CHAPTER - II

THE SETTING
DISTRICT PROFILE:

Anantapur district is an abode of many august personalities of International reputation and many eventful historic places of yore, lore and cynosure. Puttaparthi is the holy shrine of Bhagavan Sri Satya Sai Baba, the bestower of spiritual culture, perfection, benedictions and blessedness. Sri N. Sanjeeva Reddy, the Ex. President of India is a native of this district. Lepakshi which stands out as a spotlight of ancient culture and spell bound sculpture is also a pride privilege of this district.

Location:

It is one of the four districts in Rayalaseema region of Andhra Pradesh and is one of the backward districts of Andhra Pradesh State. It is bounded by Kurnool district on the North, Cuddapah District on the East, Chittoor district on the South-East and by Karnataka State on the South and West of the district. The Anantapur district stretches between 13°-14° and 15°-15° of the Northern latitude and
between 76°15' and 76°30' of the Eastern longitude.

It spreads over 19,125 sq.kms. in area.

The district is divided into three administrative revenue divisions and then into taluks. Generally taluks represent the development blocks, except in case of Kadiri taluk, where there are two development blocks called Kadiri East and Kadiri West, contrarily the Pemukonda block consists of two taluks called Pemukonda and Satya Sai. There are sixteen blocks in the district namely Kaderu, Srinanamala, Tadipatri, Gooty, Uravakonda, Dharmavaram, Chennakeettapalli, Kalyandrug, Kambalur, Rayadurg, Kanekal, Pemukonda, Kadiri East and Kadiri West, Hindupur and Madakasira.

Villages and Towns:

The district comprises of 11 towns and 930 inhabited villages with a total population of 26.18 lakhs, of which 80 per cent live in rural areas. Recently the Government of Andhra Pradesh introduced two tier structure of Panchayatraj (Mandal system) and accordingly 63 revenue mandals started functioning
in Anantapur district since 25-5-1965. Out of the 63
mandals 16 are urban and 47 are rural.

Rainfall and Climate:

There is scanty rainfall in district. The
average rainfall in the district is around 530 mm.
Even this meagre rainfall is deprived to the district
thereby causing severe drought conditions frequently.
During the past 33 years the district was subjected
to drought condition in as many as 17 years. The
Anantapur district is declared to be one of the six
districts in India affected by severe drought
frequently.

The variation in the climatic conditions
is largely between summer maximum temperature which
touches 42°C in the month of April and May and
lowest temperature of 16°C in winter months of
December and January.

Soil condition:

62 per cent of the soils in the district
consist of red soil and 18 per cent black soil. The
soils can be classified as black clay, black loamy, black sand, red clay, red loamy and red sand.

Irrigation:

There are three major rivers viz., the Pennar, the Négarl and the Chitravathi. The streams that flow in the district are the Papegni, the Maddileru, the Kushavathi and the Jayamangali. The Tadakaleru and Pandameru are two small rivers that flow in the district. Besides the above, Project irrigation facilities are also available in the district. They are the Tungabhadra high level canal and the mid-Pennar reservoir which have irrigating potential for about 1.25 lakh acres. The Upper Pennar Project near Peruru, the Pennar Kusmedavathi project and the Bhairavani Thippa Project cover an extent of 28,500 acres. In addition, there are 137 P.W.D. and 456 Panchayat tanks in the district.

Agriculture:

Out of total population of 26.18 lakhs, population over 1/5 (20 per cent) belong to cultivators.
Out of the total cultivated area of 23 lakh acres, nearly 2.5 lakh acres are held by the small and marginal farmers, holding less than 5 acres of land. Paddy is grown in about 1.52 lakh acres of land in the district both in Kharif and Rabi season. The groundnut is the main item of oil seeds production in the district. The main crops cultivated in the district are Paddy, Jowar, Bajra, ragi, Korra. There is a dry land farming research station at Nekkalakunta which is doing its best in introducing new techniques in dry land farming.

The average mandays of employment in Agriculture sector in the district is around 205 days. The wages for male workers vary between Rs.6 and Rs.12 and for females between Rs.6 and Rs.10.

