state levels which were providing EDP of general type. Some of the notable agencies in this field were TECSONK jointly sponsored by the Government of India, financial institutions, state level specialised entrepreneurship institutions.

8. A Note on activities of SISI Bangalore.
   e-mail: sisibng@bgl.vsnl.net.in, website: www.sisikarnataka.org,
   www.sisisubcontract.org

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While designing the various products process oriented EDPs, SISI Bangalore has chalked out a comprehensive curriculum, the candidates who undergo the EDP of a product process oriented nature would not only get the theoretical inputs but would also get the practical inputs that are required to enable them to have the confidence technically as well as commercially to start an enterprise of their own. The product process oriented EDP are normally designed for heterogeneous target groups.

SISI Bangalore conducts EDP at different places which fall under its jurisdiction. It is possible for the institute to reach both the urban and rural target groups. The Industrial Management Training (IMT) division of the SISI, Bangalore is co-ordinating the EDP to be conducted by the concerned technical division. In respect of the training for PMRY, the co-ordination is done by the designated officer who looks after the PMRY work and the training programme is conducted by the various officers of the institute who are placed as district co-ordination officers of the various districts.

SISI Bangalore also actively assists the other NGOs in conducting such EDPs by way of providing infrastructure support, faculty and laboratory facilities wherever required.

Some of the products in which SISI, Bangalore has been conducting EDPs are PCB design, fabrication and assembly, computer maintenance and service etc. EDP among women are Hosiery knitting, Leather utility articles, Floriculture, bakery products etc.

During the year 1994-95, 500 PMRY beneficiaries were trained by this Institute. This programme which was to be taken up by SISI on a priority basis at the instance of the state Government made the SISI with its limited man-power reduces the other types of EDPs. Hence, the total number of
persons trained under the other types of EDPs has comedown. This would highlight that SISI Bangalore is making all out-efforts to play a complementary role to the other agencies, which are engaged in the task of conducting EDP in order to provide a synergistic effect. The Director of SISI Bangalore is on the Board of the CEDOK and takes an active part in their policy formulation with regard to conducting the EDPs by this agency for different groups.

**SISI Bangalore – EDP in future**

The EDP will have vital part to play during the next periods:

- Entrepreneurs of the present day and the future are going to be of two different classes. This Entrepreneur while launching a unit would perhaps include more social ties in their network and would like to thrive on the network so built, some of the Entrepreneurs may have typical local networks where as women Entrepreneurs would perhaps tend to build more social networks.

- It will be necessary for the concerned agencies to take up EDPs in two tiers. They would be new enterprise programs and firm start programmes.

- It may not be possible for the candidates to spend their full time. For such of those people, it may be necessary for the agencies to think of programmes where the training take place mostly over the week end and on occasional evenings.

- Small industry development itself taking new turns. Time has now come for the small industry to be split into different sub-sectors namely-Import substitute units, Export oriented units, micro-enterprises, one person Enterprise etc.

**SISI levies service charges for the followings activities for ex.**

1. Preparation of project report/feasibility reports ½% on the cost
2. In plant study – Rs. 5,000 per unit
3. Market survey for specified products - Rs. 10,000
Single-Window Agency

The Single-Window agency an high powered body comprises of following persons as members.

a. The secretary, Department of industries and commerce
b. Director of industries and commerce
c. The heads of various developmental agencies.

This agency provides all infrastructures inputs such as land, water, power, institutional finance, incentives, marketing assistance under one roof. Thus avoids unnecessary delays usually this work is undertaken by technical consultancy organizations (TCOs).  

Karnataka State Industrial Investment and Development Corporation Limited (KSIIDC)

KSIIDC is an agency for promotion of large and medium industries in the state. The corporation provides escort services for the projects cleared at the state level by the single window agency for speedy implementation of the project. The seed capital scheme of the IDBI is administered by the corporation.  

The corporation has the following plan of action:

- To identify industrial opportunities and to scout suitable entrepreneurs who can exploit these opportunities and to bring about a marriage between two.
- To apply for industrial licenses arrange for foreign collaborations and take all steps necessary for setting up of industrial units.
- To give equity support to nascent industrial units being established in the joint sector and to sanction loans on a long term basis.
- The corporation participates in the equity of many new entreprises.

Karnataka Industrial Areas Development Board (KIADB)

KIADB is playing a vital role in accelerating the industrial development in the state by providing basic infrastructural facilities. It is the Nodal agency for development of growth centers at Hassan, Dharwad and Raichur which have been selected in consultation with the central government. An exclusive export oriented industrial zone is being developed near Bangalore. The board has taken the responsibilities of providing infrastructural facilities for upcoming Mangalore oil Refining and other down stream projects at Mangalore.\(^\text{12}\)

Karnataka State Small Industries Development Corporation (KSSIDC)

KSSIDC came into being in 1960 as a Government company with the main objective of setting up of and developing industrial estates in the state. It also helps small units in spheres of supply of raw materials, machinery as hire purchase marketing assistance and revival of sick units. It has the distinction of having established more than 87 industrial estates comprising 3811 industrial sheds and 525 plots. The corporation has future plans to set up industrial estates in all 175 taluks of the state.\(^\text{13}\)

State Financial Corporations (SFCs)

SFCs have been set up under SFCs Act 1951 to perform the function of a separate state level development bank especially to cater to the financial requirements of Small and Medium Enterprises. The first SFC was setup in Punjab in 1953, followed by others. At present there are 18 SFCs in the country.


