



## Role of DIC in Achieving Sustainable Global Economy with Reference to MSMEs at Chittoor District Region

### KEYWORDS

MSMEs, Supporting Facilities, Factors influencing.

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### ABSTRACT

*Previous economic studies relating to enterprises have tended to focus on large enterprises utilizing scale economies; micro, small and medium sized enterprises (MSMEs) have only just emerged as a field of study in its own right, as a result of the innovations and the solution they provide to different economic problems, particularly in terms of employment. There is a sort of consensus on the importance and key roles these enterprises play in different economies. While it has been argued that a small firm, because of its size, can only make a minor contribution to the economy, as there are so many small firms their collective contribution is substantial.*

*The present study relates to the role of DIC in achieving sustainable global economy with reference to MSMEs at Chittoor district region. The study is empirical in nature. The main objectives of the study are, to know the supporting facilities provided by DIC, to know the scope of MSMEs, to know the factors influencing MSMEs establishments, and to know the benefits at Individual, Societal, and National level. The primary data has been gathered by distributing structured questionnaire to 54 respondents (owners of the firms). Likert's five-point scale has been used. The respondents were picked randomly by using convenience sampling method. The data was analysed by applying statistical tools like simple percentage, weighted average and chi-square techniques.*

### INTRODUCTION

Previous economic studies relating to enterprises have tended to focus on large enterprises utilizing scale economies; micro, small and medium sized enterprises (MSMEs) have only just emerged as a field of study in its own right, as a result of the innovations and the solution they provide to different economic problems, particularly in terms of employment. There is a sort of consensus on the importance and key roles these enterprises play in different economies. While it has been argued that a small firm, because of its size, can only make a minor contribution to the economy, as there are so many small firms their collective contribution is substantial.

Prior research documented that MSMEs play a significant role in the economy of a country. Consequently, the performance of the MSME sector is closely associated with the performance of the Nation.

#### Need of Entrepreneurship in India

- Employment generation.
- National production.
- Dispersal of economic power.
- Balance regional development.
- Harnessing youth vigor.

#### ABOUT CHITTOOR

Chittoor District is bound on the North by Anantapur and Kadapa district, on the East by Nellore district and Chengalpattu district of Tamil nadu on the south by north Arcot district of Tamilnadu and Karnataka States. The district covers an extent of 15.152 Sq.mms and divided into three Revenue Divisions namely Chittoor, Tirupati and Madanapalli. It is situated between 12° 37' to 14° 8' of North latitude and 78° 33' to 79° 55' of the Eastern Longitude.

#### PHYSIOGRAPHY

The major portion of the district is covered by Red soils with portions of alluvial soils in Chittoor and Bangarupalyam mandals. As per the village records 57% of the district is Red loamy and 34% Red sandy. The remaining 9% is covered by black clay (3%).

#### RAIN FALL

The district has the benefit of receiving rainfall during both the South West and North East monsoons. While the normal rainfall of the district for South West monsoon period is 438 mm that for north east monsoon period is 396 mm. The rainfall received during winter and summer is negligible. The average normal rainfall of the district is 934 mm. The rainfall from south west monsoon is more copiers compared to north east monsoon in the western mandals in the central part of the district, whereas the rainfall received from north east monsoon is comparatively less copiers in the eastern mandals of the district.

#### CLIMATE

The climate of the district is dry and healthy. 31 Mandals in Madnapalli divisions are uplands and they are comparatively cooler than the eastern mandals except chittoor where the climate is moderate.

#### DEMOGRAPY

The population of Chittoor district as per the 2011 census is 4170468 comprising 2083505 males and 2086963 females.

#### SCOPE FOR RESOURCE BASED INDUSTRIES

Chittoor district is basically an agricultural district with added potentialities and having good agriculture, Horticultural, Dairy and mineral resources.

#### INFRASTRUCTURE

APIIC has developed 1432 plots and 96 sheds for setting up of industries. So far 1002 plots and 91 sheds occupied by Industrialists in the Estates.

#### INDUSTRIES SCENARIO

Major Industrial activities of the district covers Fruit Processing Industries, Sugar Factories, Confectionery Units, Granite Cutting and Polishing units, Chemical industries, Electrical and Electronic industries, Engineering and Metallurgical industries and Textile industries.

