



# EDI REPORTS

FROM  
THE DIRECTOR'S DESK

## Governance in NGO Sector: Retrospects and Prospects

India has had a rich culture of voluntary action since time immemorial. However, this 'voluntarism' of individuals and groups has given way to an organised set of professional development organisations better known as Non-Governmental Organisations (NGOs). On a rough reckoning, over 100,000 NGOs are operating in the country. In fact, the last two decades have seen a burgeoning growth in the number of these organisations. While it is a welcome state of affairs on the one hand, it is also a cause of a few serious concerns, on the other.

This foray into setting up voluntary organisations, sometimes by self seeking individuals for personal benefits, has serious risk of bringing disrepute to the movement. Sanjit (Bunker) Roy, in his much talked about letter to Home Minister, way back in November 1996 wrote "If poverty was a big business in the 1980s, volunteerism is big business in the 1990s with every 'non-gazetted officer' (ngo) starting an NGO.' These observations unfortunately remain true even today.

Moreover, the kind of funds that are flowing to some of the NGOs, in the name of development, is alarming. To quote Bunker again ' With too much money coming in, with no self-discipline or public accountability, with some groups building colossal empires, the spirit of volunteerism is being slowly destroyed'. Such views from a well known NGO leader are certainly a matter of concern for those who are looking at this sector as a vanguard of values.



**Modernisation of SME Sector : Constraining Factors**  
- Bipin Shah, Sr. Faculty, EDI



No doubt that a large number of well meaning NGOs are doing remarkable developmental work and trying to empower the people at the bottom of the pyramid, but the number of such committed NGOs and professional development workers is depleting rather fast. What is required is a serious movement towards inculcating accountability and transparency in the sector. Moreover, most NGOs are set up due to individual volitions. These persons, by and large, driven with social concerns, are not necessarily good managers. As a result, they find it difficult to make their organisations sustainable. The lack of professionalism is also reflected in poor standards of their governance. There is, therefore, a dire need to improve the governance of such well meaning NGOs to enable them to play their role more effectively. This will also help back the prestige and reputation of voluntary sector in the eyes of public, which is somewhat sceptical about the relevance of NGOs.

In short, NGOs need to understand the issues of governance, and 'best practices' in it, to establish processes and structures which strengthen the organisational capacities. Transparency, accountability, clarity of roles, effectiveness and self-monitoring will also keep the inhibitions of external stakeholders at bay.

In order to address these issues, EDI and Janvikas (a Gujarat based reputed voluntary organisation in the country) have collaborated to set up a Centre for Governance Studies in Non Profits at EDI. The Centre would primarily aim at building capacities of NGOs in improving their management practices; undertake studies on best practices in governance and management of NGOs; disseminate research findings among various stakeholders; develop a system of capability rating of NGOs and work towards evolution of a healthy NGO sector through implementation of various other activities/strategies. The Centre would also engage itself in evolving a conscientious among NGOs to define norms, ethical standards and processes towards effective governance, as also strive to establish regulatory bodies and mechanisms for accreditation and rating of NGOs.

The Centre, presently a part of EDI, will gradually be up-scaled into an independent entity.

At present, we are in cognisance with our vision, and are eagerly reaching out to our objectives. This will perhaps mark the beginning of an era where NGOs will voluntarily step forth to improve their efficiency, credibility and thus sustainability.

- Dinesh Awasthi





# Entrepreneurship Education

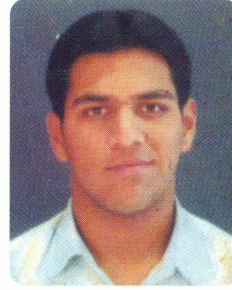
## Want To Become An Entrepreneur? No More A Far Cry

'I want to be on my own'. The statement does not raise many eyebrows now. Students are widely saying this; they are making a choice in favour of Entrepreneurship, as a career. Year after year, EDI is witnessing an increase in the number of students taking admissions in its course, Post Graduate Diploma in Business Entrepreneurship and Management (PGDBEM) that trains students to set up own enterprises. The ninth batch recently commenced with about 59 students. Dr. Sunil Shukla, the PGP Chairperson was heard saying, "It's amazing, how the scene is changing and evolving as well". And indeed it is, EDI passouts and the students of the present batch are a testimony.

We spoke to some youngsters of the 9<sup>th</sup> PGDBEM batch to know the factors that had influenced their decision.

### ■ Do you think the society is changing its views towards entrepreneurship as a career?

"I came to know about EDI from my professors when I was pursuing graduation. Seniors who had visited EDI, as a part of their institutional visit, also advised me in favour of this course. So, I think one can safely assume that societal perceptions are changing. It is my dream to become an entrepreneur and I believe EDI is the right place to fulfil my dream. I opted for this course because M.B.A. and other management studies teach one how to manage a well-established



business or a company; whereas a course in entrepreneurship focuses on improving one's ability and confidence to establish own business, i.e. it makes one an owner-manager."

- Yash Ajmera  
Ahmedabad, Gujarat

### ■ Do you feel today's youths understand that there is a clear cut difference between acquiring training to 'manage' an enterprise and acquiring training to 'become' an entrepreneur?

"Yes, I feel today's youth is quite aware. They know what they want and do not shy away from hard work. The youths understand that getting trained to become an entrepreneur requires huge efforts but on the other hand it is certainly more rewarding. They know that a specialised course in this area inculcates all that is required to succeed in the world of business and that it is different from a course in management. Training in entrepreneurship equips one with not just knowledge but also competencies in a way that no other course does."



- R. Prashanth  
Chennai, Tamil Nadu

### ■ Did you ever feel that you could stray on the road of entrepreneurship and, therefore, a training is necessary?

"I have chosen to walk the unconventional path of becoming an entrepreneur. It's easy to stray on this meandering path. A map helps you navigate and reach the desired destination. Hailing from a non business background, I needed direction and EDI became the map for me. It encourages me to dream and visualize,





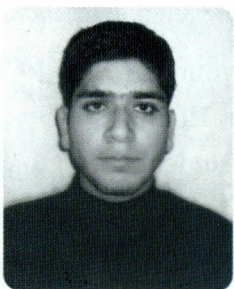
to measure and develop my competencies. It performs the role of a catalyst, which offers me an apt environment to nurture my entrepreneurial potential.”

**- Rahul Shah**

Mumbai, Maharashtra

#### ■ How do you perceive 'Entrepreneurship'?

“Entrepreneurship or ‘Venturing out’ is like a solution to meet one's growing requirements. It facilitates wealth generation and



distribution and fuels the spirit of innovation. It generates employment and sustains socio-economic development. I have joined EDI to refine my entrepreneurial vision, skills and gain knowledge to create and develop my enterprise. EDI provides the necessary environment to become the

entrepreneur, I want to be. It is a springboard to my dreams.”

**- Siddarth Safaya**

Pune, Maharashtra

The course PGDBEM develops entrepreneurial traits, knowledge, skills, motivation and initiative in its students so that they eventually build a viable organisational network by assembling various resources. The course offers four specialisation options to its students. These are:

- ★ New Enterprise Creation to impart knowledge and develop competencies that enable setting up of new enterprises.
- ★ Family Business Management to develop family business successors into knowledgeable owners of the business of their forefathers.
- ★ Agri Entrepreneurship to develop entrepreneurs who can set up enterprises and operate in agriculture sector.
- ★ Services Management to facilitate conceptual understanding of the emerging services sector so that the sector sees several new enterprises. This stream, introduced in the year 2006-07, provides an indepth analysis of the environment that leads to recognition of opportunities in the services sector.