\(^{13}\) KSIIDC Pamphlet, *Welcome to Karnataka*, 1987.
The broad spectrum of SFCs operations covers grant of financial assistance to SMEs in the form of term loans, discounting of bills of exchanges, direct subscription to equity / debentures and guarantees of deferred payment for purchase of plant, machinery within India. Under its special scheme for technological modernisation of small units Eg. Artisan, village and cottage scheme, it provides financial assistance for acquisition of tools, equipment and machinery. Some new schemes like equipment finance scheme and modernization scheme out of the small industries development fund of the IDBI are meant to encourage small entrepreneurs adopt latest improved technology and to prevent mechanical and technological obsolescence.14

Karnataka Financial Corporation (KSFC) came in to existence in 1956. It has committed itself to the industrial growth of the state and stands second in performance in the whole of India. It organizes and conducts EDPs, planning and development department of the corporations conducted market survey at regular intervals.

KSFC provide financial assistance to potential entrepreneurs under the following schemes.

- KSFC’s financial assistance to Ex-servicemen
- Finance for hatcheries and poultry farms
- Financial assistance to industries for modernisation.
- Finance for rehabilitation scheme for sick units.
- Quick loans for expansion and business diversification.
- Finance for hire purchase scheme for industrial equipment
- Finance for disabled Entrepreneurs
- Finance for tourism related facilities.

- Finance for acquisition of indigenous and imported 2nd hand machinery.
- Finance scheme for computerisation.
- Financial assistance for quality control.
- Composite loans for artisans, village and cottage industries and units in the tiny sector.
- Assistance for the development of industrial estates.

**Technical Consultancy Services Organisation of Karnataka (TECSOK)**

TECSOK is a consultancy organization setup jointly by the Govt. of Karnataka and state level developmental organizations such as KSFC, KSIIDB, KSSIDC, SISI. The range of services provided by TECSOK includes identification of projects, selection of suitable locations, preparation of techno-economic feasibility report, conducting market surveys, holding EDPs etc. The schemes like encouraging adoption of indigenous technology, development of technology through in-house efforts and meeting the cost of feasibility studies are operated by TECSOK.

**Karnataka State Coir Development Corporation Limited (KSCDC)**

The KSCDC and the Karnataka State Central Coir Co-operative Development and Marketing Society Ltd. are the two apex institutions charged with the responsibility of development of coir industries in the state. These institutions are provided with share capital assistance during Eighth plan and have setup show-rooms/emporia in the state.

**Karnataka State Handicrafts Development Corporation (KSHDC)**

Karnataka is well known for the rich heritage blessed with a multitude of arts and crafts and is one of the leading states in the field of handicrafts in the country. The KSHDC has been setup with the responsibility of protection,
growth and development of handicrafts in the state. It is the implementing agency for various development schemes. The corporation has setup emporia within and outside the state for display/sale of handicrafts articles. It has also setup craft complexes, Rural marketing and service centers, production centers to provide felicities and services to the artisans. It is also running raw-materials departments for supply of raw materials to the artisans at reasonable prices. The KSHDC is one of the leading exporters of handicrafts mainly to USA and European countries. The corporation purchases the sandal wood from the forest department and distributes the same among craftsmen at 75% of the cost.

Karnataka State Khadi and Village Industries Board (KVIB)

The functions of the Board is to organize, develop and regulate Khadi and village industries in the state, render financial, technical and other necessary assistance for developing khadi and village industries in rural areas. With its programs, the Board is expected to tackle the problem of unemployment in rural areas and raise the standard of living of rural artisans. Besides, covering khadi industries in all the districts, the Board has been extending financial assistance to village industries.

Karnataka Leather Industries Development Corporation (LIDKAR)

The LIDKAR was setup in 1976. Its main objective is to develop leather based industries in Karnataka with emphasis on cottage and rural sector. The corporation procures finished goods manufactured by the artisans and small leather units and markets the same through its emporia.

LIDKAR has established an institute called Karnataka Institute of Leather technology (KILT) at Bangalore. The institute has twin objective of training manpower to provide technical assistance and management in the
country, and to train students to become entrepreneurs. The training is given in leather technology, footwear and leather goods.

In order to compete with the private sector industries, the latest design will have to be transferred to the artisans by conducting training programs. To achieve this, it is necessary to have quality testing machine. Hence, the LIDKAR has established testing facilities.

