

## Role of District Industries Centres in Enhancing Economic Opportunities in Rural India

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### ABSTRACT

The primary focus of the Industrial Policy that was available to Parliament in 1978 was the efficient growth of small and cottage enterprises spread out over the country's rural and smaller urban regions. The original intention behind the establishment of the District Industries Centers (DICs) program was to support rural businesses by way of an integrated administrative agenda at the district level. In order to promote industrial development and entrepreneurial growth, this research looks at what DICs are, how they work, and how effective they are. It draws attention to the institutional processes by which DICs make government initiatives, training, technical assistance, and loans more accessible. In addition, the research assesses the efficacy of DIC-run programs that provide training, financial aid, and employment opportunities in an effort to boost industry production and self-employment. To promote equitable growth, job creation, and sustainable industrial development in India, DICs play an important role as a bridge between government programs and grassroots entrepreneurs.

**Keywords:** *Entrepreneurship, Employment, Credit, Government, Financial.*

### I. INTRODUCTION

Historically, the concept of a "District Industries Centre" (DIC) dates back to 1978. Initiated at this time, a worthy endeavor by the Central government sought to attain progress and wealth. At the outset, the growth of massive corporations was a primary goal of the Industrial Policy. On the other hand, the policy that came into effect in 1977 changed things around such that small and micro businesses could thrive. Aside from initiatives to support the expansion of small businesses, the strategy has also announced the creation of a District Industries Centre (DIC) in every district to address the specific industrial requirements of that area. The project's overarching goal was to provide a focal point for supporting the growth and development of small businesses. So, the DICs program was launched with the goal of helping important industries like micro, cottage, or rural ones expand and progress. Since the program's inception, it has received unwavering funding from the federal government.

The plan calls for the methodical and planned installation of a District Industries Centre (DIC) in each of the country's districts. Making district headquarters into nodes for the growth of cottage and small-scale industries is the main goal. Prioritizing the development of district headquarters will now take precedence over metropolitan regions and state capitals. The long-term objective is to provide a central hub for all the resources that small and rural enterprises need. The above is in line with the directives issued by the Government of India to the State Government about the creation of District Industries Centres (DIC) in each district of the state.

The development of DICs was a direct response to the urgent necessity to revive the national economy and meet the demands of businesses for a variety of services and facilities in the face of economic stagnation. The objective was to thoroughly combine these resources. Careful consideration was given to the specific requirements and difficulties encountered by businesses in rural locations when developing these services.

DICs have a role in fostering and honing entrepreneurial skills through a range of training programs. It was the hope of these programs that people would be better prepared to succeed in the corporate world. There was also a strong focus on finding the best programs for prospective business owners. Each person's situation and ambitions were carefully taken into account to guarantee that the projects selected will help them achieve their objectives. Comprehensive feasibility studies were carried out to guarantee the projects' potential for success. The feasibility of each project was evaluated by looking closely at its operational and economic features in the market.

The importance of having access to financing in entrepreneurial endeavors was acknowledged, and steps were taken to make credit more readily available. This necessitated coordinating closely with banks in order to simplify and expand access to loans for business owners. Part of this all-encompassing strategy also included buying machinery and equipment. The significance of having the proper resources and tools was acknowledged, and measures were implemented to guarantee that entrepreneurs had access the gear and machinery they needed to materialize their ideas. The supply of raw resources was likewise contemplated as a means to bolster enterprises. Establishing trustworthy supply chains and making sure entrepreneurs could get their hands on high-quality raw materials were priorities since everyone knows that these things are crucial to a company's success. Finally, business owners were wise to form industrial clusters to encourage cooperation and synergy. The idea behind these groups was to foster an ideal setting by concentrating people with similar interests in one area.

## **II. BENEFITS OF DISTRICT INDUSTRIES CENTRES FOR ENTREPRENEURS**

The combined services and guidance offered by DICs provide several practical benefits to business owners.

### **Improved Access to Government Schemes and Incentives**

Business owners can get assistance from DICs in locating and submitting applications to appropriate government subsidy and incentive programs. In particular, this organized access can aid MSMEs in lowering operational expenses and increasing economic viability.

### **Easier Access to Credit and Financial Resources**

Although they do not provide loans or guarantee credit, DICs play the role of facilitators by assisting firms on paperwork, eligibility, and scheme-linked financing. With this support, a company will be better equipped to deal with banks and other types of financial institutions.

### **Skill Development and Technical Guidance**

The DICs help firms become more entrepreneurial by offering training and consultancy services. Business owners are able to make more informed judgments on the allocation of resources through the entrepreneur development programs.

### **Support for Rural and Urban Industrial Growth**

The DICs have a role in making sure that both urban and rural regions experience balanced industrial growth. Their district-level focus supports balanced economic growth and the development of local industries.

## **III. FUNCTIONS OF DICS**

The DIC plan's main goals are to centralize assistance and clearing services and to consolidate their provision.

### **Single Window Facility**

Centralizing a wide variety of assistance and clearing services is one of the main goals of the DIC strategy. In order to speed up the development of new and current businesses within the district, the District businesses Centres (DICs) have been instrumental in implementing a number of programs and projects. The technology is designed to clear a single window at a time. In order to accomplish the goals linked to its founding, District Industries Centres (DICs) oversee various programs including the Prime Minister's Employment Guarantee Programme, KVIC, or Coir Board schemes.

### **Economic Feasibility Assessments**

The techno-economic feasibility studies are to be prepared by the district industries centers. In order to evaluate and prepare an industrial profile, one must first find and analyze all of the pros and cons of setting up shop in a specific area. It also evaluates the availability and sufficiency of the raw materials and infrastructure that are vital to the industry.