## ORIENTATION WORKSHOP FOR PGP ALUMNI



In an attempt to help its students reach exacting levels of performance in the market, EDI organised a 5-day workshop for the passed out 7th batch students. The workshop was organised with the prime objective of orienting these young entrepreneurs to some of the latest trends/opportunities/practices of the present day tough business world. The subjects covered were - Indian Business Environment and Commodities' Training; International Economy and Indian Economy; Branding Strategies and International Trade; Innovative Sales Promotion Mechanism; and Persuasive Advertising and Informative Advertising. Leading faculty members, including Prof. Arvind Sahay from IIMA, Mr. Surya Narayana, GM, Marketing at Zydus Cadila, Dr. Ganesh Prasad from the Institute of Plasma Research and Senior Faculty Members of EDI addressed the group.

**“With this training, I will graduate to the level of a professional in the NGO sector”**

Entrepreneurship has breathed soul in many a flourishing sector. The Non Government Organisations, on account of their significant role have come to acquire the status of a 'field' in itself. The government has also

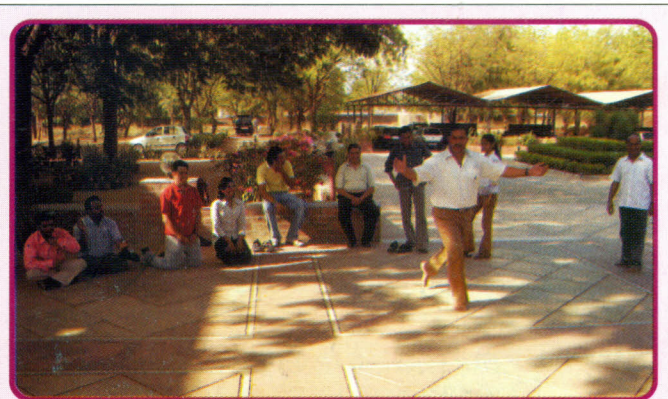
accorded them priority, and relies on them for dealing with several issues plaguing the society. EDI, which has been working at the grassroots, along with NGO functionaries, knows the importance of honing as also developing skills in functionaries so that they who are the most crucial components of the society, get even better equipped. Post Graduate Diploma in 'Management of NGOs' trains pupils to contribute to the NGO sector by setting up their own professional NGO or by way of joining an NGO and boosting the performance on account of their enhanced knowledge.

About 190 students have been trained till now and are well placed with national and international NGOs. The 9<sup>th</sup> batch commenced with 25 bright students, all committed to making a difference to the society.

Some students opine: -

“I always felt inspired to take up social causes but felt inadequate for lack of knowledge and skills. Joining this course was the best decision of my life and I have learnt how important it is to integrate your desire to do something with the knowledge required to accomplish it.”

“I am sure I am going to have a powerful beginning because I feel confident of my understanding of social issues. That there are technicalities that need to be understood to deal with social issues is a realisation which EDI gave me. The course has just begun and I already fill so much capable.”



Students of PGDMN performing during a session on “Use of folk and other mediums in creating awareness about social issues”



## And they could unleash the 'Me' within (EDI's Summer Camps)

“Are entrepreneurial skills essential only if you harbour the dream of becoming an entrepreneur”. Asked a journalist on the last day of the Summer Camp on Entrepreneurial Adventures for Youth at EDI. Answering her, stood up a seventeen year old noticeably confident camp participant, “Entrepreneurial traits are important for an 'achiever' - be it an entrepreneur, an actor, a dancer, an educationist or a professional from any other field. All achievers display these traits. Rather I would say, presence

of these traits make an achiever”.

The expressions of the journalist clearly showed that he was taken aback by the clarity in understanding. He looked around and saw all the 46 participants nodding in agreement.

The 15<sup>th</sup> National Summer Camp at EDI for college-going youths, organised during 7th-16th May 2006, had once again successfully kindled awareness, knowledge and enthusiasm in 47 youths from across the country. They represented eight different states but there was no disharmony of thoughts and all were on the same track of beliefs and notions, on this last day.

All exuded confidence because they knew they had it in them and could look up to the big word 'success'.



*Seen in the picture is Padmashree Dr. Kumudini Lakhia, the renowned danseuse, addressing the participants. Dr. Lakhia was the Chief Guest of the Valediction of the Youth Camp. Dr. Lakhia addressing the participants as 'rich' young people said that they were so, as they had the treasure of knowledge and information which was greater than all the riches of the world. “This should be your strongest support system and in any crises you must not crumble down but take recourse to it,” said she, motivating all.*

*Also seen are (R-L) Dr. Dinesh Awasthi, Director-EDI, Dr. Sunil Shukla, the Camp Leader and Dr. B. B. Siddiqui, Sr. Faculty, EDI.*

*Dr. Awasthi urged the students to work on the spark ignited during the camp. He said that the focus today was on Excellence and these budding achievers must begin the process of thinking out-of-the-box.*



And as the camp leader, Dr. Sunil Shukla said, “They are all powerful individuals now. The biggest achievement for me is that these young minds know that they have a role to play and possess the potential to accomplish it.”

The camp had imparted skills and traits via case studies, lectures, role plays, industrial and institutional visits. Interactions with achievers left them aiming for high. Noted danseuse, Padmashree, Dr. Kumudini Lakhia; entrepreneur, Mr. Pradeep Chona; the doyen of entrepreneurship movement, Dr. V.G. Patel, MICA Director, Dr. Atul Tandon, and many other high flying achievers fuelled their young resolve and goaded them on to higher achievements despite odds.

The exuberance of youth has great potential and the camp had done wonders to it. Confidence sure has the

A participant speaks \_\_\_\_\_

“I have shrugged off my fears and inhibitions. I feel an urge to go out and prove. I am now determined and time will show how the values that I have acquired will bring about a sea change in my life.”



*Vivek Desai from Riyadh receiving award for outstanding performance during Summer Camp on Entrepreneurial Adventures for Youth, at the hands of Dr. Dinesh Awasth Director, EDI. Also seen is the Chief Guest of the function Padmashree Dr. Kumudini Lakhia.*

power of unleashing the real 'me' in every being.

EDI also organised the thirteenth, one-week Summer Camp (during April 30 - May 5, 2006) on Entrepreneurial Stimulation for Children in the age group of 12-16 years. 84 children from eight states participated in the camp. The objectives of this camp were to steer the thought process of these participants in the right direction. On the similar lines a camp was also organised in Nainital during May 22-27, 2006. The sessions focussed on enhancing creativity and motivation that made them think out-of-the-box. Interesting exercises like mental gyms and puzzles were designed for the target group. The children were also exposed to yoga and value education classes. Industrial visits to various small-scale set-ups in the city so as to acquaint them with the actual production procedures, were also the priority.



*To learn more about Creativity and Production, participants of the Summer Camp on Entrepreneurial Stimulation for Children visited Havmor Enterprises.*



## So is Entrepreneurship becoming the buzzword?

The Institute's Open Learning Programme in Entrepreneurship team has reasons to celebrate. It has registered the 5000<sup>th</sup> student and this indeed is a landmark. It says that attitudes and mindsets are fast changing, and that we can look forward to a progressive India.

The Open Learning Programme in Entrepreneurship was launched in the year 1995 with inhibitions hovering over it, although the positive minds behind it remained unshaken. A few years down the line were enough to relegate several 'questioning' schools of thought to a backseat. *Results spoke.* And today, OLPE boasts of 3425 learners with S&T, background, 948 women learners and 627 learners from general streams. Also with an encouraging start-up rate, OLPE is going great guns.

The OLPE study material addresses the concerns and requirements of modern day entrepreneurs. It imparts knowledge, information and skills

on all aspects of successfully launching and managing a business enterprise. Focus is mainly on the kind of support available from various agencies, business opportunity guidance, soft skill development and various management areas. Keeping itself abreast with the latest trends and developments of the contemporary, business scenario, the course material is regularly analysed and updated.