There is scope for ancillarisation of industries in the state as medium and large industries are existing in Bangalore, Mysore, Dharwad, Belgaum, Tumkur and other important places. Under this program the corporation envisages identification of components for ancillarisation, preparation of project reports, giving publicity through advertisement in newspapers, selection of entrepreneurs, conducting of buyers and sellers meet.16

From the above, it reveals that the Karnataka state is endowed with natural and manual labour force. It has distinguished industrial history and at present considered to be one of the industrially developed states in the country. It has been possible largely due to government conducive policies, entrepreneurship Development organizations even during pre-independence period. Yet there are regions and districts which are not yet developed industrially.17

Institutional Setup for Women Entrepreneurship

In conformity with the policies governing the development of women, a number of supporting agencies in Karnataka have been established to help them. These agencies in spite of having variations in their broad objectives are expected to work for the socio economic development of women. Some of the

agencies provide only financial help whereas some other offer training to women to set up a unit.

KSFC was started in 1956 as per the KSFC Act 1951, to support the growth of industries in the state. It has a specific scheme called ‘Mahila Udhyama Nidhi’ to encourage women Entrepreneurs. At present KSFC is concentrating on financing bigger projects under taken by women. Under the scheme it is now concentrating on big projects as commercial banks are now asked to shoulder the responsibility of extending financial assistance to small and tiny enterprises.\(^\text{18}\)

The Technical Consultancy Organisation (TCOs) also encourages development of women Entrepreneurship. TECSON setup a “Women cell” in 1984 to encourage the growth and development of Entrepreneurship amongst women. Women cell in involved in women development activities through “Yashaswini”, a special programme initiated by the Government of Karnataka recently.

Department of industry and commerce, Government of Karnataka has recently started a unique programme “Yashaswini” to help women Entrepreneurship in the state under this programme women are provided all round help to become and grow as successful Entrepreneurs. Programme include Entrepreneurship awareness, Entrepreneurship Skill Development, technology transfer, consultation and counseling, marketing management, management Development training and follow-up support to the training.\(^\text{19}\)

IDBI has extended some schemes for women Entrepreneurs with the twin objective of providing training and extension services. Training and


\(^{19}\) http://www.tecsok.com
extension services for women are through approved agencies and also in
association with development agencies like EDI, TECSOK, KVIC and
Karnataka Rajya Mahila Abhiruddhi Nigama (KARMANI), IDBI meets the
financial requirements required for training women Entrepreneurs.20

Small Industry Development Bank of India (SIDBI) is one of the
development banks that has been active in the field of developing
Entrepreneurs and women Entrepreneurs.

SISI is one of the central government organisations actively involved in
the task of developing women Entrepreneurs at national level.

Karnataka Rajya Mahila Abhivruddhi Nigama (KARMANI) was set up
in 1987 under the companies act of 1956 with an objective of assisting the
women.

Year 2001 is declared as the women empowerment year and throughout
the year programme carried out directed at creating awareness about women
empowerment. November of 2001 is the month of women empowerment.

State commission for women was set in August 1996, the commission is
statutory body, whose task is to ensure effective implementation of
constitutional statutory provisions regarding women.

The department of women and child development launched Karnataka
Mahila Abhivruddhi Yojana during 1995-96.

Karnataka has been the first state in the country to introduce a scheme of
inter-sectoral allocations for women. The strategy of the scheme is to earmark
1/3 of resources for women in individual beneficiary oriented schemes and

labour intensive schemes of the various departments of the government. The department of women and child development launched Karnataka Mahila Abhivruddhi Yojana during 1995-96 to ensure gender equality and to integrate women in the mainstream of development.

Keeping in view the need to have increased political representation for women an amendment was made to the constitution which is considered to be a concrete step towards empowerment of women.

The Karnataka Panchayath Raj Act 1993 has made provision of minimum 1/3rd reservation for women in Gram, Taluk and Zilla panchayat.21

State Bank of India (SBI)

The state bank started conducting EDPs mainly in backward districts with the basic objective of creating awareness of self-employment through starting up of small scale industries by providing training to prospective entrepreneurs.

The model in which EDP is conducted has three distinct phases.....

1. Initiation Phase – in which awareness regarding opportunities and agencies involved are created among the people and persons with high potential entrepreneurial ability are identified and selected through various tests and interviews.

2. Development Phase – in which development of latest entrepreneurial traits, motivation, confidence, economic insight and management skills takes place through a well designed training programme.

3. Support Phase – in which refers to the support for establishing and running an enterprise support by way of infrastructural facilities, shed, power etc, financial assistance and continued counselling the encouragement to the entrepreneur in the formation stages of the enterprise are part of this phase.

