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FACILITIES AVAILABLE FOR FOREST BASED UNITS IN NELLORE DISTRICT OF ANDHRA PRADESH

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Abstract

Forest-based units play a significant role in rural livelihoods and local economic development, particularly in forest-adjacent regions. The present study examines the impact of facilitating factors on the performance of forest-based units in Nellore district of Andhra Pradesh. The analysis focuses on key facilitating factors such as access to raw materials, institutional support and availability of credit, infrastructure facilities, skill development, market access, and government policies. The study reveals that facilitating factors have a substantial influence on the establishment, sustainability, and growth of forest-based units. Adequate institutional support, timely financial assistance, and efficient marketing channels were found to be the most critical determinants of operational efficiency and income generation. Conversely, constraints such as limited infrastructure, procedural delays, and lack of technical knowledge adversely affected unit performance. The findings highlight the need for strengthening support mechanisms, improving coordination among stakeholders, and promoting capacity-building initiatives. The study concludes that enhancing facilitating factors can significantly improve the viability of forest-based units, thereby contributing to sustainable forest management, employment generation, and overall rural development in the Nellore district.

Introduction

Objective of the study

1. To analyse the impact of facilitating factors on Forest based units in Nellore District.

Research methodology and Sample Design

The study covers the SSI units registered with the District Industries Centre, Nellore District as on 31-03-2023. For the purpose of selection of sample units, these SSI units are classified into eight categories of industries viz., agro-based, forest based, textile based, mineral based, engineering based, chemical based, leather based and miscellaneous categories. 300 units have been selected on the basis of stratified random sampling method giving equal importance to each of these eight categories of units. The sample works out to approximately 2 per cent of units in each category.

Collation of data

Survey method has been adopted for the study. The primary data required for the study were collected from the sample entrepreneurs with the help of a schedule designed for the



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purpose and through personal interviews. The schedule used for collection of information covered various aspects of entrepreneurial development in motivating factors .To elicit opinions of the respondents on various factors a five point scale based on likert’s summated rating scale has been constructed. Secondary data were obtained from publications of the Government of India, Government of Andhra Pradesh, DIC, Nellore and other publications.

Facilitating Factors for Forest based units

Opinions of 24 sample entrepreneurs of Forest based units with regard to various facilitating factors are presented in Table 1.

Table 1

Facilitating Factors for Forest based Units

Sl. No.	Particulars	1	Wt	2	Wt	3	Wt	4	Wt	5	Wt	Total	Wt	Wt. mean score
1	Factors Leading to Present location													
1.1	Nearer to residence	1	1	9	18	5	15	5	20	4	20	24	74	3.08
1.2	Own land	9	9	6	12	2	6	4	16	3	15	24	58	2.42
1.3	Infrastructural facilities	1	1	11	22	7	21	5	20	0	0	24	64	2.67
1.4	Availability of raw materials and cheap labour	1	1	3	6	6	18	10	40	4	20	24	85	3.54
1.5	To cater to local demand	1	1	4	8	10	30	8	32	1	5	24	76	3.17
1.6	Absence of competition	1	1	11	22	5	15	7	28	0	0	24	66	2.75
1.7	Govt. Policies for location	2	2	11	22	5	15	6	24	0	0	24	63	2.63
1.8	Facilities offered by financial institutions	6	6	11	22	5	15	2	8	0	0	24	51	2.13
	TOTAL	22	22	66	132	45	135	47	188	12	60	192	437	2.80
2	Financial Assistance Factors													
2.1	Asst. from Govt. & Financial Corporation	5	5	16	32	3	9	0	0	0	0	24	46	1.92
2.2	Asst. from Nationalised Commercial banks	0	0	6	12	6	18	12	48	0	0	24	78	3.25
2.3	Asst. from Private Commercial Banks	3	3	0	0	5	15	9	36	7	35	24	89	3.71
2.4	Asst. from Money lenders	5	5	10	20	2	6	6	24	1	5	24	60	2.50
2.5	Asst. from Family members/ relatives	1	1	9	18	7	21	6	24	1	5	24	69	2.88
2.6	Asst. from Friends	1	1	5	10	3	9	12	48	3	15	24	83	3.46
2.7	Asst. from Co-operative banks & other agencies	1	1	16	32	3	9	3	12	1	5	24	59	2.46
	TOTAL	16	16	62	124	29	87	48	192	13	65	168	484	2.88
3	Technical Assistance Factors													
3.1	Asst. from Government Agencies	1	1	11	22	9	27	2	8	1	5	24	63	2.63
3.2	Asst. from Non-Govt. Agencies	3	3	3	6	8	24	9	36	1	5	24	74	3.08
	TOTAL	4	4	14	28	17	51	11	44	2	10	48	137	2.85
4	Infrastructure Factors													
4.1	Accommodation	0	0	8	16	14	42	2	8	0	0	24	66	2.75
4.2	Power	3	3	12	24	4	12	5	20	0	0	24	59	2.46
4.3	Transport	1	1	2	4	11	33	9	36	1	5	24	79	3.29
4.4	Communication	1	1	3	6	2	6	12	48	6	30	24	91	3.79
4.5	Storage	0	0	1	2	6	18	14	56	3	15	24	91	3.63
4.6	Water	0	0	1	2	6	18	14	56	3	15	24	91	3.79
4.7	Insurance	1	1	3	6	8	24	8	32	4	20	24	83	3.46
3.19	Marketing	0	0	4	8	14	42	5	20	1	5	24	75	3.13
4.9	Banking	0	0	4	8	1	3	14	56	5	25	24	92	3.83
	TOTAL	6	6	38	76	71	213	77	308	24	120	216	723	3.35