*Dr. Dinesh Awasthi, Director-EDI, honouring the 5000<sup>th</sup> OLPE learner, Mr. Chirag Shah. Also seen is (in the centre) Dr. Sunil Shukla, Project Director*





## EDI-DST join hands to promote Technopreneurship

Twenty-nine representatives from various universities and colleges, covering the length and breadth of Uttar Pradesh participated in a one-day Sensitisation Workshop on **Promoting Entrepreneurship in Science and Technology Educational Institutions of Uttar Pradesh**. The participants comprised the Vice Chancellors of Universities, Directors, Heads of the Departments and a young brigade of academicians.

Mr. H. K. Mittal, Member Secretary, National Science & Technology Entrepreneurship Development Board (NSTEDB), Department of Science and Technology, Govt. of India, was the Chief Guest of the workshop.

Also present on the occasion were, Dr. Dinesh Awasthi, Director EDI, Dr. Sunil Shukla, Professor, EDI, Mr. Sujeet Banerjee, Director, NSTEDB and Shri Raman Gujaral, Regional Coordinator, EDI.

The workshop encouraged the participants to come up with new ideas on the content and strategies to promote **entrepreneurship in S&T institutions of U.P.** The significance of integrating entrepreneurship with the formal education system was also focussed upon.

Mr. H.K. Mittal informed the participants about NSTEDB activities with special reference to its partnership with EDI in promoting entrepreneurship education through various programmes. He stressed on the need of promoting entrepreneurship and orienting our youths to make a conscious decision in its favour. Dr. Dinesh Awasthi, Director-EDI, shared with all, the interventions of EDI towards promoting entrepre-



In keeping with the strategy of promoting OLPE through institutions, an MOU was signed between EDI and Information Technology (IT), BHU. IT BHU is now one of the collaborating agencies along with the likes of IIT Roorkee, NIRMA, Aligarh Muslim University and so on, who are giving fillip to this Programme. Seen above, during collaboration signing occasion, are Dr. Dinesh Awasthi (3rd from R), Dr. S. N. Upadhyay, Director, IT BHU (2nd from R) and Dr. Sunil Shukla, Project Director, OLPE (1st from R). Also seen is Mr. H. K. Mittal, Advisor & Member Secretary, National Science & Technology Entrepreneurship Development Board, Ministry of Science & Technology, Govt. of India (4th from R)



neurship education in the country. Endorsing the views of Mr. Mittal, Dr. Awasthi elaborated on how growth is contingent upon the level of entrepreneurship. Dr. Sunil Shukla, Professor, EDI highlighted the importance of motivational inputs in entrepreneurship training and enlightened all, on the findings of the research on "Entry Barriers to Entrepreneurship". Mr. Sujeet Banerjee, Director, NSTEDB gave valuable insights into the sponsorship support available by NSTEDB to promote entrepreneurship education in institutes.

The workshop was successful in bringing various stakeholders involved in promoting Entrepreneurship Education - NSTEDB, DST, EDI, state universities, central universities, govt. and private engineering colleges, polytechnic colleges and ITIs - on a common platform. The workshop, importantly enough, drove home an understanding of the procedures for setting up of ED centre in various institutions. The participants were also apprised of the support available from SIDBI in this direction. The action plans readied by the participants suggested their determination to avail support in setting up such centres. Their commitment could also be read in their active participation in deliberating upon subjects of entrepreneurship curriculum, importance of motivational inputs along with other soft and hard skills.

The participants unanimously agreed upon the strategies evolved to promote entrepreneurship. They could see the significance of this training for students and actively interacted on various measures that could be adopted to see youths turn entrepreneurial by choice.

The participants agreed to have gained valuable insights into the Entrepreneurship Development Process and its planning. Their action plans reflected a unique understanding of this process, as they had suggested ED interventions to suit the profile of their students.

The Action Plans developed for implementation did give a feel of commitment to the cause.



*Dr. Dinesh Awasthi, Director, EDI addressing the delegates*





# Micro Enterprise & Micro Finance Development

## Assigning the Advantages of Scale and Scope to the Handloom Sector

Over the years the Handloom Sector has lost the title of 'strong based' to just 'wide based'. Excessive dependence of traditional art has sidelined the need to match steps with the requirements of contemporary economy. 'Pace' is the word which directs economic activities. And the Handloom cluster is far behind the desired pace. The calibre to help it survive in the business environment needs to be developed. Right

knowledge and strengths in the form of updated technology, strong marketing linkages and export tie-ups are sure to create sustainable competitive advantages for the cluster.

Realising the needs, the Office of the Development Commissioner, Ministry of Textiles, Govt. of India, launched the Integrated Handloom Cluster Development Scheme in 20 selected Handloom Clusters of the Country.

A strong mechanism to reach the prime objective of rejuvenating these clusters, has also been worked out and as a part of this holistic approach, 13 implementing agencies have been appointed, with a view to providing need-based support, conducting overall monitoring and planning, implementing activities that complement the targets. EDI has been appointed as a National Resource Agency.

Growing competitiveness in the textile industry, both in the national and international markets, and the emerging opportunities, demand that the handloom weavers be facilitated to meet the challenges of a globalised environment. This project is an attempt to promote sustainable development in identified clusters. EDI, as a National Resource Agency, undertakes the following activities;

- ★ Trains Cluster Development Executives to augment cluster development initiatives.
- ★ Provides effective monitoring, mentoring and



*EDI has been appointed as the National Resource Centre under Integrated Handloom Cluster Development Scheme, sponsored by the Office of the Development Commissioner, Handlooms, Government of India. Seen here is Mr. B. K. Sinha, Development Commissioner, Handlooms, inaugurating the Centre. Also seen are (R to L) Dr. Dinesh Awasthi, Director, EDI; Mr. P. C. Parmar, Commissioner, Cottage Industries, Govt. of Gujarat and Mr. Manoj Mishra, Faculty, EDI.*



*Mr. B. K. Sinha, Development Commissioner, Handlooms, Government of India, addressing the gathering during the inaugural function*



advisory (technical, managerial, needbased) services to the clusters.

- ★ Sensitises and apprises policy makers about the constraints faced by the Handloom Clusters.
- ★ Provides an interactive forum to Cluster Development Executives (CDEs), Associations, Business Development Service (BDS) Providers, other stakeholders, implementing agencies and support organisations.
- ★ Ensures convergence of schematic assistance and support services of various government and financial institutions to optimise resource utilisation.
- ★ Documents 'Best Practices' in the clusters.

The project was formally inaugurated at EDI by Mr. B. K. Sinha, Development Commissioner, Handlooms, Ministry of Textiles, Govt. of India. Mr. Sinha talking about the successes of EDI in reviving clusters across the country, bestowed faith in its cluster revival strategies.

He expressed confidence in EDI's capabilities of ensuring consistently the best success for the identified handloom clusters. He also had some tips and tactics for cluster development agents who he felt were 'turn - arounders' in the real sense. Throwing light on some modern day business necessities, Mr. Sinha talked about consortium approach, product diversification, common facility centre, export market orientation, design development and quality improvement.

Opining, Dr. Dinesh Awasthi, Director-EDI, said that today there are scores of organisations working in the area of cluster development but there is a lack of connectivity between the interventions and the needs of these clusters. This is, felt Dr. Awasthi, the area where EDI has a winning edge. Even in this project, he said, the diagnostic studies had shown EDI the way it would be able to set in change in the identified clusters.

As a part of its responsibility, EDI conducted a capacity building programme to develop a cadre of well trained Cluster Development Executives. 20 CDEs from 10 states and 13 implementing agencies participated in the programme. During the programme, emphasis was laid on diagnostic study and identification of implementation tools. Several institutions such as ATIRA, NID, UNIDO and State Handloom Development Corporations contributed towards providing a perspective to these participants and in the process, prepared them for effectively carrying out diagnostic studies in their respective clusters.

Subsequent to the completion of this exercise, these trained officers prepared diagnostic studies on 20 clusters and worked out an action plan for implementation on the basis of problems and opportunities identified, and potential gauged.