4. The SBI conducted its first EDP in 1978 although the Bank was associated with such programme even early eighties. This programme is a full-time residential course of a month’s duration. The course starts with Achievement Motivation Training (AMT) followed by technical and managerial inputs for starting and running industrial units and visits to a few running units. The AMT training is given by AMT – trained officials of the Bank and other courses are taken by technical officers of the Bank. After the programme “follow-up meeting” are organised by the Bank about one-and-a half to two years. The Bank provide liberal financial assistance to the candidates trained under the programme.

**Progress in the Conduct of EDP**

Starting with 6 EDPs in 1978, the Bank had conducted 104 EDPs as at the end of 1985. Of these 104 EDPs, 84 EDPs were conducted industrially backward districts of the country. In 1978, EDP were conducted by 5 of the 9 circles of the Bank at that time i.e. Bombay, Madras, Delhi, Bhopal and Hyderabad. Bombay circle conducted EDP in Goa, Madras circle in Bilaspur and Hyderabad circle in Ranga Reddy districts. From 1979, others circles started conducted EDPs in their area of operation.
Table 3.3

In these 104 EDPs, 2430 candidates were given training is as follows.

EDPs conducted by the SBI

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Circles</th>
<th>No. of EDPs Conducted</th>
<th>No. of Candidates Participated</th>
<th>No. of Candidates who started units, as a % of total No. of Candidates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>Average</td>
</tr>
<tr>
<td>1</td>
<td>Ahmedabad</td>
<td>07</td>
<td>171</td>
<td>24</td>
</tr>
<tr>
<td>2</td>
<td>Bombay</td>
<td>09</td>
<td>218</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>Bangalore</td>
<td>04</td>
<td>96</td>
<td>24</td>
</tr>
<tr>
<td>4</td>
<td>Bhopal</td>
<td>07</td>
<td>153</td>
<td>22</td>
</tr>
<tr>
<td>5</td>
<td>Bhubaneswar</td>
<td>05</td>
<td>118</td>
<td>24</td>
</tr>
<tr>
<td>6</td>
<td>Bengal</td>
<td>07</td>
<td>156</td>
<td>22</td>
</tr>
<tr>
<td>7</td>
<td>Chandigarh</td>
<td>10</td>
<td>226</td>
<td>23</td>
</tr>
<tr>
<td>8</td>
<td>Delhi</td>
<td>10</td>
<td>256</td>
<td>26</td>
</tr>
<tr>
<td>9</td>
<td>North-Eastern</td>
<td>13</td>
<td>247</td>
<td>19</td>
</tr>
<tr>
<td>10</td>
<td>Hyderabad</td>
<td>07</td>
<td>167</td>
<td>24</td>
</tr>
<tr>
<td>11</td>
<td>Lucknow</td>
<td>09</td>
<td>230</td>
<td>26</td>
</tr>
<tr>
<td>12</td>
<td>Madras</td>
<td>13</td>
<td>312</td>
<td>24</td>
</tr>
<tr>
<td>13</td>
<td>Patna</td>
<td>03</td>
<td>80</td>
<td>27</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>104</strong></td>
<td><strong>2430</strong></td>
<td><strong>23</strong></td>
<td><strong>28</strong></td>
</tr>
</tbody>
</table>

Source: Economic Research Department of Bank's Central Office, Bombay.

From the above, the average member of trainees per EDP worked out to 23, ranging from 19 north – eastern circle to 27 in Patna circle. In some areas mainly the north-eastern region, it was very difficult to get enough number of suitable candidates for the programmes and so, the average number in the north-eastern circle is low. Of the total candidates trained under EDP, 28% started small scale industries.
Evaluation Study of EDPs

After conducting over 100 EDPs all over the country the Bank decided to conduct an evaluation study of the EDP to assess the effectiveness of the program in developing Entrepreneurship in the country. The study was conducted in 1986. This was in fact the second study conducted by the bank. The first one was conducted in 1980. The present study was conducted by the Economic Research Department of the central office of the bank.

Now a days, SBI not conduct EDPs and evaluation of EDP, only it provides financial assistance in the form of fund and non-fund to the development of potential Entrepreneurs.22

Entrepreneurship Development Institute of India (EDII)

Origin of the Institute

IDBI an apex development finance institution in the country convened and organized a “National seminar on EDP on 3rd March 1980 at Bombay. The chief aim of the seminar was to evolve a well planned and integrated approach to develop Entrepreneurship and to encourage the state level agencies engaged in the work of promotion of Entrepreneurship on scientific lines. The seminar was attended by the chiefs of various development corporations and technical institutions. The chiefs Emphasised for on objective assessment and evaluation for work done in the sphere of Entrepreneur Development. This conference favoured the identification of right kind of institutions as well as the right kind of training inputs for conducting EDPs. Thus, a proposal was made for the setup of “National Institute for Entrepreneurship Development” in the country. All the progressive finance bodies like IFCI, IDBI, ICICI, SBI agreed to extend unstinted support for the setting up of the EDII. As a result of this whole

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hearted support, the Government of India agreed to set up a “National Institute for Entrepreneurship Development” with a cost of Rs.150 crores. The location of this was strongly debated and the Gujarat State Government strongly claimed for its location in its own state on the basis of long and rich experience of CED. Then “Entrepreneurship Development Institutes of India”, Ahmedabad came into existence.