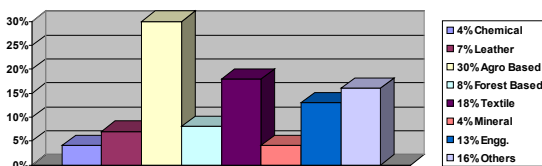
#### LARGE AND MEDIUM SCALE INDUSTRIES

The District has 102 Large and Medium Industries in Lead

Acid Batteries, Ghee Milk Powder, Milk Chilling, Confectionary, Sugar, Ceramic, Cotton Yarn, Bio Mass with an investment of Rs.940 Crores. Major Industries in the District are Ammaraja Batteries Ltd, Aswani Bio-Pharma, Heritage Foods (India) Ltd, Kalahasti Castings, Lanco Kalahasti Castings, Sagar Sugar Allied Products, Shree Vani Sugars, Stiles India Ltd, Om Shakthi Renergies Ltd.

#### DETAILS OF EXISTING MICRO & SMALL ENTERPRISES AND ARTISAN UNITS IN THE DISTRICT

According to the Industries Dept, Govt of AP, Chittoor has 16562 Small Scale / Tiny industries with an investment of Rs.304.98 crores and providing employment to 75151 persons. Food industries seem to be the dominating industrial group in the district, having a share of nearly 30% in the total number of units, 34% of total employment and 19% of investment. The rich agro resources in the district provide ample opportunities for food processing industry. The second major industrial category is textile based industry, comprising of small power looms, yarn twisting and dyeing, handlooms, and readymade garments industry. The structural composition of the MSE sector, in percentage terms, is as given below:



#### Facilities provided by DIC

1. Creating awareness towards MSMEs by conducting Entrepreneurship development Programmes.
2. Guiding Project selection and Preparation.
3. Recommending to Banks for sanctioning loans.

#### Government support and Grants

1. Allocation of land for the development of industrial development (SEZ).
2. Marginal money schemes. (Less investment).
3. Conducting Technological orientation programmes
4. Subsidy on repayment of loans.
5. Subsidy on Electricity power.

#### Benefits through MSMEs

**Benefits to Individual:** job creation, independency and flexible working time

**Benefits to Society:** Multiple choices of goods and services, employment opportunities.

**Benefits to Nation:** Economic growth, increased exports, and promotion of FDI.

#### Factors influencing MSME establishments

**a). Internal Factors:** Influence of ED Programmes, unemployment percentage, family background, and self fulfillment.

**b). External Factors:** Social network, government support, and legality, are the key strategic dimension in external environment in business success.

#### Statement of the Problem

The role played by DIC in achieving sustainable global economy by supporting the establishments of MSMEs at Chittoor district region.

#### OBJECTIVES OF THE STUDY

The main objectives of the study are:

1. To know the supporting facilities provided by DIC,
2. To know the scope of MSMEs,
3. To know the factors influencing MSMEs establishments,

and

4. To know the benefits at Individual, Societal, and National level.

#### Research methodology

The study is empirical in nature. The main aim of this study is to know the role of DIC in achieving Sustainable Global Economy

#### Data collection

In dealing with any problem it is often found that data at hand are inadequate, and therefore it becomes necessary to collect data that are appropriate. There are several ways of collecting the appropriate data, which differ considerably in context of time and other resources. Here for the purpose of the study two kinds of data has been used.

1. Primary data
2. secondary data

#### 1. Primary data

The primary data are those, which are collected afresh for the first time, and happens to be original in character, with reference to this study, data is collected through,

- A) questionnaire method
- B) interview method

**B) Questionnaire method:** Data is collected by distributing questionnaire to the proprietors of the small and medium firms in and around to Chittoor District. Questionnaire is a structured one consisting of questions, which are close, ended having fixed response pattern with Likert's five-point scale and multiple answers.

**C) Interview method:** the study also includes obtaining data from the proprietors of the small and medium firms in and around to Chittoor District. This interview is an informal or unstructured one with competent and articulate employees.

#### 2. Secondary data

The secondary data are those that are already available, i.e. they refer the data, which have already been collected and analysed by some one else. Secondary data is collected from DIC catalogues, journals, books and DIC websites.

#### Sample

The sample size taken for the survey includes 54 respondents (owners of the firms). The sample is selected randomly by using convenience sampling method from the proprietors of the small and medium firms in and around to Chittoor District.

#### Tools applied

Simple percentage, weighted average and Chi-Square methods are used for data analysis.

#### Representation of Results

Bar diagrams are used for representation of results.

