Chapter 4

SMALL SCALE INDUSTRIES AND WOMEN EMPOWERMENT IN INDIA

4.1 Introduction

4.2 Role of Small Scale Industrial Units in Indian Economy

4.3 Role of Small Scale Industries in Women Empowerment in India

4.4 Conclusion
Chapter 4

SMALL SCALE INDUSTRIES AND WOMEN EMPOWERMENT IN INDIA

4.1 Introduction

The small scale industries play a pivotal role in the economic activities of developing country like India. The small scale industries are important vehicles for meeting the growth and equity with social justice objectives of developing economics. Small industrial sector also help in generating large scale employment, mobilizing advanced skill and resources, enhancing entrepreneurship, energizing village economics aiding the process of backward areas development and performing an important role in the overall process of industrialization. In India, where labours are abundant and scarcity of capital, in such critical phase small scale industries have come to occupy a significant position in the planned industrialization of the economy. Most small scale industries have a low capital intensity and high potential for employment generation. Besides, small industries possess location flexibility which serves as an effective instrument in achieving a wide dispersal of industries. Further, small scale industrial units also serve as a means of bringing forth indigenous entrepreneurship and savings lying dormant particularly in semi-urban and rural areas.
Today India operates the largest and oldest programmes for the development of small scale industrial units. As a matter of fact, small scale industrial sector has now emerged as a dynamic and vibrant sector for the Indian economy in the recent years. Small scale industries have been given an important place in the framework of Indian planning since beginning both for economic and ideological reasons. Small scale industries possess various qualities which makes them unique from all other types of industrial sectors. The qualities of small scale industries have been demonstrated as under:

1. Small is beautiful: Small is beautiful because small scale industry sector is a significant segment of the Indian economy. It constitutes a key link in the process of socio-economic transformation of underdeveloped social structures. It is no doubt that in the case of predominantly rural countries, process of transformation either germinating within the rural segment of bringing the later within its orbit of influence it plays a crucial role and therefore occupies an important place in their development strategy.

2. Innovative and productive: It is the small scale units which are highly innovative though they do not maintain own research and develop wings.

3. Individual Taste, Fashion and Personalized service: Small firms are quick in studying changes in tastes and fashions of consumers and in adjusting the production process and production accordingly.

4. Symbol of National Identity: Small scale enterprises are almost locally owned and controlled and they can strengthen rather than destroy the extended family and
other social systems and cultural traditions that are perceived as valuable in their own right as well as symbols of national identity.

5. Happier in work: People who work in small scale industries are happier in their work that those who work in large ones in spite of lower wages and poor standard of safety and security, less comfort and welfare facilities.

6. Dispersal over wide areas: It is the tendency of small scale industry sector to dispersal over wider areas. According to the second All India Census of small scale units, 62.19 per cent of the units are located in backward areas.

The researcher has illustrated the case of small scale industry sector in India.
Box 4.1

Small scale industries in India

The small scale industry sector has emerged over five decades as a highly vibrant and dynamic sector of the Indian economy. Today, this sector accounts for about 95 per cent of the industrial units and is contributing about 40 per cent of value addition in the manufacturing sector, nearly 80 per cent of manufacturing employment and about 35 per cent of exports both direct and indirect. Small scale industries are supplementing and complimentary to large and medium scale units as ancillary units. Considering to large employment level and backlog of creation of new jobs to provide employment to all able hands today hopes is pinned on the small scale sector. The Government is making all efforts to provide suitable atmosphere, level playing ground and policy support to enable the small scale industry sector to achieve higher levels of production, exports and employment. The Government of India has helped the small scale sector through supportive policy measures since adoption of planned economy model. Other policy supports which could be listed are excise exemption, credit under priority sector lending from banks and financial institutions, marketing support through reservation of items for products from small scale industry sector for government purchases, providing infrastructure facilities like sheds, plots in industrial estates, technological support, training and entrepreneurship development.

Source: www.smallscaleindustriesinindia
4.2 Role of Small Scale Industrial Units in Indian Economy

Small scale industries play a vital role in the growth of the country. It has registered a phenomenal growth in their number, production, employment, export and opportunity in over the years. It has been elaborated as under:

1. Production: Small scale industries contribute almost 40 per cent of the gross industrial value added in the Indian economy. The small scale industries produced a wide variety of products, while production has registered increases rapidly. It has been estimated that a million rupees of investment in fixed assets in the small scale sector produce 4.62 million worth of goods and services with an approximate value addition of ten percentage point. The small scale industrial units has grown rapidly over the years, it leads to increase the total per capita income of Indian economy. The growth rates during the various plan periods have been very impressive. The number of Small scale industry units has increased in the year 1980-81 to over 3 million in the year 2002.

