ROLE OF DEVELOPMENT INSTITUTE IN THE ESTABLISHMENT OF MICRO, SMALL AND MEDIUM ENTERPRISES (MSME): A CASE STUDY OF BHIWANI, HARYANA

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ABSTRACT
The MSME-Development Institutes play an important role in the development of MSMEs. Bhiwani Development Institute’s workshop provides common workshop facilities to local MSMEs. The workshop is equipped with lathe, shaper & other general purpose machines. It provides six months skill development training to workers of micro & small units of Bhiwani and its surrounding areas. Entrepreneurship development programmes and Training Programmes are conducted by MSME-Development institutes all over the country for the benefit of the small industrialists. Their objective is to popularize entrepreneurship and motivate them to adopt it as one of the objectives of their career and their mission is economic up gradation and employment generation through MSME development institutes. But MSME entrepreneurs and youth who want to become a entrepreneur are less aware about MSME-Development Institutes. This study aims to analyse the role and involvement of the MSME-Development Institutes in the establishment of the MSMEs in Haryana with special reference to Bhiwani district.

Keywords: MSME; DI; DIC

INTRODUCTION
Indian MSME sector plays a pivotal role in growth of industrial economy. It is estimated that sector account for 45% contribution in gross manufacturing output and about 40% in export. In recent year MSME sector has consistently registered a higher growth rate than overall industrial sector. The major advantages of this sector are generating employment at lower capital cost. According to new statistics (fourth census of MSME sector) sector employs about 59.7 million people in 26.1 million enterprises. There are over 6000 products ranging from traditional to high-tech items which are being manufactured by MSMEs in the country. It is well known that MSME sector provide maximum employment to both self-employed and job, outside agriculture sector. Govt. MSME report 2013-14 shows that 94.41% of the enterprises in the sector were proprietor enterprises. About 1.18% of the enterprises were run by partnerships and 0.14% of the enterprises were run by private companies. The rest were owned by co-operatives/ trusts or others. Rural area accounted for 55.34% of total working enterprises in MSME sector whereas urban area accounted for 44.66% of the working enterprises of MSME Sector. Government need to take steps to provide more technical consultancy and advisory services to MSMEs. The MSME-Development Institutes tries to enhance the growth of MSMEs in terms of output, employment, exports and instilling a competitive culture, by spreading techno-managerial awareness.
MSME-Development Institute, Karnal is a field office in the State of Haryana of Ministry of MSME, Government of India. The Institute has its branch at Bhiwani. MSME-Development Institute, Karnal provides services to the Micro, Small & Medium Enterprises except Faridabad district which falls under the jurisdiction of MSME Development Institute Okhla, New Delhi. It provides consultancy services to the existing & prospective entrepreneurs. Due to globalization and liberalization, our economy demands continuous watch on implementation of Government policies in the states. In this context, various schemes for the promotion of Micro, Small and Medium Enterprises like Marketing Development Assistance (MSE – MDA) Scheme, MSME-Cluster Development Programme (MSE-CDP Scheme) etc. are being implemented. For creating self-employment opportunities among the educated unemployed youths, Industrial Motivational Campaign (IMC), Entrepreneurship Skill Development Programme, (ESDPs), Entrepreneurship Development Programme (EDPs), Management Development Programmes (MDPs) conducted in various districts of the State.

DISCUSSION

Micro, Small and Medium Enterprises (MSME)

The Government of India has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 in terms of which the definition of micro, small and medium enterprises is as under:

(a) Enterprises engaged in the manufacture or production, processing or preservation of goods as specified below:

(i) A micro enterprise is an enterprise where investment in plant and machinery does not exceed Rs. 25 lakh;

(ii) A small enterprise is an enterprise where the investment in plant and machinery is more than Rs. 25 lakh but does not exceed Rs. 5 crore; and

(iii) A medium enterprise is an enterprise where the investment in plant and machinery is more than Rs.5 crore but does not exceed Rs.10 crore.

In case of the above enterprises, investment in plant and machinery is the original cost excluding land and building and the items specified by the Ministry of Small Scale Industries vide its notification No.S.O.1722 (E) dated October 5, 2006.

(b) Enterprises engaged in providing or rendering of services and whose investment in equipment (original cost excluding land and building and furniture, fittings and other items not directly related to the service rendered or as may be notified under the MSMED Act, 2006 are specified below.