# Bringing Handicraft Clusters a Full Circle

## EDI as the Technical Agency

Production, employment and revenue potential would perhaps primarily be considered in gauging a sector's growth standards. The traditional industries of India when pitted against these yardsticks fail to bear a promising look. They are in need of urgent intervention. Two primary factors that justify this all the more are-one, they are endowed with advantages whose potential remains unharnessed and, second, in the wake of the present day enterprise favourable environment, there are opportunities galore. In the presence of such preconditions the cluster approach adopted by EDI has proved to be a boon. The turn-around strategies implemented as a part of this approach have raised many a cluster on the fronts of quality, production, marketing, technologies, exports etc. Characterised by promoting unique unionisation among units in the same field, the cluster

development interventions of EDI have seen several clusters come a full circle.

On account of its accomplishments, the Institute has been appointed as a technical agency by the Ministry of Agro and Rural Industries, Govt. of India, for its Scheme of Fund for Regeneration of Traditional Industries (SFURTI). The scheme would function through a mechanism comprising nodal agencies, implementing agencies, technical agencies, Cluster Development Agents (CDA) and other resource persons.

The Institute would assist the nodal agencies namely Khadi and Village Industries Commission (KVIC) & Coir Board, in identifying clusters of traditional coir industries. In addition, it would train the Cluster Development Agents (CDAs) and other officials of the Implementing Agencies and Nodal Agencies, in imparting guidance in preparing diagnostic studies and firming up cluster action plans. EDI would also identify and nominate experts in a cluster or a group of clusters.



*Participants of the Orientation Programme seen with Dr. Dinesh Awasthi, Director, EDI (3rd from R), Mr. Manoj Mishra, Programme Director (2nd from R).*

EDI, as a part of the implementation strategy, organised a Zonal Level Orientation Programme on May 20, 06 at the institute's premise, to sensitise officials of North and West Zone KVIC/KVIBs, to various tools of cluster development approaches. Process of identifying implementing agencies and clusters was also focussed upon. The programme saw participation of 16 officials.

Dr. Dinesh Awasthi, Director, EDI in the opening session of the programme emphasised upon the importance, scope and role of cluster approach. Dr. Awasthi stressed on the need for



networking and trust building among all the cluster players, which he said, has a remarkable bearing on the production and transaction cost. He also highlighted the unique traits of some of the clusters, focusing on how these could be further developed. Dr. Awasthi reminded the participants of the underlying ideology of the cluster approach i.e. 'Advantages with Co-operation'.

An introduction to cluster typologies, their general characteristics in developing countries and importance were also delved into by Dr. Awasthi.

In the second session, Mr. Manoj Mishra, Faculty, EDI pinpointed the broader objectives of the scheme, targeted sub-sectors, the potential beneficiaries, criteria of selection of clusters, support / measures built-in under the scheme and the structural arrangements. Some concerns and apprehensions raised by the officials were discussed during the interaction with the participants.

Mr. Sanjay Pal, Faculty, EDI during the concluding session stressed on the need for arriving at a common understanding so as to ensure effective implementation of the 'SFURTI' Scheme. A presentation on value chain analysis, cluster mapping, forward and backward linkages and BDS providers was made by Mr. Pal.

The participants were appreciative of this step taken by the Government, and interacted actively on all the components of the scheme, suggested modifications, as to ensure impact-orientedness.

## THE SFURTI SCHEME

The Scheme of Fund for Regeneration of Traditional Industries (SFURTI) aims at inducing dynamism in clusters of traditional coir industries, across the country over a period of five years. Various initiatives will aim at upgrading traditional skills, introducing improved technologies and processes, and strengthening the local governance system to make the traditional coir industries market-driven, productive, profitable and thus competitive.





## **EDI-Janvikas joined hands in establishing the 'Centre for Governance Studies in Non Profits' at EDI**

The Non Profit Organisation sector has grown profusely in the last few decades. It is estimated that there may be over 2 million active NPOs. The share of GDP from community services at market prices has increased from 2.49% in 1950-51 (Rs. 247 crores) to 9.99% in 1998-99 (Rs. 87,529 crores).

The quantitative growth has also been accompanied by a diversification of models and approaches. There are very large NPOs, highly specialized NPOs working with emerging high technology, NPO networks, advocacy groups, internet charity marketplaces, and support organisations. NPOs have also been at the forefront of relief and rehabilitation efforts, at the Kutch earthquake or the tsunami, and in war zones. A distinct trend is the emergence of NPOs solely dedicated to implementing on subcontract development schemes of the government, World Bank and other agencies. Increasingly, it is being accepted that delivery of services in a variety of contexts such as reaching effectively the poor or needy, reaching remote areas, dealing with situations of crisis or conflict, etc. is possible through NPOs while governments or private sector have limitations in these circumstances.

All these changes have led to a highly increased visibility of NPOs. This has naturally led to questions about their nature and functioning. The issues raised include - which organisations may be termed as NPOs, what public funds do they access, do they really use the funds responsibly, who monitors their work and use of these funds, why do some of them oppose the development projects of the government or the business sectors, what is the internal climate and functioning style in these organisations... in the last analysis, to whom are they accountable and how?

As NPOs become part of the market in a globalizing economy, there is an urgent need to posit and examine issues regarding their legitimate roles, purposes and effectiveness. Today, there is clear data available that globalisation has led to increased poverty and vulnerability of some social segments while the rich have become richer. Simultaneously, governments backtrack and divest themselves of themselves from roles related to provision of basic services such as healthcare, in favour of privatisation. In our country, there are mixed trends in political and judicial processes that have led to erosion of some basic rights while in other areas it is propped up by earnest judicial activism.

In this situation, it is extremely important to have civil society organisations and voices that can credibly and effectively raise questions about the developmental choices and processes. The country needs to examine questions related to developmental choices, the inclusion of all sections of the society in the developmental process; as well as about the basic democratic processes and rights of ordinary citizens that are being eroded. This means raising questions about transparency, accountability, right to information and good governance practices in all sectors; be it the government, the corporate or the NPO.

We believe that the NPO sector has to take the lead in this process of reform, by first looking and acting within. NPOs need to adopt demonstrable good governance practices and high levels of transparency, accountability and right to information as they raise these questions on other players.

### **The Need**

To initiate this reform in the NPO sector, the first step required is sound research to ascertain and

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## Rural India - A Hub of Resources

Entrepreneurship has today found a comfortable presence in rural areas, as well. Abundant natural resources offer a conducive environ for its growth. Yet, a stronger base of entrepreneurship in these areas can be established only when the rural populace is trained and armed with competencies.

EDI, in a bid to promote rural entrepreneurship, continued with its support to SIDBI through its Rural Industries Programme (RIP) in the district of Rae Bareli.

EDI organised a Stakeholders' Meet recently at Rae Bareli to sensitise all relevant players towards adopting a pro-active role in promoting micro enterprises at grassroots level. The meet was attended by local leading industrialists, government officials, bankers, and executives of local NGOs.

The RIP team also organized six one-day Entrepreneurship Awareness Meetings in different villages of Ralpur, Bharsana, Pahagarh, Mominpura, Tarounja and Madhukapur blocks of Rae Bareli district with the objective of creating awareness among the local youth about entrepreneurship as a career option and ways & means to forge ahead in the realm of entrepreneurship.

A 3-day Entrepreneurship Orientation Programme was also organized in the district. The RIP team commenced a one-month Rural Entrepreneurship Development Programme sponsored by SIDBI in Rae Bareli for a group of 20 participants on June 8, 2006. 17 potential entrepreneurs were provided need-based counselling. Nine project proposals were submitted to different financial institutions for financial assistance under different schemes and nine units were established.

### **Achievements at a Glance Under RIP at Rae Bareli.**

Total number of units promoted	80
Total investment mobilized	2.87 Crore
Employment generated	301

Type of enterprises set up - Rice Mills, Brick Kilns, Steel Fabrication and Oil Mills.