Mineral Resources:

Anantapur district is rich in minerals like steatite, limestone, barytes, white clay etc. The district has good deposits of minerals though no large mineral based industries have been established so far.
Communication:

There is 257 kms of broad gauge railway lines running across the district and 246 kms of metre gauge railway lines also pass through the district. The road length under Z.P. control is around 6200 kms of different kinds of roads apart from a stretch of National Highway of 134 kms and a good part of other roads, under control of roads and buildings. There are 932 post offices, 132 telegraph offices and 70 telephone exchanges situated in the district.

Banks:

There are altogether 183 financial institutions spread over 16 blocks. There are as many as 8 co-operative town banks functioning in the district which cater to the limited domestic needs of their members.

Education:

There are as many as 130 high schools, 26 junior colleges, 13 degree colleges, 4 Industrial Training Institutes, 1 Engineering College,
2 Polytechnic colleges, 2 Universities and 876 primary schools spread over the district.

Medical:

A good network of medical facilities are available all over the district. There are 27 hospitals, 22 Primary Health Centres, 13 Local Fund Dispensaries and 49 Ayurvedic dispensaries in the various parts of the district.

Industries:

There are 10 large and medium scale industries existing in the district. There are also 2,226 small scale/tiny industries in the district as on 1-6-1983 with an investment of Rs.1489-15 lakhs providing employment to 15,456 persons. There are nearly 9000 handlooms and 3000 silk weavers in the district. As mentioned in the district credit plan (1983-85) there are nearly 9092 Handlooms, 5314 silk Textiles, 78 cotton spinning, 2 Khadi, 239 Village Oil Gharies, 2175 Carpentry, 1452 Blacksmiths, 929 Bamboo, 10 Coir, 5 Our, 1371 Pottery, 2 Toy making, 1 Handi craft, 9166 Tanning, 1844 Cumbly weaving,
812 Hat weaving and 79 rope making units spread over 16 blocks in the district.

Artisan Complexes:

29 Artisan complexes are identified in the district of which 23 complexes are grounded and the remaining are under various stages of implementation.

Artisan clusters:

52 Artisan clusters are identified in the district for the benefit of Scheduled Castes and Scheduled Tribes. Out of which 41 are grounded. This would benefit 13 per cent of Scheduled Castes and 3 per cent Scheduled Tribes in the total population.

Human Resources:

Anantapur with a population of 26,18,239 has a total work force of 13,28,417. Of the total work force, cultivators constitute 32 per cent. Agricultural labourers 28 per cent workers in cottage and household industries constitute 4 per cent and others constitute 36 per cent.
POSITION OF EDUCATED UNEMPLOYED
AS ON 31-12-1985:

Matriculates:

There are as many as 24913 matriculates on the live register of the employment exchange, Anantapur which includes 561 Scheduled Castes and 189 Scheduled Tribes.

Intermediates:

There are nearly 18499 Intermediates on the live register of the employment exchange, Anantapur of which 565 are Scheduled Castes and 143 are Scheduled Tribes.

Graduates:

As per the live register of the employment exchange, there were 6638 graduates. Of the total graduates, 40.02 per cent were Arts graduates, 32.95 per cent were Science graduates, 17.19 per cent were Commerce graduates and the rest were the graduates in Education. Among the graduates, Scheduled Castes constitute 1.15 per cent and Scheduled Tribes constitute 0.17 per cent.
Diploma Holders:

There were as many as 527 Diploma holders on the Live Register of Employment Exchange, Anantapur. Of which 17 candidates were Scheduled Castes and 2 were Scheduled Tribes.

Thus, a good number of candidates, trained in various disciplines - Engineering, Science and Technology - were on the live registers of the District Employment Exchange, Anantapur. These candidates who are without jobs and readily available would represent the stock of manpower needed for the steady industrial expansion in the district.