(i) A micro enterprise is an enterprise where the investment in equipment does not exceed Rs. 10 lakh;

(ii) A small enterprise is an enterprise where the investment in equipment is more than Rs.10 lakh but does not exceed Rs. 2 crore; and

(iii) A medium enterprise is an enterprise where the investment in equipment is more than Rs. 2 crore but does not exceed Rs. 5 crore (MSMED Act, 2006).

MSME-Development Institute

The MSME-Development Institutes plays an important role in the development of MSMEs. They have a wide range of technological, management and administrative tasks. Important functions of the MSME-Development Institutes are to provide technical consultancy and advisory services, to guide the entrepreneurs what type of industry to start, where to start and how to start it. They provide them information about the various items of manufacture which will have greater demand in the various areas. They also provide training to the workers in the basic trades through Institutes and its extension centres.
REVIEW OF LITERATURE

Kulkarni and Kaveri (2000) studied that there is a need to support and extend services in accelerating its growth including market intelligence, marketing services, modernization, technology upgradation, quality testing etc. attempt has also be made to discuss the available institutional network in India to provide support and extension services

Venugopal Reddy, L. et al. (2005) analysed working of district industries centers (DICs) and the Performance of the DIC is measured through five indicators: (a) number of micro and small enterprises established, (b) employment generated, (c) financial assistance provided, (d) number of rural artisans assisted with credit, and (e) number of rural artisans trained. These indicators covered the progress in urban and rural areas of the district. The thrust of DIC’s activities is on development of micro and small enterprises, and employment generation in rural and semi-urban areas, and provision of single window services of various inputs required for industrial development.

Gulshan Kumar (2011) concluded that Haryana has recorded high industrial growth but the industrial growth is highly concentrated in the surrounding districts of National Capital such as Gurgaon, Faridabad and Sonepat but there is a little growth in the districts such as Mahendergarh, Sirsa, Fatehabad, Kaithal, Bhiwani, etc. Due to this disparity in growth, high regional variations have emerged and remedial steps must be taken by the state government to reduce these regional variations up to an acceptable limit. The other cause of disparity regarding industrial development in the state is the high rate of de-registration (closure) of industries which put negative impact on the industrial development. There is an urgent need to look into the reasons behind this phenomenon and to take appropriate measures accordingly.

Ramachandran, K. (2011) examined that Entrepreneurship is a combination of skills, attitude and knowledge and it is difficult to teach in conventional institutional framework but possible to develop through educational inputs. The author presents stories of entrepreneurial success in diverse sectors – food products, retail, education, pharmaceuticals, software, designing, consultancy, hospitality, outsourcing, etc. The promoters of enterprises who identified entrepreneurial opportunities to meet consumer needs took risk, conceived and converted ideas into commercially attractive products or services.

S.Maheshwari (2014) analysed that this sector needs to adopt a proactive approach where the Govt. should propose a long term strategy to sustain themselves in the changing economic scenario and progress beyond the current GDP growth and there is a need to carefully nurture and support MSME sector. Govt. and MSMEs should make joint efforts to acquire technological effectiveness. Financial support needs to be ensured taking into consideration the growing investment demand, including the requirements of technological transformation.

Shri Kalraj Mishra (2014) On the occasion of announcement of partnership between Samsung and MSME, Minister of Micro, Small and Medium Enterprises Shri Kalraj Mishra told that Various field establishments under the Ministry are regularly conducting skill development training curriculum through which we have trained more than 600,000 youth during previous year. He hoped that this joint initiative of Ministry of MSME and Samsung would be able to train approx. 10,000 youth per year who would have the opportunity to find placement in various appliances manufacturing organisations including Samsung. I also believe that many of them can also establish their own enterprises and Service Centre for repairing & maintenance of electrical & electronics goods

OBJECTIVE OF THE STUDY

Main objective of this study is to critically analyse the role MSME-DI in the development of MSMEs in Bhiwani district of Haryana.
NEED AND SCOPE

The current study is mainly concerned to analyse the role of district industrial centres in the development of MSMEs in study area. Many researches have been already done on MSME. But there is hardly any research carried out on the role of DICS in developing MSMEs. So it is important to find out whether the DICs are playing important role or there is a gap between its objectives and achievement. Researcher will use the descriptive and analytical research methodology to better understand the role of DICs through questionnaire to MSMEs industrialist which is located in Bhiwani district only.

STATEMENT OF PROBLEMS

This is the fact that Micro, Small and Medium Enterprises (MSMEs) play an important role in the development of economies of India. MSMEs of Haryana also occupy a very important position in Indian Economy System due to its very significant and important contribution in terms of output, exports and employment. Government is also supporting MSMEs through Development Institutes. But the study areas still lag behind. Number of registered units of MSMEs have been decreased from 1997-98(221) to 2010-2011 (47) in Bhiwani. In this situation it’s important to analyse the role of Development Institutes in the study area.