# Performance Improvement of Existing Entrepreneurs

## Women of Today - Tracking up the lanes

Contemporary women know how to shape their dreams; they know how to make powerful statements of grit and power. Today their perspectives and aspirations are no different from those of men, in the society. But although the times are replete with their memorable feats, there are also stories of them being bogged down by circumstances - circumstances which are 'women specific' and hinder their mobility, access to information, resources etc. These cry for urgent attention.

EDI, therefore, organised a **State level Consultative Meet on Problems of, and Policies to Promote**

**Women Entrepreneurs**, on August 3, 2006.

The event was inaugurated by Ms. Shashi Singh, Chairperson, Consortium of Women Entrepreneurs of India, New Delhi and also a well known entrepreneur. Besides, present on the occasion were Dr. Dinesh Awasthi, Director, EDI and Mr. Manoj Mishra, Faculty Member, EDI.

The meet aimed at creating awareness about promoting entrepreneurship among women. Stress was placed on identifying the hindering factors and solutions that could help deal with these. This was also a forum to bring women entrepreneurs and bankers/officials involved in promoting women entrepreneurship, on a common platform. The outcome and/or strategies formulated would be taken up and pursued with the centre/state level policy making mechanism.

It witnessed participation from key stakeholders, viz, women entrepreneurs, representatives of women led and managed enterprises, researchers and policy makers, officials of state nodal agencies promoting women entrepreneurs, government departments and lead banks.

The Chief Guest, Ms. Shashi Singh, in her inaugural address said that opportunities exist in the era of globalisation and liberalization but it is on us to tap the right opportunity at the right time. Addressing women entrepreneurs at the meet, the Chief Guest said that women should now make efforts to convert their household chores, such as those of making pickles and papads into commercial activities. She invited women to approach the Consortium



*Seen during the inaugural function of the meet is the Chief Guest Ms. Shashi Singh, Chairperson, CWEI, New Delhi - addressing the participants. Also seen are (L-R) Ms. Keerti Sharma, Co-ordinator of the Meet and Faculty, EDI and Dr. Dinesh Awasthi, Director, EDI*





*One of the participants expressing her views*

of Women Entrepreneurs of India, New Delhi for help and support to make micro businesses grow and be sustainable. The Chief Guest stated how one aware woman could make a difference to the whole society and in some cases to the country. Self-dependency in women, reinforced Ms. Singh, could also reduce several ills prevailing in the society. She concluded by urging women to constantly grow and strive for innovations in their respective fields.

Dr. Dinesh Awasthi, EDI-Director, endorsed the views of the Chief Guest and motivated the participants to move on a successful trajectory by making use of several policies of the Government for women entrepreneurs. Showing confidence in the abilities of women entrepreneurs, Dr. Awasthi requested them to move beyond what they call their 'areas' so that they could learn about market trends,



*Ms. Shashi Singh and Dr. Dinesh Awasthi interacting with the participants.*





new technologies, encouraging policies and thus boost their performance. He encouraged women to share their knowledge as this, he believed, would give them an opportunity to learn more.

Mr. Manoj Mishra informed all, that the Meet had put

an end to several inhibitions and queries of women entrepreneurs. Presence of bankers, he said, had further made them 'informed' and shown them a path.

Ms. Keerti Sharma, Faculty, EDI, co-ordinated the workshop.

## A GLIMPSE INTO THE OUTCOME OF THE MEET

The problems of women entrepreneurs were studied and assessed. These were then categorised into social, marketing, financial and technological constraints as also problems related to accessing information. The following came forth as some major outcomes:

- ★ Entrepreneurship training including technical guidance, opportunity identification, etc. must be imparted as it will open up new vistas for potential women entrepreneurs.
- ★ For women staying in the interior villages, special facilities must be provided, perhaps in terms of information on various business opportunities at their doorstep and the like.
- ★ Skill upgradation training in terms of product/s quality improvement in line with the branded/imported goods must be taken up.
- ★ Financial facilities to promote products in the domestic/ national/international markets must be made available.
- ★ MNCs or big companies can provide support to enterprises established by women entrepreneurs and treat them as their ancillary units.
- ★ The interest rates should be reduced rather than offering subsidies.
- ★ While applying for a bigger amount of loan, women entrepreneurs must first form a group and approach the banks.
- ★ Rather than asking for collaterals/securities, the funding institutions should check the past record of the individuals applying for loan.
- ★ There is a need to create awareness about the adoption of new technologies and machineries. Women generally think that handling machinery is not their area; that these are meant only for men. This belief needs to be changed.
- ★ Information on small/appropriate/easy to adopt/easy to operate technologies, places where these are available, procedures to acquire them, etc. should be provided.
- ★ Government can publish a Directory containing information on all the schemes, procedures and various departments, in a simple and easy to understand language.
- ★ All business related information such as; which business to take up, how to market products, whom to approach for what, required procedures and formalities, how to get financial support, etc. should be given to women entrepreneurs.



## The Food Processing Sector : Call of The Dawn

Agriculture is India's foremost earner, and initiatives that foresee a global standing for India, need necessarily take this sector into account. India's geographical diversity holds unlimited scope. It, however, needs to be studied so that competencies could be developed. Also the gaps need to be identified and addressed so that 'food processing' as an industry, justifies its presence in the present day 'industrialising' society.

Government has also become mindful of according priority to this sector by announcing several incentives and reliefs, and also by motivating individuals to start enterprises in this sector.

One way in which a significant dent was foreseen, was by making people turn entrepreneurial. It was felt that the EDP strategy could be trusted upon to build on the diversity that India offers in terms of soil, climate and landscape conditions. And this idea sow the seeds of successes, which evolved into a saga.



*Mr. S. B. Sareen, Programme Director and Faculty, EDI  
addressing the gathering*

The Ministry of Food Processing Industries, Govt. of India, appointing EDI as the nodal agency, primarily assigned the task of promoting enterprises in the states of Gujarat, Maharashtra, Uttar Pradesh, Uttaranchal, Bihar and Jharkhand. The implementation model comprised stakeholders' workshops, identification of partner organisations and tie ups with them, Trainers'





Training Programmes, Entrepreneurship Development Programmes and follow-up with the trainees. The results were encouraging, and with the start-up rate being immensely commendable, the Ministry took it up with yet more enthusiasm. Eight North-Eastern States, in addition to Jammu & Kashmir, Himachal Pradesh, Punjab and Haryana were now in the ambit of the project territory.

Mindsets have not just changed but have also evolved. Entrepreneurship does give a high to people now; they do feel motivated to 'get up and go'. Training and awareness have bestowed the striking ability of resourcefulness in potential entrepreneurs? No wonder, confidence has followed suit. Particularly satisfying are the results in the North Eastern regions. In spite of geographical and infrastructural limitations of the region, EDP training here succeeded in

besetting people's ambitions with the desire to be on their own. The success rate was overwhelming. Results speak for themselves.

Sr. No.	State	No. of Trainees Trained	No. of Units Started	Total Investment Made (Rs. in lacs)	Employment Generated (numbers)
1	Assam	575	231	185.05	909
2	Manipur	110	107	15.82	108
3	Meghalaya	125	23	25.87	59
4	Mizoram	75	43	48.04	112
5	Nagaland	75	14	2.24	27
6	Arunachal Pradesh	100	07	11.27	19
7	Tripura	150	23	54.05	116
8	Sikkim	50	22	22.00	92
	Total	1260	470	364.34	1442

100 EDPs in 2005-06, in the second round of implementations sanctioned for Gujarat, Maharashtra, U.P., Uttaranchal, Jharkhand, Punjab, Haryana, Bihar and Jammu & Kashmir, went on to reinforce the results and add on to the growth achieved. With a systematic followup mechanism, results are likely to enhance still. That entrepreneurs can do magic to a nation's economy needs no elaboration. This ambitious project stands on this pillar. Year after year results have just poured in to support this belief. The government is now considering a few more initiatives to ensure success at a much larger scale, nationally.