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5	Factors which Helped to Become an Entrepreneur													
5.1	Education	0	0	10	20	7	21	7	28	0	0	24	69	2.88
5.2	Training/Experience	8	8	6	12	4	12	5	20	1	5	24	57	2.38
5.3	Technical know-how	5	5	12	24	2	6	3	12	2	10	24	57	2.38
5.4	Professional experience	5	5	8	16	8	24	3	12	0	0	24	57	2.38
5.5	Government policy	3	3	7	14	8	24	4	16	2	10	24	67	2.79
5.6	Trade information	2	2	9	18	8	24	4	16	1	5	24	65	2.71
5.7	Capital	0	0	1	2	8	24	12	48	3	15	24	89	3.71
5.8	Help from other entrepreneurs	1	1	3	6	1	3	10	40	9	45	24	95	3.96
	TOTAL	24	24	56	112	46	138	48	192	18	90	192	556	2.90

Source : Field Survey

Wt : Weighted Score

Facilitating Factors for Forest-based Units

Table 1 shows weighted scores for facilitating factors in respect of 24 entrepreneurs of Forest based units. For all the five facilitating factors the responses indicate agreement of entrepreneurs to a moderate extent or considerable extent.

For three items (‘nearer to residence’, ‘availability of raw materials and cheap labour’ and ‘to cater to local demand’) out of eight items under “factors leading to present location” entrepreneurs have indicated considerable extent of agreement.

Among “financial factors” there is a considerable extent of agreement with regard to ‘assistance from commercial banks (nationalized/private) and ‘assistance from friends’.

As regards “technical assistance factors” assistance from non-government agencies is more important than ‘assistance from government agencies’.

In the case of “infrastructure factors” except for two items (‘accommodation and power’) for all the remaining seven items (4.3 to 4.9) the entrepreneurs have indicated against to a considerable extent.

Among “factors which helped to become entrepreneur”, only for two items, viz., ‘capital’ and ‘help from other entrepreneurs’ the mean scores lie in the range of 3 and 4 implying agreement to a considerable extent



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Conclusion

The analysis reveals that infrastructure factors and financial support systems play a relatively stronger role in sustaining forest-based units. Location decisions are primarily influenced by resource availability and local demand. Informal networks and private institutions are more significant than government agencies in providing financial and technical assistance. Furthermore, capital availability and support from fellow entrepreneurs emerge as the most critical factors in motivating individuals to establish forest-based enterprises.

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