#### Scope of the study

The study with the prime objective of ascertaining what is the role played by DIC in achieving sustainable Global economy

#### limitations of the study

1. The research work is confined to the study of 54 small and medium firms in and around to Chittoor District only.
2. The data is collected through convenience sampling method so; the findings of the survey should not be generalized at National level.
3. The findings may remain biased in nature as per the values, ethics and competencies of the respondents.

**data Analysis and discussion**

**A. DIC supporting factors influenced to start a venture.**

**Table - 1**

S.No.	Opinions	Frequency	Per Cent
1	Conducting EDPs	21	39
2	Project Guidance	16	30
3	Recommendations to Bank	17	31
	Total	54	100

**Figure-1**

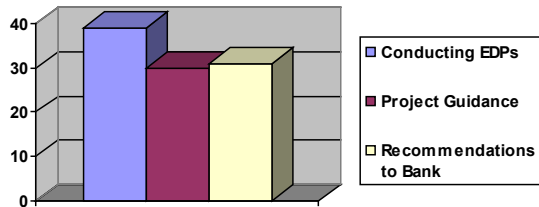
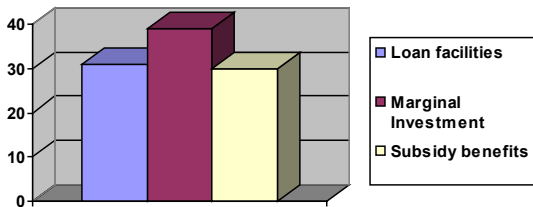


Table-1 infers that, 39 per cent of the respondents said that, they were influenced by attending ED Programmes and started their own business, 30 per cent of the respondents said that, they were influenced by the project guidance provided by DIC, Chittoor and started their own business, and 31 per cent of the respondents said that, they started their own business because of the DIC Recommendation to the bank.

**B. Factors influenced to start a MSMEs**

**Table - 2**

S.No.	Opinions	Frequency	Per Cent
1	Loan facilities	17	31
2	Marginal Investment	21	39
3	Subsidy benefits	16	30
	Total	54	100



**Figure-2**

Table-2 infers that, 39 per cent of the respondents said that, marginal investment influenced to start MSMEs, 31 per cent of the respondents said that, loan facilities influenced to start MSMEs, and 30 per cent of the respondents said that, subsidy benefits influenced them to start MSMEs.

**C. Ranking the factors caused to MSMEs**

**Table - 3**

S.No.	Weights Elements	1	2	3	4	5	Average	Ranks
1	EDPs	1	1	2	1	2	23	4
2	Unemployment	3	1	2	5	3	46	1
3	Family background	2	0	5	3	1	33	3
4	Independency	2	5	3	1	2	35	2
5	Social recognition	3	2	2	1	1	22	5

Table-3 infers that, the respondents ranked factors caused to MSMEs as, Unemployment as 1<sup>st</sup> factor, Independency as 2<sup>nd</sup> factor, Family background as 3<sup>rd</sup> factor, EDPs as 4<sup>th</sup> factor and Social recognition as last factor.

**Hypothesis test**

**Null Hypothesis (H<sub>0</sub>):** There is significant relationship between DIC Support and personal factors of respondents.

**Condition:** If Chi-Square calculated value is greater than, Chi-Square Tabulated value, then, Null Hypothesis can be rejected.

$$\chi^2 \text{ calculated Value} = \sum (O-E)^2/E_s$$

**D. Relationship between Designation and Stress levels.**

**Table - 4**

Dsgn. Stress	Professor	Associate Professor	Assistant Professor	Total
Low	2(1.9)	6(4.0375)	11(13.0625)	19
Moderate	4(3.2)	6(6.8)	22(22)	32
High	2(2.9)	5(6.1625)	22(19.9375)	29
Total	8	17	55	80

**Note: \*Dsgn- Designation**

$$\chi^2 \text{ calculated Value} = 3.2338$$

$$df = (R-1) * (C-1) = 3-1*3-1 = 2*2=4$$

At 5% level of significance for 4 df Chi-Square tabulated value is, 9.48

**Result:** The Chi-Square calculated value is not greater than the Chi-Square tabulated value. So, null hypothesis cannot be rejected, and concluded that, there is significant relationship between Designation and Stress levels.

**CONCLUSION**

This paper has concluded that the MSMEs in Chittoor district is being well on economic point of view. As well as MSMEs has been generating additional employment opportunities to growing labour force in non-agricultural sector and for people in rural and semi-urban areas.

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