The EDII is an apex and autonomous body and has a wide range of activities. The EDII has a national character in its ownership, conceptual framework and operational strategy. The institute was set up on Nov 10, 1983. The institute has set the Entrepreneurship development momentum throughout the country and in other developing countries.

EDPs taken up with focus on less development regions besides special target groups. Schemes for improving the effectiveness of on-going training activities and institutionalizing them through a set of model demonstration programmes from one of the important activities of the institute.²³

**Broad Objectives of EDII**

The institute undertakes EDPs to serve the following developmental activities.

1. Accelerated industrial development by enlarging the supply of Entrepreneurs.

2. Industrial development of rural and less developed areas where local Entrepreneurship is not readily available and Entrepreneurs from nearby cities are not easily affected.

3. Enlarging the small and medium enterprise sector which offers better potential for employment generation and wider dispersal of industrial ownership.

4. Providing productive self-employment to a number of educated and less educated young men and women coming out of school and colleges.

5. Improving performance of small industries by enlarging the supply of carefully selected and trained entrepreneurs.

6. Diversifying source of Entrepreneurship and business ownership.24

7. EDII acting as a national resource centre of expertise and know-how.

8. EDII has taken EDPs to less developed states where the needs to identify indigenous entrepreneurs is of high priority where indigenous expertise to local and develop entrepreneurs is immediately not available.

9. EDII has taken up the promotional and developmental role in far-off areas where otherwise Entrepreneurship development activities may not be undertaken on their own. The catalytic and supportive roles of EDII for the national spread of EDP awareness as also its many EDPs with innovations have met with considerable appreciation.

10. Performance experience has not been uniformly satisfactory in various parts of the country viz. only a few entrepreneurs are located or a fewer trained ones ultimately setup enterprises or those who set them up have a high failure rate. EDII is therefore, keen on developing qualitative aspects of selection and training, strengthening local organisational capabilities, training of trainers/innovators and building up institutional involvement for sustained efforts.

The institute has developed an experimental EDP for women keeping in view their special needs and the first such EDP was conducted in September 1988. EDII has carried out experiments in rural entrepreneurship development in a cluster of villages of Uttar Pradesh, Orissa in collaboration with a voluntary organisation. EDII prepared a video cassette on the “Focussed behavioral event interview technique” for assessing entrepreneurial potential. EDII continued to offer its services to Srilanka, Nepal, Kenya and other

African common wealth countries. The institute has organised a special camp on entrepreneurship in which more than 200 students had participated in various activities creating interest in entrepreneurial pursuits. In the Nehru centenary year, EDII brought out a book entitled “Self-made impact” making Entrepreneurs based on a study under taken by it.

Faculty Position of EDII

The institute is unique in its character and substance not only in India but also in the whole continent of Asia. The institute consists of the following faculties.

These Directors of all segments are the men of the world having specialisation in directorate, human psychology, Engineering with a P.G. Degree in industrial business management and rich experience of conducting entrepreneurial and managerial training courses preferably in the organisations concerned with the promotion and development of small scale industries.

National Institute for Entrepreneurship and Small Business Development (NIES BUD)

The NIESBUD is an apex body established by the ministry, GOI, for coordinating and overseeing the activities of various institutions or agencies Engaged in Entrepreneurship Development in small industry and small

business. The institute is located in National Small Industries Corporation (NSIC) PDTC campus okhla industrial estate new Delhi.

The activities of the institute include

- Evolving model syllabi for training various target groups.
- Providing Effective training strategies, methodologies, manual and tools,
- Facilitating and supporting central/state Govt. and other agencies in executing programmes of Entrepreneurship and small Business development maximize benefit and accelerate process.
- Conducting such programmes for motivators, trainers and Entrepreneurs which are not commonly done by other agencies and above all organise all those that help developing Entrepreneurial culture in the society. The institute is also the Secretariat for the National Entrepreneurship Development Board which is the apex body to determine the policy for Entrepreneurship development in the country. The institute performs the task of processing the recommendations made by the board.

The policy direction and guidance is provided to the institute by its Governing council whose chairman and vice-chairman are the union minister for industry and union minister of state for industry respectively. The executive committee of the institute consists of five members including the additional secretary and Development Commissioner as its chairman and the executive director of the institute as its member – secretary. The executive committee executes the policies and decisions of the governing council though its executive Director.

The institute registered as a society under Government of India societies ACT XXI of 1860 started functioning from 6 July 1983. Programmes initiated / sponsored by the NIESBUD are constantly evaluated and revised to suit the changing needs in the area of Entrepreneurship and small business.
development. The institute is engaged in creating a climate conducive for entrepreneurship and in developing favourable attitude amongst the general public support of those who opt for entrepreneurial career.