HYPOTHESIS

In order to ensure effective analysis of data collected for the study following hypothesis has been framed:

1H₀: There is no significance difference between various facilities availed by sole proprietorship, partnership forms and company from Development Institution.

2H₀: There is no significance difference between various facilities availed by different forms of businesses of Micro, Small and Medium enterprises (MSMEs) from Development Institution.

DATA SOURCE AND METHODOLOGY

The researcher collected both Primary and Secondary data. Secondary data has been obtained from internet, publications and different government agencies like DIC, ministry of MSMEs etc.

RESEARCH DESIGN

The present research is descriptive and analytical in nature. Information has been collected from the respondents with the help of a structured questionnaire. Most of all questions would be the open and close ended in the questions which will be administered to respondent. The population of the study was the Bhiwani region in Haryana. Here for the study a sample size of 65MSME units were selected through Purposive sampling technique out of which 15 questionnaires were found to be incomplete. Therefore, data from 50 entrepreneurs has been collected, compiled and analyzed.

TOOLS OF DATA ANALYSIS

The data collected is duly tabulated and classified. Thereafter it is analyzed with the help of simple percentage technique to describe the present status of respondents. Chi- square test ($\chi^2$-Test) is used to study the relation between awareness and role of Development Institutes.

SAMPLE SIZE

A total of 65 entrepreneurs were selected from the district. Out of these 50 clearly come under the full scope of the Micro, Small and Medium Entrepreneurs. The researcher collected responses from 50 entrepreneurs from district. Responses have been collected from owners of MSMEs.
DATA ANALYSIS

Trend of Registered MSME Units In Bhiwani District

In the study area registered units of MSME are regularly decreasing from 1997 to onwards. It may be due to lack of awareness about the benefits of registration of MSME unit among businessmen.

Table 1. No of New Registered Units in Bhiwani (Year Wise)

<table>
<thead>
<tr>
<th>Year</th>
<th>No of New Registered Units in Bhiwani</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>221</td>
</tr>
<tr>
<td>1998-99</td>
<td>75</td>
</tr>
<tr>
<td>1999-2000</td>
<td>73</td>
</tr>
<tr>
<td>2000-01</td>
<td>45</td>
</tr>
<tr>
<td>2001-2002</td>
<td>36</td>
</tr>
<tr>
<td>2002-03</td>
<td>5</td>
</tr>
<tr>
<td>2003-04</td>
<td>6</td>
</tr>
<tr>
<td>2004-05</td>
<td>7</td>
</tr>
<tr>
<td>2005-06</td>
<td>11</td>
</tr>
<tr>
<td>2006-07</td>
<td>17</td>
</tr>
<tr>
<td>2007-08</td>
<td>35</td>
</tr>
<tr>
<td>2008-09</td>
<td>23</td>
</tr>
<tr>
<td>2009-10</td>
<td>28</td>
</tr>
<tr>
<td>2010-11</td>
<td>47</td>
</tr>
</tbody>
</table>

Source: District Industrial Centre Bhiwani

Table and chart 1 show that numbers of registered unit in 1997-98 are 227 which have been decreased to 47 in 2010-11 in Bhiwani. It keeps decreasing from 1999 to 2003. After 2003 there is slightly increment of registered units from 2003 to 2011 but it could not reach up to units registered in 1997-98 i.e.227 units.

MAJOR FACTORS ANALYSED

The following factors have been analysed in detail for drawing inferences:
Table 2. Total No. of Recipients of Services from Development Institutes with %

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Form of Business</th>
<th>Consultancy</th>
<th>Workshop</th>
<th>Training</th>
<th>Support services</th>
<th>Total No. Of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>1</td>
<td>Sole Proprietorship</td>
<td>15</td>
<td>50</td>
<td>8</td>
<td>26.67</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>Partnership</td>
<td>7</td>
<td>50</td>
<td>5</td>
<td>35.71</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Company</td>
<td>2</td>
<td>33.33</td>
<td>1</td>
<td>16.67</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>24</td>
<td>48</td>
<td>14</td>
<td>28</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Compiled by researcher through primary data, 2014

Table-2 shows that 50 % of sole proprietors have availed consultancy facilities 26.67 %, 8% workshop facilities, 6.66 % training and 16.67 % support services. Coming to partnership table-2 reveals that 50 % of the entrepreneurs approach the Institute for consultancy, 35.71 % for workshop, 7.14 % for training services and 7.14 % for support services. In the case of company table-2 presents that 33.33% avail consultancy services, 16.67% workshop facilities, 16.67% training and 33.3 % support services. Since, the calculated value of χ² at 5 % level of significance is less than tabulated value; hence we accept 1H₀ and conclude there is no significant difference between various facilities availed by sole proprietorship, partnership forms and company from Development Institution.