Primarily, it is the question of how best we utilise the existing manpower stock. Enforced idleness represents a tremendous waste of human potential. Unemployment of such a high order is a potent threat to the social and political fibre of a country. The stock of man power involves both private and social costs. If the state of affairs keep the skilled labour idle, the system which brought us to this condition deserves to be condemned vehemently.
The lack of industrial development in the district is not due to lack of trained, technical and skilled people; but it is largely due to the lack of coordinated effort on the part of the persons concerned. For example, there were a large number of traditional artisans like silk weavers, rope makers and mat weavers.

PROFILE OF THE DISTRICT INDUSTRIES CENTRE:

The small scale, village and cottage industries have a big role to play in the planned economic development of the developing countries like India. In view of their large employment potential in rural areas, the new industrial policy has assigned an important role to the development of village and cottage industries in those areas. To achieve this objective, the focal point of development has been shifted from cities to rural and semi urban areas.

To implement this policy, the Government launched the District Industries Centres programme on 1st May 1978.
play a pivotal role in the setting up and flourishing of small scale units. It has a special niche for the educated unemployed, particularly from rural areas of the country. Hitherto rural industrialisation had made little progress because of the lack of a nodal agency to implement the schemes. The entrepreneur had to run after various agencies located at different places making his job difficult and sometimes even frustrating. Under the new scheme of things, the District Industries Centres provide all assistance needed by entrepreneurs such as licensing, marketing and finance etc. at one place.

The District Industries Centre Programme is also helping the industry to move to the country side by shifting the focal point of development of small and cottage industry from big cities and State capitals to rural and backward areas.

Functions of D.I.Cs:

The following are the functions of the District Industries Centres.
a) To survey existing, traditional and new industries, and raw-materials and human resources; to identify schemes and make market forecasts for different items; to prepare sample techno-economic feasibility reports, and offer investment advice to entrepreneurs;

b) To assess the machinery and equipment requirements of small-scale, tiny and village industries; indicate the locations where machinery and equipment for different plants may be available for entrepreneurs; to liaison with research institutions and arrange for the supply of machinery on hire-purchase basis;

c) To arrange for training courses for entrepreneurs of small and tiny units and liaison with Small Industries Service Institute, the NISER and other institutions; to keep abreast of research and development in selected product lines and quality methods.

d) To ascertain the raw material requirements of various units, their sources and prices, and to arrange for their bulk purchases for, and distribution to, entrepreneurs.
e) To liaise with lead banks and other financial institutions, appraise applications, monitor the flow of industrial credit in the district, and arrange for financial assistance to entrepreneurs.

f) To organise marketing outlets, to liaise with Government procurement agencies, convey market intelligence to entrepreneurs, organise market surveys and market development programmes.

g) To give particular attention to the development of Khadi and village industries and other cottage industries, to liaise with the State Khadi Board, and organise training programmes for rural artisans.

Organisation:

The Government of India had suggested in its earlier format one general manager and seven functional managers, and this format was adopted by various states suited to their requirements. The national scene therefore is that there is a general manager and usually three to four functional managers.
in position. Earlier the approach visualised was that the general manager would have team of functional managers so that there would be no gap in terms of expertise and coverage of major topics at the D.I.C. level. It was therefore quite rational approach to have subject specialists from respective Corporations or Boards from agencies like the KVI, handicrafts, handicrafts and even small industry Corporations did not form part and parcel of D.I.C. According to the recommendations of the study team, the Ministry of Industries has made substantial changes to ensure the efficient functioning of D.I.Cs. Under the restructured staffing pattern each D.I.C. will have one general manager, four functional managers and three project managers in disciplines which are relevant to the requirements of a district. The operational efficiency of a D.I.C. would undoubtedly increase if they have three project managers in each. It has been assumed that technical experts will give a proper direction to the programmes to be implemented.
D.I.C's as Coordinating Agency:

The D.I.C's work in close liaison with the development blocks entrusted with the task of integrated rural development. The central Khadi and Village Industries Commission and its State Boards coordinate the work of various other central and state agencies. In other words, all the activities of handicrafts, handlooms, the coir Board, the Silk Board, the Khadi and village Industries Commission etc. have been integrated with those of the D.I.C's. The General Manager of a D.I.C. operates all their programmes in the district. The D.I.C. also maintains a very close link with State financial corporations and state small industries Development Corporations.