*A participant receiving certificate of course completion at the hands of Mr. S. B. Sareen, Programme Director during the valedictory function of EDP held at Panwal (Maharashtra) conducted by Kasturba Mahila Khadi Gramodhyog Vidyalaya, Pune. Also seen are (R-L) Ms. Shobha Supekar, Principal, KMKG Vidyalaya and Ms. Usha Dhotre, Technical Trainer.*

The project is progressing under the guidance of Mr. S. B. Sareen, Faculty Member, EDI.



## Modernization of SME Sector : Constraining Factors



- Bipin Shah  
Sr. Faculty, EDI  
(As appeared in *The Financial Express*,  
dt. 7th July, 2006.)

The Small and Medium Enterprises (SME) Sector is an integral and important part of the Indian economy. Particularly during the last decade, it has emerged as an important segment of the Indian economy. It accounts for around 95% of industrial units, 40% of the output of the manufacturing sector, 35% of total exports and provides for about 45% of the manufacturing sector employment in the country. There are estimated 3.2 to 3.4 million units in the SME sector. Future growth and competitiveness of such a critical sector of the economy, therefore, deserves prime attention from all concerned, namely, the governments, the financial institutions and the players in the SME sector itself.

The keys to future growth of SME sector in India, in my opinion will be, (i) technology, (ii) efficiency, (iii) quality, (iv) competitiveness and (v) globalization. More focused efforts at quality improvement and production efficiency are therefore imperative. Modernization of the SME sector is the critical need of the hour in order to achieve future growth and global competitiveness. The agenda of modernization, therefore, in any business enterprise, be it small, medium or large has to address following critical issues.

- \* Technology upgradation to achieve higher production efficiency and productivity,
- \* Quality control and assurance,
- \* Acquiring quality certification and
- \* Training and skill upgradation of human resources.

The implementation of modernization plan in the SME sector would therefore, lead to need for resource mobilization. Lack of adequate resources could become a major constraining factor in modernization. However, the critical question one would like to address is whether the present scenario in terms of regulatory framework, policies and thinking process, pose major constraints in such resource mobilization or not.





The present regulatory framework such as, the recently passed Micro, Small and Medium Enterprises Development Bill, 2006 as well as SME credit rating services offered by organizations like CRISIL, provide enabling environment for the SME sector to embark upon modernization and to network the required resource mobilization.

The Micro, Small and Medium Enterprises Development Bill, 2006 passed on 18<sup>th</sup> May, 2006 by Lok Sabha has a number of enabling and conducive provisions and measures to augment and facilitate credit to the SME sector both for green field projects as well as for expansion and modernization. The SME credit rating services enable better SMEs to differentiate themselves from amongst the other SMEs, provide faster access to funding, enhance credibility with business partners and improve the visibility. Further, Rs.10,000/- crore GoI Fund for technology development for 3.2 million SMEs also contribute towards technology upgradation and modernization.

Notwithstanding the above regulatory environment, there are several constraints faced by SME sector in having access to equity mobilization through primary capital market. A few important factors are;

- (i) The regulatory requirement of offer of minimum Rs.10 Crore of equity for listing in the stock exchanges and entering the primary capital market. For many SMEs, requirement of equity may not be of this level, hence they are constrained to access the capital market.
- (ii) The cost of raising equity through the capital markets with regional and national listing works out uneconomical for lower amounts of equity mobilization as compared to large amounts raised by big companies.
- (iii) The lack of development of regional and rural capital markets and market mechanisms such as stock exchanges, result in prospective SMEs having to approach only the regional and national markets and finally,
- (iv) Rather disappointing performance of OTC experiment, which was primarily set up to facilitate

medium sized companies to have access to capital market, has also resulted in a vacuum.

Thus from the above perspective, the present inadequacies of regulatory mechanism have also partly played a constraining role in SMEs ability to mobilize equity participation for their several needs, including, modernization.

However, according to me, the major constraining factors, for SME sector in mobilizing equity participation and other innovative instruments of financing are;

- 1) Mind set of SME sector entrepreneur. By and large, SME promoters are apprehensive of expansion of equity base through capital market route due to the fear of losing ownership and management control.
- 2) Historically, SME sector financing has been confined to owner-promoter capital and long term as well as short term debt from public financial institutions / banks to promote an enterprise. Even increased capital requirement have been generally met through enhancement of promoter equity or additional long term debt.
- 3) In last few years, the health of the SME sector, generally, in terms of performance and growth, has suffered leading to lukewarm response of financial institutions and banks in providing enhanced credit facilities.
- 4) Lack of ability and resources to access state of the art technology.

In the recent past, however, in Gujarat itself, we have witnessed success stories of good number of vibrant and healthy SMEs transforming into large scale companies following the path of modernization and pursuing the innovative methods of resource mobilization such as entry into capital market, corporatization, venture capital financing etc.

Finally, I believe, that the change in the mind set and willingness to innovate would lead to SME modernization through equity mobilization. Lack of these traits, could be a major constraining factor, rather than regulatory framework alone.



# International Interactions

## Is Entrepreneurship the Answer?

Industrialised economies are a creation of entrepreneurial individuals. An environment replete with enterprising streaks is always specially endowed.

One can derive here that an economy, however rich, never opens up opportunities by itself; it does so only when its people make it do so. And this is in the hands of an entrepreneurial lot, only.

The efficacy of entrepreneurship training, therefore, has always been reiterated. Developing countries, in particular, look up to understand the aspects of entrepreneurship theory and practice. They have come to admit that policy measures minus entrepreneurial inclinations in people would enhance just nothing. Appropriate measures are, therefore, in place to develop entrepreneurial bents of mind.

The Inter Regional Centre for Entrepreneurship and Investment Training (IRC), sponsored jointly by the United Nations Industrial Development Organisation (UNIDO) and Government of India (GOI) and set up at EDI, works by the principle of developing and strengthening indigenous capacities of selected countries in Africa, Asia, Central Asia and Arab regions in entrepreneurship development and investment promotion. Countries primarily being addressed are Lao PDR, Yemen, Sudan, and Mozambique.

Sudan being one of the countries selected under IRC for investment and technology promotion, a variety of activities aimed at Project Development Cycle have been recently taken up. Mr. S. B. Sareen, Country Director, Sudan visited Khartoum during July 02-23, 2006 to monitor implementation/implement the following activities.

### **Awareness Workshop on Enterprise Upgradation For Existing Enterprise Managers :**

The two-day workshop targeted at growth oriented existing entrepreneurs was conducted during July 05-06, 2006 at the



Sudanese Chamber of Industries Association, Khartoum and it was inaugurated by **His Excellency, Mr. Ali Ahmed Osman, State Minister of Industry, Republic of Sudan**. In his inaugural address, the Honourable Minister highly appreciated EDI's role in rehabilitating the edible oil sub-sector in Sudan, and acknowledged EDI's valuable contribution in bringing about two major policy changes at the Government level. These are;

- Setting up an Industrial Development Bank having authorized capital of 1 billion US \$ and paid up capital of 350 million US \$ and
- Encouraging farmers to grow more & more oil seeds, which are scarce.

These two strategic interventions will help the industry to a great extent, as the industry will now get loan on long term basis in addition to raw material for processing, which otherwise was not available.