### **Credit Assistance**

In order to launch and maintain a successful manufacturing business, capital acquisition is key. This kind of large investment is out of reach for many entrepreneurs. Therefore, the district industries center's principal duty becomes the acquisition of credit. It helps with the sanctioning process as well as the distribution of subsidies.

### **Consultancy Services**

Advice and support, especially in the form of data on present opportunities, might be helpful for entrepreneurs. The indicated aspect plays a role in the area's industrialization, which in turn helps to provide work opportunities.

### **Act as a Hub**

A key player in the industrialization process, the district industries centre offers a wide range of services, such as easing licencing and clearance processes, recommending award grants to businesses, helping with marketing and raw material procurement, organising training programs and awareness camps to encourage entrepreneurial growth, and recommending subsidies and credit assistance to financial institutions. Manual techniques were formerly used for industrial unit registration. But now all registrations are done through Udyam, an internet portal that lets anybody register themselves depending on what they declare.

### **IV. SCHEMES UNDER DIC**

District Industries Centres (DICs) are responsible for a wide range of programs. The goals of creating the DICs may be more easily achieved with the help of these plans. Additionally, these programs are both centrally supported and part of the central sector. Examine the following schemes that fall under the purview of the DIC:

#### **DIC Loan Scheme**

Small businesses and sole proprietors in urban and rural regions with populations under 100,000 and capital investments of less than 2 lakhs rupees are eligible for this programme. Village, small-scale, silk, handicraft, coir, and handloom industries all acknowledge these micro units. The margin money for entrepreneurs in the SC/ST category is 30% of the entire investment or Rs. 60,000, whichever is lower. The minimum amount required as margin money for businesses falling into the general group is forty thousand rupees, or twenty percent of the entire investment.

#### **Prime Minister's Employment Guarantee Program (PMEGP)**

This program was launched in 2008 and is financed by the government. It is under the Ministry of Micro, Small, and Medium Enterprises. People with degrees who are out of work in both urban and rural locations can find work through the PMEGP program. Khadi and Village Industries Commission (KVIC) is the central organization responsible for implementing the system. For projects in the service, industrial, or commercial sectors, the applicant would be required to put up 10% of the total cost, while banks would lend the remaining 90% to 95%.

#### **District Awards Scheme**

State governments have begun to recognize and honor these entrepreneurs by presenting district-level prizes in recognition of their entrepreneurial spirit and accomplishments. At the district level, an Advisory Committee should be established to choose the entrepreneurs who will receive the awards. Annually, on Vishwakarma Jayanti Day—which takes place on a different date each year—the District Awards Function is held. At the prize ceremony, the businessmen will showcase their wares for sale and debate, and there will also be workshops on the subject.

#### **Entrepreneurship Development Training Program**

Motivated by a desire to help the educated who are either out of work or working for low wages, this program offers classes to those who are interested in starting their own businesses. The Entrepreneurship Development Training Program encompasses the following training programs:

- Technical Training Program (12 Days to 2 Months non-residential)
- Entrepreneurship Development Training Program (12 days residential)
- Entrepreneurship Introductory Program (Udyojakata Parichay Karyakram)

### **Seed Money Scheme**

People who are self-employed or who work for a skilled salary are the primary target of this program. Also, this plan provides institutional funding through lenient lending terms. In order to qualify for a loan under the seed money plan, the project's cost has been increased to Rs. 25 lakhs. One can receive up to 15% seed funding for projects costing 10 lakhs rupees. For eligible applicants from SC/ST/OBC categories, the maximum amount of assistance will be Rs. 3.75 lakhs, or 20% of the total project cost. Bank loans will cover the remaining 75% of the cost.

### **V. FUTURE TRENDS AND THE EVOLVING ROLE OF DICS**

With the emergence of new economic issues and technological breakthroughs, the function of District Industries Centres is constantly evolving. A number of developments are anticipated to influence DICS in the years to come:

- **Digital Transformation:** In order to expand their customer base and improve service delivery, DICS are embracing digital tools and platforms. Virtual training sessions, online consulting services, and online marketplaces connecting local producers with customers from across the world are all part of this.
- **Enhanced Data Analytics:** It is anticipated that DICS of the future would use data analytics to have a better grasp of regional market tendencies and adjust their offerings appropriately. Tasks such as studying consumer preferences, keeping tabs on key performance indicators, and predicting expansion prospects might fall under this category.
- **Focus on Innovation:** Perhaps DICS will forge closer ties with universities and innovation incubators as they place a greater focus on R&D. Working together in this way can encourage new ideas and lead to the adoption of state-of-the-art goods and procedures by local industry.
- **Sustainable Industrial Practices:** A key component of industrial strategy will be environmental sustainability. DICS will most certainly step up their campaigns to advocate for eco-friendly production methods and green technology.
- **Inclusive Growth Initiatives:** It is possible that future efforts may place a greater emphasis on youth and rural skill development programs, underserved areas, and female entrepreneurs in order to guarantee that everyone shares in the advantages of industrial growth.

### **VI. CONCLUSION**

District Industries Centres continue to be a powerful tool in India's toolbox for promoting localized industry development. Local communities are empowered to unleash their full potential by receiving complete support from DICS. This support includes financial aid, technical training, market access, and sustainability direction. The services provided by DICS may be important in the success of any entrepreneur, from those just starting out to those with an existing company and wishing to grow.

The work of DICs is more important than ever in today's changing economic world, as local growth directly impacts national advancement. They inspire local businesses to be more innovative and self-sufficient while also facilitating economic empowerment and employment development. These hubs will continue to lead India's industrial development efforts so long as they adjust to changing trends and obstacles.

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