Monitoring:

The D.I.C. programmes is monitored at the district level state, regional and central levels with a view to ensuring that each D.I.C. works effectively and efficiently to meet the objectives for which it has been setup.
Progress:

The scheme of District Industries Centre which started in 1978-79 progressed a lot in that year, over 96,000 entrepreneurs were identified and over 87,000 small and tiny units were established providing employment to 2.74 lakh persons. According to the latest figures, the total number of sanctioned D.I.Cs stands at 397 which cover 410 out of 415 districts of the country. According to the progress reports of 396 D.I.Cs, 2,06,606 new industrial units comprising 2,29,141 artisan oriented units and 57,425 small scale units were established during 1983-84 providing additional employment opportunities to 11,33,990 persons. During 1984-85 their likely achievement is expected to further increase leading to generation of employment opportunities for a total number of 11,38,993 persons. The D.I.Cs are really going to change the rural scene by blazing a new trial in development through people's self-effort geared to national prosperity.
DISTRICT INDUSTRIES CENTRE, ANANTAPUR - A GLANCE

Anantapur is one of the first 11 districts in Andhra Pradesh where the D.I.C. programme has been launched with effect from November, 1978. The D.I.C. Anantapur has been helping the weaker sections of the community in rural and semi-urban areas by providing the assistance they need for setting up village industries with the intention of improving their economic lot. It is proud to note that D.I.C. is aiming to lay specific emphasis in generating and developing new entrepreneurs in the district. Every year the D.I.C. conducts Industrial Intensive Campaigns to identify the entrepreneurs for the establishment of SSI/Tiny units in the district. An amount of 0.15 lakhs is provided in the annual budget for the conduct of Industrial Intensive campaigns. The D.I.C. has no budget for the establishment of Industrial Units by the department itself.

One can watch the progress of D.I.C., Anantapur with a keen interest. The concept of entrepreneurship assumed a new meaning and content which matches well with the new social and economic order.
after the establishment of D.I.C. in Anantapur district.

The extent of rural industrialisation can be seen from the table 2.1

It is clear from table 2.1 that the agro-based, textile, forest and engineering based industries are fast growing industries, when compared to other industries in the district. It can also be noticed that chemical, mineral and textile based industries though small in number have provided more employment. Agro and forest based industries are also coming up in the district and are expected to help in providing more employment in the future.

In nutshell we can conclude that D.I.C. has promoted altogether, 2,139 Agro, Textile, Mineral, Engineering, Miscellaneous, Chemical, Livestock and forest based units upto the end of 31-3-1984, with a total investment of Rs.1479.48 lakhs providing employment to 15358 persons. On an average seven workers are employed in each of the 2139 units.
Table 2.1  
Table showing the number of establishments with details of capital investment, working capital and Employment upto 31-3-1984.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Category</th>
<th>No. of Units</th>
<th>Percent</th>
<th>Employment</th>
<th>Percent</th>
<th>Average number employed</th>
<th>Fixed capital (in lakhs)</th>
<th>Working capital (in lakhs)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agro-based</td>
<td>795</td>
<td>36.32</td>
<td>3320</td>
<td>21.62</td>
<td>4.18</td>
<td>366.49</td>
<td>226.46</td>
<td>592.95</td>
</tr>
<tr>
<td>2.</td>
<td>Engineering and Allied Based</td>
<td>501</td>
<td>22.89</td>
<td>2154</td>
<td>14.03</td>
<td>4.30</td>
<td>123.37</td>
<td>77.76</td>
<td>201.13</td>
</tr>
<tr>
<td>3.</td>
<td>Forest based</td>
<td>238</td>
<td>10.87</td>
<td>2719</td>
<td>17.70</td>
<td>11.42</td>
<td>70.03</td>
<td>43.79</td>
<td>113.82</td>
</tr>
<tr>
<td>4.</td>
<td>Livestock based</td>
<td>93</td>
<td>2.42</td>
<td>250</td>
<td>1.63</td>
<td>4.72</td>
<td>13.47</td>
<td>7.64</td>
<td>21.11</td>
</tr>
<tr>
<td>5.</td>
<td>Textile based</td>
<td>271</td>
<td>12.38</td>
<td>3566</td>
<td>23.22</td>
<td>13.16</td>
<td>206.68</td>
<td>130.38</td>
<td>337.06</td>
</tr>
<tr>
<td>7.</td>
<td>Chemical based</td>
<td>93</td>
<td>4.25</td>
<td>1741</td>
<td>11.34</td>
<td>19.72</td>
<td>37.36</td>
<td>24.47</td>
<td>61.83</td>
</tr>
<tr>
<td>8.</td>
<td>Miscellaneous</td>
<td>152</td>
<td>6.94</td>
<td>564</td>
<td>3.67</td>
<td>3.71</td>
<td>30.26</td>
<td>10.20</td>
<td>40.46</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2189</td>
<td>100.00</td>
<td>15358</td>
<td>100.00</td>
<td>7.02</td>
<td>931.37</td>
<td>547.11</td>
<td>1478.48</td>
</tr>
</tbody>
</table>