The various other functions which the national institute has been called upon to perform are as follows.

♦ To serve as an apex national level institute.

♦ To organise and conduct training programmes

♦ To Co-ordinate the training activities of various institutes and organisation in the country imparting training in entrepreneurship

♦ To affiliate institutes and organisations of conducting entrepreneurship training.

♦ To identify, train and assist potential Entrepreneurs amongst technical and non-technical personnel in setting up self-employment units in small industries including service units.

♦ To hold examinations and tests and confer certificates and diplomas on the trainers and trainees.

♦ To undertake documentation and research in the field of Entrepreneurship and Small Business Management.

♦ To publish literature for furtherance of Entrepreneurship and Small Business Management.

♦ To conduct workshops, Seminars, and conferences, etc. for promotion and development of Entrepreneurship in SSIs.

♦ To provide a forum for interaction and exchange of view with agencies engaged in various aspect Entrepreneurship in small industries and Small Business Management.

♦ To assist in setting up of regional and state level training institutes for Entrepreneurship and Small Business Management (SBM).

The institute interacts with other organizations centers, engaged in conducting EDPs in the country and provides them support in various areas
including funding of programmers whenever necessary and feasible. The institute addresses itself to working with them in enhancing the efficiency and utility of EDP bringing about Co-ordination.

**Institutes for Entrepreneurship Development (IED)**

As part of strategy of giving attention to Entrepreneurship development needs of the more backward states, IDBI has announced the programme proposal for set up IEDs in association with other financial institutions, banks and the state governments. IED Set up in Uttar Pradesh, Bihar, Orissa and Madhya Pradesh have become operational. IED in the Uttar Pradesh had conducted more than 16 EDP covering 664 trainees as on 31st March 2001. It also has conducted programmes on industrial extension motivation, Business opportunity guidance and project counseling for women, Entrepreneurial awareness workshop for Ex-service men, State level meet of EDP conducting agencies studies on “Factors inhibiting and facilitating turnaround possibilities in small sector” and “Relevance of hill wool scheme”.

IED in Orissa had conducted “EDPs which benefited 307 trainees. It also conducted 4 management development programmes, 4 Entrepreneurship awareness camps and lecture-cum discussion session on “problems and prospects of Indo-U.S trade and investment”. IED in Bihar conducted two EDPs and organized an Entrepreneurs meet during the period under review.26

**Indian Institute of Entrepreneurship (IIE)**

Assam is one of the first few states in the country in taking planned and systematic efforts to promote Entrepreneurship in the state. In 1973, Assam started an integrated approach on Entrepreneur Development by setting up district level agencies known as Entrepreneurial Motivation and Training

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Center (EMTC) to identify, select and train prospective Entrepreneurs and to provide them all support services to start and run their unit. After more than 25 years, Government of Assam merged the EMTC with DIC. There are several organisations both national and regional, Government and non-Government, to train and develop Entrepreneurship in the north east. They organise programmes both for new and existing Entrepreneurs and also awareness creation programme.

These programmes are target group oriented, process specific and also location specific. Now turn key EDP have been designed and Experiments and new approaches have been adopted to make the EDPs more effective and successful. The north eastern council (NEC) took initiative to support EDPs during the 6th plan. The initiative taken by the NEC in 1985 still continues. In its efforts there are now new partners. SIDBI started to Co-sponsor rural and women EDPs with NEC. KVIC have also started to participate in rural EDPs. NABARD has been supporting rural and women EDP and implemented by voluntary organizations. Besides, they have also started a district rural industries programme in Kamrup district of Assam.27

Science and Technology Entrepreneurship Parks (STEPs)

First generation Entrepreneurs are emerging as an imp group in the country. A major problem faced by them is the lack of appropriate testing facilities. One mechanism for bridging the gap between technical research and industry is the STEP.

As part of the programme for supporting the setting up of 15 STEPs jointly with other institutions, IDBI has assisted 7 step Viz.

- Birla institute of technology (BIT) Ranchi.

While the 5 STEPs were sanctioned prior to 1988-89, the last two were sanctioned assistance during the reporting period. SJCE-STEP has already transferred technology of liquid level pump controller to one of its Entrepreneurs for commercial Exploitation.28

National Alliance of Young Entrepreneurs (NAYE)

NAYE has been a pioneer in promotion and development of Entrepreneurship among women. NAYE sponsored on entrepreneurial development Scheme with Bank of India in Aug 1972 on pilot basis. Then NAYE had setup a women’s wing in 1975, the internationally acknowledged women's year. NAYE convened a conference of women entrepreneur in November 1975 in new Delhi. Since then 3 international conferences and eight National conventions of women Entrepreneurs have been organized in the country.