The workshop intended to accomplish the objectives of creating "Strategic Awareness" amongst the existing entrepreneurs. The participants carried out performance and potential audit of their ventures to understand the base potential for growth that led to finalisation of realistic growth objectives. In other words, the workshop helped the participants understand where they are, where they would want to go and the external/internal factors that influence such change/growth. In all, 22 participants including Sudan Enterprise Managers (15 from the identified edible oil sector enterprises) and observers from the Ministry of Industry, Sudanese Chamber of Industries' Association participated in the programme. This workshop was a part of the wholesome intervention planned and would be followed by programmes to reach the objective, i.e., revive the edible oil sub-sector. This workshop gave the participants a peek into their own strengths and

weaknesses, thus preparing them to be receptive to subsequent interventions of the rehabilitation model.

Mr. S. B. Sareen, Country Director, said that at the end of the workshop participants did not have any inhibitions and felt convinced that growth will follow, if problems are addressed in a strategic way.

### **Enterprise Upgradation; Diagnostic Reports:**

In order to study the overall business performance and



*Seen here is Mr. S. B. Sareen, Faculty, EDI along with (L to R) Mr. Mohammad Wadatalla, Director General, International Cooperation, Ministry of Industry, Republic of Sudan and Mr. Renato Farnocaldo, UNIDO Representative - Sudan, during a brainstorming session.*

spot areas in need of upgradation (technology, equipment, packaging, quality management system, marketing, etc.), 15 enterprises were visited and unit wise diagnostic reports prepared. The result was macro and micro level analysis of the edible oil industry in Sudan. The findings were discussed with the top officials of the Ministry of Industry, UNIDO local office and Sudan Chamber of Industry Association. The findings were said to be a roadmap for rehabilitation and revival of sick edible oil sub-sector of Sudan.

On the basis of the interaction with entrepreneurs/enterprise managers, specific problems/issues were identified and as follow-up action, required B2B



linkages will be established preferably with the Indian technology suppliers.

### **New Enterprise Creation Programme:**

The new enterprise creation programme was a very successful event. The programme was scheduled during 26<sup>th</sup> November, 2005 to 05<sup>th</sup> January, 2006 at Management Development Centre, Khartoum on full time basis in which 30 potential entrepreneurs were trained.

It is heartening to note that 11 trained entrepreneurs have already started their business activities and the other 12 have submitted their loan applications under the Self Employment Scheme for Graduates. They are expected to start their business activities within two to three months. This will take the success rate in terms of enterprise establishment to **77%**. This appears promising especially because this NEC programme was the first in the country.

Since this NEC programme focused on food processing industry, the kind of projects initiated are; manufacturing sweets & cookies, bakery items, jam, jellies, roasted peanuts, fish processing and cooling system for food processing industry. EDI, therefore, not just created entrepreneurs, but also the preconditions that go into making entrepreneurs. Consistent, relentless entrepreneurs are the ones who make strong successful economies. If Sudan's society just comes to term with this understanding, an encouraging start would automatically fall place. *And we are glad that the beginning has been motivating.*

“Primarily, I believe, there has to be a modern, clear cut pattern of thoughts among the people of Sudan. Once this is achieved, it would not be tough to bring them into the entire process of planning and implementation for New Enterprise Creation. I am glad that the beginning is quite conspicuous and am sure if it goes this way, which it will, we will sure reach the pinnacle.”

- Dr. Billi John  
 Director General  
 Management Development Centre  
 Sudan





# Inducing the Power of 'Growth'

“Growth” is often understood as enshrouding 'Opportunities', 'Capital' and 'Market'. Does this then mean that a country, which targets growth, must ensure abundant opportunities, capital availability and burgeoning markets for its natives. Many would accede to this, more so, because presence of these factors also brings the enterprising tendencies of individuals into full play. Countries, therefore, primarily need to place accent on developing these factors. EDI has been facilitating this through extension of services under the umbrella of Inter Regional Centre for Entrepreneurship and Investment Training. The centre has been set up with the support of UNIDO and Govt. of India and aims at spurring the incidence of entrepreneurship.

This two-year project targets 4 countries viz. Lao PDR, Mozambique, Sudan and Yemen. Activities have been initiated in the areas of 'Enterprise Creation' and 'Upgradation of Existing Enterprises', with a sharp eye on economic growth.

## **New Enterprise Creation and Upgradation Programme in Mozambique**

A two-member EDI team comprising Mr. Manoj Mishra and Mr. J.B. Patel visited Mozambique to identify agro-based opportunities and prepare profiles for enterprise creation.

Although, predominantly an agrarian economy, Mozambique faces crises in terms of low productivity of crops; low level of technology; inadequate post-harvesting, storage and packaging facilities; lack of market linkages; absence of foreign market trade practices and export procedures; high interest rates and lack of attractive policies in the sector of Agri-business. The team studied these lacunae and tried to work out appropriate means to address them.

The team evolved a three pillar strategy viz., empowering producers to increase the productivity of

their activities, introducing appropriate technologies for specific processed products, redefining the role of public institutions and facilitating forward and backward linkages.

Detailed profiles on identified projects of Rice Milling, Cashew Nut Processing, Custom Hiring of Agriculture Implements, Repair and Maintenance of implements, and Charcoal - A product of coconut husk, were readied.

## **Yemen On the Move**

Mr. Bipin Shah, Country Director-Yemen visited Sana'a in Yemen to hasten the pace of economic development and poverty alleviation through promotion of employment and income generating activities. This objective will be achieved by promoting new enterprises in selected sub-sectors, enhancing competitiveness of existing enterprises, and promoting south-south partnership between India and Yemen.

Against the backdrop that strong industrial base can strengthen various layers of a country's economic structure, efforts are also being made to initiate activities that induce dynamism in selected industrial clusters in Yemen.

Primarily, however, following the action plan for bolstering growth in Yemen, a New Enterprise Creation (NEC) programme was conducted and it is heartening that 14 participants are actively pursuing efforts to establish new businesses. They were provided with necessary suggestions and guidance for finalizing their business plans.

The projects selected by these 14 entrepreneurs represent both manufacturing and services sectors. Projects represented a broad range of industrial sectors such as Plastics, Pharmaceuticals, Engineering, Fabrication, Food Processing etc. Some are also those of plastic syringes, potato chips, decorative stones and quarry, grape drying and refrigeration, children garments etc. In the services sector, the projects selected represent printing press, security services centre, setting up of a business counselling centre and car rental services. The range of investment in the projects is from



Yr 1 Million (US \$ 5000) to Yr 10 Million (US \$ 50000).

For the Enterprise Upgradation Programme, 12 units were pursued and plans for upgradation have been almost firmed up.

14 major areas identified for enterprise upgradation intervention are:

- ★ Requirement of finance for enhancing working capital and/or procurement of additional equipment/machinery.
- ★ Need for technical upgradation through installation of new equipment to modernize their existing business.
- ★ Need for domestic market expansion including exploring export potential for some units and change in product mix.

Based on this, tie-ups for financial assistance were made and technical and modernization related inputs were also provided by experts.

A one-week Programme on “Project Appraisal & Entrepreneur Assessment” was also organised and it aimed at strengthening the capacity and knowledge base of officials working in the bank/financial institutions in Yemen in order to improve the quality of project and entrepreneurial appraisal.

EDI, in planning and implementing the activities, has received

excellent support and assistance by EDI trained local Yemeni team comprising Dr. Abdul Ghani, Chief Co-ordinator, Mr. Adel Al Asht, NEC Team Leader, Mr. Musaddaqal Al Saruri, EUP Team Leader. They extended valuable support in implementing various activities.

Yemen is gradually gaining firm grounds and in the process, holding on firmly to entrepreneurship, as a tool. Its focus has broadened and its newly acquired skills will fast see it emerge progressive.