Source: D.I.C./Amaravatpur Progress Reports
Its achievements in various aspects can be clearly known with the help of Table 2.2

Table 2.2
Progress made by D.I.C., Anantapur from 1982-85 (Dec.)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Item</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Commissioning of S.S.I.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Tiny Units:</td>
<td>720</td>
</tr>
<tr>
<td></td>
<td>b) Artisan Units:</td>
<td>2003</td>
</tr>
<tr>
<td>2.</td>
<td>Employment generation in SSI/</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tiny and Artisan units</td>
<td>3775</td>
</tr>
<tr>
<td>3.</td>
<td>Credit Assistance (in lakhs)</td>
<td>702.95</td>
</tr>
<tr>
<td>4.</td>
<td>Artisan to be assisted</td>
<td>7612</td>
</tr>
<tr>
<td>5.</td>
<td>Trysem Programmes</td>
<td>1616</td>
</tr>
<tr>
<td>6.</td>
<td>Self-Employment Scheme</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Units put on ground</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>b) Employment</td>
<td>613</td>
</tr>
<tr>
<td>7.</td>
<td>special employment scheme</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a) Units put on ground</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>b) Employment</td>
<td>99</td>
</tr>
</tbody>
</table>

The above statement clearly elicits the progress made by D.I.C. in the implementation of various programmes/schemes. Recently the Central
Government announced the scheme of self-employment for educated unemployed youth which is modified as Gramodaya in Andhra Pradesh. The D.I.C. has selected 1935 educated unemployed youth up to 31-1-1985 under Gramodaya scheme.

The following is the distribution of category of industries envisaged in the VII Plan period.

Table 2.3

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agro based</td>
<td></td>
<td>75</td>
<td>85</td>
<td>82</td>
<td>66</td>
<td>90</td>
<td>418</td>
</tr>
<tr>
<td>2</td>
<td>Forest</td>
<td></td>
<td>10</td>
<td>13</td>
<td>16</td>
<td>18</td>
<td>20</td>
<td>77</td>
</tr>
<tr>
<td>3</td>
<td>Animal</td>
<td></td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>9</td>
<td>10</td>
<td>31</td>
</tr>
<tr>
<td>4</td>
<td>Textile</td>
<td></td>
<td>40</td>
<td>44</td>
<td>49</td>
<td>51</td>
<td>55</td>
<td>233</td>
</tr>
<tr>
<td>5</td>
<td>Chemical</td>
<td></td>
<td>12</td>
<td>15</td>
<td>18</td>
<td>21</td>
<td>25</td>
<td>91</td>
</tr>
<tr>
<td>6</td>
<td>Engineering and allied</td>
<td></td>
<td>50</td>
<td>55</td>
<td>60</td>
<td>65</td>
<td>70</td>
<td>300</td>
</tr>
<tr>
<td>7</td>
<td>Mineral</td>
<td></td>
<td>40</td>
<td>43</td>
<td>46</td>
<td>50</td>
<td>54</td>
<td>233</td>
</tr>
<tr>
<td>8</td>
<td>Miscellaneous</td>
<td></td>
<td>30</td>
<td>38</td>
<td>44</td>
<td>51</td>
<td>56</td>
<td>219</td>
</tr>
</tbody>
</table>