Women’s wing of NAYE assist women Entrepreneurs in
- Getting better access to capital, infrastructure and markets.
- Identifying investment opportunities
- Development of management and production capabilities etc.

In addition, the Association of Women Entrepreneurs of Karnataka (AWAKE), Women Entrepreneurs Association of Maharastra (WIMA) and

Self-employed Women's Association (SWWA) are not only fighting for their rights but also striving to promote Entrepreneurship among women.

Setup in May 1985, WIMA - The Association of women industrialist/Entrepreneurs of Maharashtra has more than 400 members all over Maharashtra with its Head Office in Pune. NAYE of which WIMA forms a part, presented the organisation with a National award in 1988 for promoting Entrepreneurship among women. WIMA aims to help more than 1000 women all over Maharashtra. WIMA's main objective has been to provide a forum for members and to help them sell their products. WIMA also has training programme.29

Technical Consultancy Organisations (TCOs)

Eighteen TCOs jointly sponsored by all India financial institutions along with state level financial institutions. TCOs EDP meant for young graduates, Educated unemployed, traders and women. The activities of TCOs cover all the stages of project cycle starting from the stage of identification of project ideas by entrepreneurs to project implementation and operation. Thus, their activities include:

- Industrial potential Surveys
- Preparation of profiles and feasibility studies
- Evaluation of projects referred to them by financial institutions
- Conduct of EDP

In line with the national priorities, TCOs have been giving special attention to development of industries in backward areas of the country and are intimately involved in the institutional efforts for industrialization of

no-industry districts and adoption of Integrated Rural Development Programme (IRDP) for rural industries with accent on improved technology.

In the year 1977, technical consultancy services organisation of Karnataka (TECSOK) Established and sponsored by Government of Karnataka. It conducts different types of EDP for the development of Entrepreneurs.30

National Small Industry Corporation (NSIC)

The NSIC was set up in 1955 to provide specific technical assistance to small industries by providing indigenous and imported machinery on hire-purchase basis, distributing scarce raw-mat, components and parts and providing training to skilled workers and entrepreneurs in various trades, in the network of prototype development and training centers. The most important programme of NSIC in assisting small industry is to provide domestic and imported machinery an hire-purchase basis, to be repaid in easy installment spread over a period of Seven years.

Industrial Development Bank of India (IDBI)

The IDBI was set up in 1964. Besides providing institutional finance for SSI by refinancing NSIC to augment its industrial machinery hire-purchase service and provides training and consultancy assistance through TCOs. IDBI has provision for assistance to industrial concerns Engaged in Research and Development (R and D) work pertaining to any product and to provide technical knowledge.

To provide refinance assistance for development expansion of SSI, and to provide a focal point for Co-ordinating financial assistance to them at apex level, IDBI created a separate fund called “Small Industries Development Fund”.

A prominent scheme of IDBI is the Venture Capital Fund (VCF), envisaged for encouraging commercial application of indigenously developed technology or adopting imported technology.

**Industrial Finance Corporation of India (IFCI)**

To cater to the long and medium term credit needs of industry, IFCI was setup in 1948, to raise the technical level of SSI units, IFCI provides financial assistance for the development of technology through in-house ‘R’ and ‘D’ efforts, undertaken by private small firms and entrepreneurs.

**Industrial Credit and Investment Corporation of India (ICICI)**

The ICICI was established in 1955. Under the venture capital schemes, launched in 1987, ICICI provides long-term financial assistance in respect of project involving development and commercialisation of high risk new technologies. ICICI also launched a Programme for Acceleration of Commercial Energy Research (PACER) Designed support selected research and technology develop proposals in the energy sector and to create an institutional environment for relevant technology innovation.\(^{31}\)

In this process, institutions play a catalytic role in Entrepreneurship Development. Entrepreneurship Development in India has now been conducted for a long-time and sophisticated selection techniques and training methodology have been developed. Institutional support in the area of promotion, finance, infrastructure etc., is also linked with the EDP.

**Rural Development and Self Employment Training Institute (RUDSETI)**

Unemployment problem is the most visible poverty symptom. Job opportunities are meager in organised sector. Urban migration in search of Job

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which has the potential for social instability is the nightmare of planners and administrators concerned about human welfare. Unemployed youth lack motivation, drive and skill to take up self-employment. Nationalized bank with their vast network can promote self-employment through motivation, training and financial assistance. Thus, Evolved RUDSETI as an unique institute to fulfill these needs.

Pioneering effort in Rural Entrepreneurship Development- First RUDSETI, a non-governmental organisation was established at a small village, Ujire (D.K) in Karnataka in 1982. It has eight sub institutes all over Karnataka like RUDSETI-Chitradurga, RUDSETI- Mysore like this central secretariat situated at Ujire (D.K). It has 20 sub institutes throughout India. Now, it has planning to extend the network abroad also.