*To explore the possibility of a collaboration with EDI, delegates from Royal Institute of Bhutan visited the Institute. Seen here are Members of the delegation along with Dr. Sunil Shukla, Sr. Faculty, EDI (3rd from left) and Mr. S. B. Sareen, Sr. Faculty, EDI (2nd from left)*





# International Centre for Cluster Competitiveness and Growth (IC<sup>3</sup>G)

## Clusters Give the Awakening Call

India's rich resource base and a strong traditional footage have made it a hub of clusters. Unfortunately, however, many of these clusters fail to exhibit dynamism and nurture the inherent potential. EDI's *cluster development approach has not only* demonstrated how 'strong clusters' are akin to fast growth, but have also established that implementation of strategies and methodologies can see them revived. The **International Centre for Cluster Competitiveness and Growth** at EDI addresses the issues of obsolete technologies, marketing, *production, etc. in clusters identified as 'lacking'.* A diagnostic study of such clusters helps arrive at the lacunae, besides leading to strategies that address them. Interventions that have made some of the clusters show signs of prosperity are as follows: -

### **JALANDHAR, LUDHIANA, PHAGWARA (AUTOPARTS CLUSTER):**

■ **DISC BRAKE** - 100% rejection of castings after machining due to presence of blowholes was a regular feature. After EDI's intervention there was 100% acceptance of disc brake castings and the productivity also went up.

■ **BRAKE DRUM** - 12% rejection of castings after machining due to presence of blowholes and pin holes

resulted in loss. After intervention, entrepreneurs' productivity and quality improved and the rejection came down to 4%.

■ **BASE PLATE OF SCREW JACK** - 9% rejection of castings due to shrinkage was brought down to 2% after intervention, In addition, there was improvement in productivity and quality.

■ The problem of less life of forging dies because of water being used as die lubricant hovered over the Cluster. Die life was enhanced by two times after EDI intervention.

■ **VALVE GUIDE** - Presence of cavity in the castings resulted in 6% rejection. As a result of EDI intervention, rejection came down to 3%.

### **RAIPUR CLUSTER (STEEL ROLLING MILLS)**

■ Energy audits of a few re-rolling mills have been undertaken by Petroleum Conservation Research Association (PCRA) during September - October 2005. Various measures for energy saving have already been put in place by PCRA. A few of these are *in the implementation stage.* **5 Units have partly implemented the recommendations of energy audit report of PCRA.**

■ 14 enquiries have been received by the cluster for marketing linkage. Most of them are domestic, while one is from France. The organisation in France was impressed by the international quality standards maintained by this cluster. Another strong reason that influenced their decision was the price. They could ensure international quality at a much lesser price.

### **KARNA CLUSTER (AGRICULTURAL IMPLEMENTS)**

■ Engineering drawing reading/interpretation



workshop benefitted entrepreneurs, and some have already started using drawings for manufacturing of equipments.

- Demonstration of proto-type “Disc cum fertilizer drill” developed by Indian Agriculture Research Institute (IARI) scientists for introducing this as a product in cluster has received overwhelming response and the product is ready for commercialisation in the market.

#### **PARWANOO CLUSTER (LIGHT ENGINEERING)**

- Technological upgradation of vibratory finishing process demonstrated in the cluster. One unit has already incorporated the proposed changes in vibrating process. This resulted in minimizing cost of vibrating process. Other units are fast replicating the upgraded process.

- The entrepreneurs were taken to Chennai auto parts cluster to understand how networking with TWS Ltd. has helped local units in upgrading their quality of final products.

#### **BANGALORE CLUSTER (READYMADE GARMENTS)**

- Entrepreneurs from readymade garments had an exposure visit to Tirupur to understand the benefits of Consortia approach. 12 members visited the cluster. As a result of the visit to Tirupur, garment entrepreneurs have formed an association under the name **Bangalore Integrated Apparel Park**.

- Participation in the South India Garment Fair by the association had bestowed some unique advantages on the Bangalore garment cluster.

#### **INDORE CLUSTER (READYMADE GARMENTS)**

- In the Readymade Garment cluster Indore, a workshop on ISO was conducted, thus sensitising entrepreneurs about the utility and procedures of obtaining ISO.





## **KHURDA CLUSTER (BRASS & BELL METAL)**

■ Application of carbide tips for machining of cast / forged brass utensils was demonstrated resulting in. Improved production of utensils /hour.

■ Cleaning of cast statues by pencil grinders was also appreciated as it led to improved quality of statues.

■ Technology was also imparted for .

1. Removal of stains from Copper.
2. Anti staining treatment on polished brass.
3. Removal of oxides from Brass.

## **MOGA CLUSTER (AGRICULTURAL IMPLEMENTS)**

■ The process of electric arc welding was replaced by MIG welding as a result of which the surface finish agricultural implements has improved noticeably. This will result in better marketing of products.

## **AGRA CLUSTER (LEATHER FOOTWEAR)**

■ 2 programmes on Footwear Designing & Pattern cutting were organized so that skills of entrepreneurs could be enhanced. 21 artisans / entrepreneurs in first programme & 20 in the second programme acquired modern skills and are now successfully implementing it what is encouraging is that artisans cum entrepreneurs are developing new designs.

## **SHANTINIKETAN CLUSTER**

### **(LEATHER GOODS CLUSTER)**

■ A design development training was organized covering the issues of International Trends in Leather Goods, Techniques of Pattern Generation, Application of Traditional Art in Leather Goods,

Sample Development, etc. Techniques of design were mastered by all entrepreneurs.

■ 30 samples were directly developed in the training programme. The designs were demonstrated to the Cluster actors and the patterns were supplied to them. It appears that the cluster actors would develop 100 more designs in the next one year.

## **THRISSUR CLUSTER (GOLD ORNAMENTS CLUSTER)**

■ Application of spray of solvents for improving glitterness of Gold resulted in. Anti Tarnishing effect as well as increased glitter. The entrepreneurs have started implementing it

■ Anti Tarnishing treatment of golden ornaments by importing Anti Tarnishing Chemicals has also seen ready acceptance by entrepreneurs.

■ Two Skill Development Programmes for women in ornaments manufacturing were organized. 43 women were trained and 12 of them have even started their own units with the help of PMRY scheme. The 12 units which have been established have generated employment for a number of local women artisans.





- Contd. from page 15

### **EDI-Janvikas joined hands in establishing the 'Centre for Governance Studies in Non Profits' at EDI**

establish its true status; based on objectives, appropriate parameters. The next step would be to generate appropriate standards, procedures and processes for good governance. At the same time, capacity building of the NPOs will have to be addressed in a differentiated way so that NPOs at various stages of evolutionary complexity and of various natures can be addressed. It is important to allow each NPO to retain its basic character and uniqueness, since their cutting edge in delivering services, raising appropriate questions and innovating new models comes from the autonomy and unique approach of these organisations.

#### **The Response: Centre for Governance Studies in Non Profits**

Two premier institutions, EDI and Janvikas, have collaborated to establish the **Centre for Governance Studies in Non-profits** in response to this perceived need. *Janvikas* is a leading NPO that has 20 years experience in setting up new institutions, currently provides capacity building accompaniment to over 100 organizations in their organizational/ institutional development and governance, and currently sits on over 20 NPO Boards. The *Entrepreneurship Development Institute of India* (EDI) has national and international

out reach, close linkages with government departments, excellent infrastructure for training and research, and has been offering a post-graduate NGO management program for the past 8 years

#### **Objectives and Activities**

The Centre for Governance Studies will contribute substantially to enabling the non-profit sector organisations achieve the highest standards of excellence, good governance and value to civil society through conducting research, original conceptual work and action partnerships. The Centre will continuously redefine and set the highest standards for value to customers and stakeholders, good governance and operational excellence in meeting these objectives. Among its activities focus would be on:

- ★ In-depth research on the nature of NPOs, the evolution of NPOs and their governance systems and studies on best practices in governance and management of NPOs.
- ★ Work towards the establishment of norms, standards, procedures and processes towards effective governance and management practices of the NPO sector.
- ★ Undertake appropriate training, capacity building, publication, dissemination and other such activities as will support the improvement of NPOs in country.

#### **Entrepreneurship Development Institute of India**

(via Ahmedabad Airport & Indira Bridge),  
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