**Total** 260 297 320 250 380 1607

*Source: D.I.C. Action Plan for 1985-90*
Besides helping the small entrepreneur to set up his unit, the D.I.C., Anantapur has also been given the responsibility of implementing the 20 point programme, the most important being the promotion of village industries. The D.I.C. would be able to do so if it is able to focus greater attention on promotion of handicrafts, handlooms and other village industries. For this purpose the District Industries Centre has to be geared to function in a fashion that dispersal of industries takes place and the smallest units get maximum possible support.

WORKING OF D.I.C., ANANTAPUR - FEW OBSERVATIONS

Having examined the progress of D.I.C., it would be more appropriate to discuss the structural and organisational short comings in the functioning of D.I.C., Anantapur.

a) Defective Linkages:

The linkages between the D.I.C. and existing organisations particularly in the field of village and cottage industries, are not effective. There is need for working out more fully the procedure for bilateral and multilateral coordination.
Since D.I.C. has to establish greater linkages with KVI Board, DRDA etc. especially in the rural industries segment, the representatives of such organisations should never be apathetic and hostile and should extend the maximum support and cooperation.

b) Technical Consultancy:

The D.I.C. is not well equipped in the matter of technical consultancy services. It is recommended that D.I.C. has to bring about a close link with agencies dealing with technical consultancy. Though the contribution of D.I.C. in providing day to day assistance to entrepreneurs appears to be very limited, it has done some useful work in the provision of project profiles.

c) Recommendatory Role:

With regard to the provision of raw-materials, the D.I.C. seems to mainly play a recommendatory role. Even with regard to marketing the DIC has not played any useful role in general. Hence Small Industry Development Corporation is expected to honour the recommendations pertaining to the allocation of raw materials.
d) Provision of Credit:

Though D.I.C. appears to have played an important role in the provision of credit to entrepreneurs there are certain problems which have been noticed. There is no joint appraisal of finance which takes into account term loan, working capital loan, subsidy etc. together. There is double appraisal of the project something leads to delays and problems.

e) Inadequate staffing pattern:

The short falls in D.I.C.'s performance may be attributable to some extent to the fact that it is not equipped with required manpower to handle various schemes. To cite an example, the role of D.I.C. in the allocations of infrastructural facilities does not seem to be recognised in the present staffing pattern. There is an urgent need for a manager (Infrastructure). The D.I.C. had hardly any system for monitoring the newly established units. As mentioned earlier the technical information available with D.I.C. is almost ignorable in most of the cases. It would be extremely useful and desirable for the
D.I.C. to have a systematic flow and storing of information regarding the projects, technology, machinery suppliers with special stress on such industries useful for the district. Owing to inadequate staffing pattern, the D.I.C. could not maintain a card for every existing unit and necessary steps should be taken by D.I.C. to adopt group approach to the unit which is ailing.

f) Operational Inefficiency:

It was also noticed that an extension officer (Industries) is supposed to look after two or three blocks. If the D.I.C. has to make an impact in rural and semi urban areas, it is imperative for it to be strengthened at the lowest level. Hence each block should have a whole time Extension Officer (Industries) at a block level who can solve the operational problems of artisan type of units on the spot.

The study on "Structure, Organisation and working of D.I.C., however states that substantial improvements have taken place since the introduction
of the D.I.C. content. D.I.C., Anantapur cannot be held responsible for every aspect of Industrial Development in the district since D.I.C. will have to be part of multifaceted set up involving several agencies at the field level.

To conclude that a District Industries Centre should be the leader in the development of industries in the district on a continuing basis, creating more jobs, increasing production and productivity, raising the standard of living.
REFERENCES