RUDSETI received Federation of Indian Chamber of Commerce and Industry (FICCI) award for Rural Development for the year 1998-99. DR. D. Veerendra Heggade, president of RUDSETI and also trustee of SDM receiving the FICCI award from the EX- prime minister Sri A.B.Vajapayee.

Under the sponsorship of two progressive banks namely, Syndicate Bank-SARD foundation and Canara Bank-CBPJRD Trust took the initiative in mitigating the unemployment problem under the leadership of Dr. D. Veerendra Heggade, a great visionary and religious mind and head. The collective thinking gave concrete shape in providing an institutional framework to RUDSETI.

Objectives

- Identify, orient, motivate, train and assist the rural youth to take up self-employment as an alternative career.

- Promote rural Entrepreneurship
➢ Train village level workers
➢ Counseling and project consultancy
➢ Channeling youth power in wealth creation
➢ Empower youth to share economic progress equitably.

Transformation of rural youth to acquire productive identity through short duration intervention. This is achieved by bringing technology, training and credit within their reach, utilising little experience gained in their life.

Training with Purpose

Every institute has evolved need based location, Specific training programmes. They continuously scan the environment and evolve new training programmes. There are more than fifty training programmes. All the training programmes are short-term intensive courses ranging from 1-8 weeks.

RUDSETI trained women Entrepreneurs have excelled by winning National Award instituted by IMM- NABARD consistently. RUDSETI is a trend setter in training and development of people to gain their ability and contribute to the society.

Representative Training Programmes

I. EDP for First generation Entrepreneurs.

1. Agricultural EDPs. like - Allied Activity, Dairy, Sheep Rearing, Poultry, Bee keeping, Horticulture, sericulture, Piggery, Mushroom Cultivation etc.

2. Product EDPs - Dress designing, Rexine utility Articles, Agarbathi Manufacturing, Woolen knitting, Bag cane chair making, Bakery products, Leaf cup making etc.

Electrical appliances repair, Computer hardware, Desktop publishing etc.

4. General EDPs – Rural Entrepreneurial Development Programme (REDP), Entrepreneur Development Programme for Women, Prime Minister's Rozgar Yojana (PMRY) EDP etc.

II. EDP for established Entrepreneurs
   1. Skill upgradation
   2. Growth

III. Rural Development and Human Development Training programmes
   - Training Rural Development workers of NGOs
   - Training Self Help Group (SHG) Management
   - Training Bank Staff in rural development
   - Training Social Animators
   - Sensitisation programmes to Bank/ Government officers.

IV. Technology Transfer programmes
   - Launching pad for introduction of efficient, cost effective and environment friendly technology.
   - Collaborating with Research institutes and other NGOs.
   - Conducting short-duration training programmes through demonstration, slides and lectures.
   - Palm tree climber appliance
   - ASTRA Chula
   - Stabilised mud bricks and microlite tiles
   - Construction of Gobar gas
   - Palm Gur making
Training Inputs
Youth having aptitude to take up self-employment in the age group of 18-35 years having ability to read and write local language. Identification and selection of candidates through scientific and sound selection process.

Phases of EDP
Training Phase-I: Measure Developing Achievement Motivation and Entrepreneurial Competencies

Training Phase-II: Measure developing technical know how and skill.

Training Phase-III: Launching formalities which include opportunity identification, conducting market survey, preparation of project profile and familiarising with schemes of support organisation.

Training Phase-IV: Managerial aspect like management of men, material and money, market perception and marketing.

Campus approach, micro lab, practical oriented syllabus, Experience sharing, Group discussion, Role-plays, Field visit, interface with support system etc. are the methodology in the institute.

Organisational Set-up
The Board of Governors consisting chief Executives of sponsor organisations is the supreme policy making body, ‘Governing council’ with ‘Executive director’, an officer deputed by sponsor banks aids the Board of Governors in monitoring RUDSETI.

Dr. D. Veerendra Heggade, president of SDME is the president of the Board Governors as well as Governing council. Each RUDSETI has a Local Advisory Committee (LAC) with representatives of sponsor organisations, Government Officials and eminent personalities. Each RUDSETI is managed by two deputed officers one each form Syndicate and Canara Bank. They are experienced in development banking. Each institute has a distinct area of operation covering 2-4 districts.

Now, NABARD, SIDBI, Department of commerce and industry, Government of Karnataka, Zilla Panchayats, District Rural Development Agencies of state Government have been providing grants to meet part of the expenditure of training programmes and infrastructures facilities.32

Conclusion

The discussion shows clearly the vast network of institutions which provide financial and non-financial support to entrepreneurs. The network of institutions starts from the national level and moves down the line upto the District level. The support system is complete is all respondents and it indicates the amount of significance attached to build institutional support system and through which to develop entrepreneurship in the country. The influence of support system on success entrepreneurship development programmes is ascertained through empirical evidences in subsequent chapters.

32. A note on RUDSET Institute. Central Secretariat. UJIRE. Karnataka E-Mail: rudseti@sancharnet.in