CHAPTER - III

(A) Concepts (B) Objectives (C) Hypothesis (D) Methodology (E) Limitations

A. CONCEPTS

1. Cottage Industries:

Cottage industries are the units started as domestic industries in the initial stages, which are later on developed into small scale units so as to serve as feeder units to other industrial units. These are managed mostly by artisans and skilled craftsmen and are involved in traditional activities such as agriculture, khadi, handlooms, handicraft. These industries are generally associated with either part time or whole time occupations in rural and semi urban areas, utilising locally available resources and/or human skills.

2. Entrepreneur:

Entrepreneur is a person who combines capital and labour for the purpose of production. Entrepreneur is an individual who creates a new enterprise.

3. Enterprise:

It is an undertaking, which involves activities and the willingness to take risks. It consists of people working together primarily for the purpose of making, selling and distributing a product or service. It is the basic unit of an organisation.

4. Entrepreneurial Development Programme (EDP):

Entrepreneurial Development Programme is defined as a programme designed to help an individual in strengthening his entrepreneurial motive and in acquiring skills and
capabilities necessary for playing his entrepreneurial role effectively. It is necessary to promote this understanding of motives and their impact on entrepreneurial values and behaviour for this purpose.

EDP means a programme designed to help a person in strengthening his entrepreneurial motive and in acquiring skills and capabilities necessary for playing his entrepreneurial role effectively. It is necessary to promote his understanding of motives, motivation pattern, their impact on behaviour and entrepreneurial value.

5. Financial Institution:

Finance is made available to entrepreneurs by the financial institutions, which have been built up by the Government as a network of special financial institutions with a fairly big capital base to provide financial assistance to all types of industries, including small scale industries.

6. Incentives:

‘Incentives’ are the financial and promotional assistance provided by the government to the industries for boosting up industrial development in all regions, which is given particularly to backward areas for industrial development.

7. Registered units:

Those industrial units have a permanent registration number in DIC, come under the category of registered units.
8. Rural entrepreneurs:

A rural entrepreneur is an entrepreneur who works in an industry in the rural area. They are mostly the first generation entrepreneurs.

9. Self-employed:

Unemployed youth voluntarily come forward to start a business under the guidance of DIC, which comes under the category of self-employed.

10. Small Entrepreneur:

The entrepreneurs involved in running small-scale units are generally termed as small entrepreneurs. It is evident that small entrepreneurs outnumber large entrepreneurs all over the world in every country.

11. Small scale industrial undertaking:

An industrial undertaking is one in which the investment in fixed assets in plant and machinery, whether held on ownership or on lease or on hire purchase, does not exceed Rupees One crore – (Rs.3 crores earlier was reduced to Rs.1 crore).

12. Subsidies:

'Subsidy' is a lump-sum financial help given by the government to the industries at one time.
13. **Tiny units:**

Tiny (sector) units include industrial units located in villages and in towns which population does not exceed 50,000 (1981 census) and in which the original investment in machine and equipment does not exceed Rs.25 lakhs. These units include all industry related services and business enterprises.

14. **Village industries:**

Village industries have been defined as artisans (irrespective of location) or small industrial activities (manufacturing, processing / preservation and servicing) in village and small towns with a population not exceeding 50,000 (as per 1981 census) and involving utilisation of locally available natural resources and/or human skills, where individual credit requirements do not exceed Rs.25,000.
B. Objectives:

For the present study the following objectives have been framed:

1. To study the performance of DIC in Thoothukudi District.
2. To study the type of industries registered.
3. To study the consultancy services provided by DIC.
4. To study the various scheme available in DIC.
5. To suggest suitable policy recommendations to attract unemployed youths.
6. To study the effectiveness of Entrepreneurial Development Programme (EDP).
7. To study the role of Prime Minister Rozgar Yojana (PMRY) scheme in self-employment.
8. To study the total employment generated through various industrial units.
9. To study the investment pattern of registered industrial units.

C. Hypothesis:

On the basis of the objectives the following hypothesis are to be tested.

1. There is an increasing trend in over all performance of DIC.
2. There is an increasing trend in registered industrial units and its employment pattern.
3. There exist a positive correlation between employment and the number of industries.
4. Subsidy the major influencing factor in establishing the industry.
D. Methodology:

For the present study the District Industries Center of Thoothukudi District has been taken. The study covers all the 12 blocks: Alwarthirunagari, Karungulam, Kayathar, Kovilpatti, Ottapidaram, Pudur, Srivaikuntam, Sattankulam, Thoothukudi, Thiruchendur and Valathikulam in Thoothukudi District. To study the general performance of District Industries Centre, the block-wise and year-wise total industrial units, its employment pattern and its investment pattern are to be analysed. To study the schemes provided analysed. To study the schemes provided by the DIC, the Prime minister Rozgar Yojana Scheme (PMRY) has been studied. The secondary data were collected through the official records of District Industries Centre, District Collector Office and the records maintained by self-employment association. The study covers a period of five years from 1997 - 2002. During this period there was heavy in flow of funds and to accelerate industrial development and many new industries have come up. After 2002 the subsidy was temporarily stopped. An opinion survey have been conducted with a schedule to know about the status of small scale industries in the area, motivation, infrastructural assistance, credit facilities, the self-employment scheme, entrepreneurial development programme and the bottlenecks in the functions of District Industries Centre. 120 samples have been randomly selected, 10 each from Agro based industries, Chemical based industries, Electrical and Electronic industries, Textile based Industries, Forest based Industries, Animal Husbandry units, Mineral based industries, Engineering and Allied Industries, Automobile Ancillary Industries, Miscellaneous Industries, Cottage industries and Handicraft units. For analytical purpose the statistical tools such as trend line have been used to find out the growth of industries during the
study period. Simple correlation also used to find out the extent of correlation exists between the number of registered units and their employment potentiality.

**Limitations:**

The study fully depends on secondary data. Since the small scale industries are scattered in this district the researcher could not obtain the primary data. Since all the registered entrepreneurs (units) have undergone the Entrepreneurial Development Programme (EDP) the researcher could not expand his study on EDP separately.