2H₀: There is no significance difference between various facilities availed by different forms of businesses of Micro, Small and Medium enterprises (MSMEs) from Development Institution.

Table 3.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Type Of Organisation</th>
<th>Consultancy</th>
<th>Workshop</th>
<th>Training</th>
<th>Support services</th>
<th>Total No. Of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>N</td>
<td>%</td>
<td>N</td>
<td>%</td>
<td>N</td>
</tr>
<tr>
<td>1</td>
<td>MICRO</td>
<td>18</td>
<td>51.42</td>
<td>8</td>
<td>22.85</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>SMALL</td>
<td>5</td>
<td>45.45</td>
<td>3</td>
<td>27.27</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>MEDIUM</td>
<td>2</td>
<td>50</td>
<td>1</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>25</td>
<td>12</td>
<td>7</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

X² = 1.479, V = 6, Table Value = 12.59

Source: Compiled by researcher through primary data, 2014

Table-3 shows that 51.42 % of MICRO industries have availed consultancy facilities, 22.85 % workshop facilities, 14.28 % training and 11.43 % support services. On the other hand Small Scale industries availed 45.45 % consultancy facilities, 27.27 % workshop facilities, 18.18 % training and 9.1 % support services. In the case of medium scale industries table-3 reveals that 50 % out of 4 avail consultancy services, 25% workshop facilities, 25 percent the support services. Since, the calculated value of χ² at 5 % level of significance is less than tabulated value; hence we accept 2H₀ and conclude
there is no significant difference between various facilities availed by different forms of businesses of Micro, Small and Medium enterprises (MSMEs) from Development Institution.

SUGGESTIVE MEASURES

During the survey it is observed that Development Institutes can play an important role to establish MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) in Bhiwani district of Haryana. The following suggestive measures are recommended to increase the registration of MSMEs in Bhiwani district of Haryana:-

1. The large and medium scale industries which are established in Bhiwani are related to Textiles and Guar Gum. Training programmes related to textiles and Guar Gum industries should be expanded.
2. Bhiwani has present of 4 large and medium scale Textile units, however core industry skills are not available locally. Relevant courses/modules aimed at textile industry like ring frame operator, weaver, processing operator and bar coding machine operator should be developed by Development institutes.
3. In current scenario Automobiles, Mechanical and FMCG industries are growing fast and play a major role in GDP. Development Institutes should organise more consultancy and training programmes for establishment of these industries.
4. Development institutes should focus on rural and backward blocks of the district where the awareness about Development Institutes is even lower. They may provide training for Micro industries in backward area.
5. Development institutes should campaigns with an aim to promote local industries. They may set up counselling and career guidance camps to inform about the employment opportunities through Skill Development programmes.
6. Development Institutes should focus on soft skill training to workers in MSME Industries.
7. Development Institutes should build awareness about industry, career prospects, benefits etc amongst local youth through motivational programmes and job fairs. Industry heads should work on improving work conditions and ensure compliance to safety, health and welfare norms.
8. Local industry should encourage relevant trainings to apprenticeship programme with an aim to promote industry attractiveness amongst youth with the help of development institutes
9. Programmes organised by Development institutes should be promoted through mass communication and higher education institutes.
10. Special programme should be organised by Development institutes for women skill

CONCLUSION

In this study it is observed that MSME-Development Institute can play an important role to aware people about establishment of MSMEs. Development Institute needs to make more efforts to increase awareness among entrepreneurs about MSME-DIs policies and training programmes. Consultancy and training programmes of MSME-Development Institutes are very effective and motivational. It can encourage and empower people to establish an industry. Government should take some important steps regarding training programs about technology up gradation and skill development through Development Institutes to remove challenges and to develop the MSMEs. During the study it is concluded that training programs should be organized regularly specially for newly established industrial units for survival in early stage.
ACKNOWLEDGEMENT

Author is grateful to Dr. Sanjay Kumar, Assistant Professor, Indira Gandhi University Meerpur, Rewari for their valuable suggestions and comments in improving the quality of this paper.

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