2. Employment: Small scale industry sector in India creates largest employment opportunities for the Indian populace, next only to agriculture sector. Locationwise, non-metallic products contributed 22.7 per cent of employment opportunities in rural areas. Food products accounted for 21.1 per cent whereas wood products and chemical products shared around 17.5 per cent of total employment. As for urban areas food products and metal products almost equally share 22.8 per cent of employment whereas machinery parts except electrical, non-metallic mineral products and chemicals and chemical products accounted for 26.2 per cent of employment. State wise small scale industries employment distribution level stated
that in Tamil Nadu 14.5 per cent contribution of employment, this was followed by Maharashtra 9.7 per cent, Uttar Pradesh 9.5 per cent and West Bengal has 8.5 per cent share of employment. The overall performance of SSIs in the terms of employment in India has been represented in the table as below:

Table 4.1

Employment growth of Small Scale Industries in India

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment(Lakhs Numbers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993-94</td>
<td>139.4</td>
</tr>
<tr>
<td>1994-95</td>
<td>146.6</td>
</tr>
<tr>
<td>1995-96</td>
<td>152.6</td>
</tr>
<tr>
<td>1996-97</td>
<td>160..</td>
</tr>
<tr>
<td>1997-98</td>
<td>167.5</td>
</tr>
<tr>
<td>1998-99</td>
<td>175.2</td>
</tr>
<tr>
<td>1999-00</td>
<td>182.0</td>
</tr>
<tr>
<td>2000-01</td>
<td>190.0</td>
</tr>
</tbody>
</table>

Source: www.smallscaleindustry.org

Table 4.1 depicts that the employment level of small scale industries has been increasing rapidly year by years. Hence it can be conclude that small scale industrial unit helps to developed Indian economy by providing continuous employment opportunities towards population of the country.

3. Export: Small scale industrial unit plays a major role in India’s present export performance. Out of total Indian export, 45-50 per cent is contributed by small
scale industry sector. It is surprising to know that non-traditional products account for more than 95 per cent of the small scale industrial sector exports. The exports from small scale sector have been clocking excellent growth rates in this decade. It has been mostly fuelled by the performance of garments, leather and gems and jewellery units from this sector.

The overall export performance of small scale industries in India has been presented in the table as below:

**Table 4.2**

**Export growth of Small Scale Industries in India**

<table>
<thead>
<tr>
<th>Year</th>
<th>Export (Rs. Crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994-95</td>
<td>29,068</td>
</tr>
<tr>
<td>1995-96</td>
<td>36,470</td>
</tr>
<tr>
<td>1996-97</td>
<td>39,249</td>
</tr>
<tr>
<td>1997-98</td>
<td>43,946</td>
</tr>
<tr>
<td>1998-99</td>
<td>48,979</td>
</tr>
<tr>
<td>1999-00</td>
<td>48,500</td>
</tr>
<tr>
<td>2000-01</td>
<td>54,800</td>
</tr>
</tbody>
</table>

Source: [www.smallscaleindustry.org](http://www.smallscaleindustry.org)

Table 4.2 indicates that there is tremendous growth in export performance of small scale industries in India. Hence it can be conclude that the small scale industrial units play a crucial role in the development of our country.
4. Opportunity: There are number of opportunities made available by small scale industries in Indian economy. The opportunities in these units are enormous due to the following factors.

* Less capital intensive
* Extensive promotion and support by Government
* Funding-Finance and subsidies
* Machinery procurement
* Raw material procurement
* Technical and managerial skill
* Tooling and testing support
* Export promotion

Small scale industry sector has performed exceedingly well and enabled our country to achieve wide measures of industrial growth and diversification.

4.3 Role of Small Scale Industries in Women empowerment in India

Small scale industries not only play a crucial role in the development of Indian economy but also have a great contribution in the development of women employees in India. Small scale industries providing a large number of employment opportunities towards male as well as female employees. There are a huge number of women employees engaged in small scale industries performing different type of jobs at different level. The focus of small scale industrial units are very clear, it tries to
provide employment to highly qualified as well as less qualified women in India for the purpose of their overall development. Small scale industries help women employees to identify their potentials and ability to do a particular job in the industry organization. It tries to build confidence among women employees so that they can survive in the competitive world.

Small scale industrial units tries to provide maximum employment facilities to the women employees in order to make them self sufficient in terms of finance and also wants to improve their standard of living. By getting employment opportunities in the small scale industrial sector, women employees are able to fulfill the financial needs of their family and at the same time they are able to save some amount of money for their future. This leads to increase the morale of women employees and also have a positive impact on the overall work performance of women employees at the work place. Most of the small scale industrial units are providing adequate level of training facilities to their women employees in order to improve their level of efficiency and handle the materials without wastages. It also helps the women employees to build confidence and improve their work quality. In this way there are number of facilities that are provided by small scale industries to their women employees in order to protect their interest and make them more comfortable at the work. In India, women are always a vulnerable part of the society; education helps women to explore their knowledge and skills. However, small scale industries are providing employment to all kinds of women employees; the highly qualified women employees are performing higher level jobs whereas less qualified women employees are engaged in lower level jobs in small scale industry units. The main objective of small industries to make over all development of women employees. It tries to attract
more and more women work force in order to make adequate use of their skills and knowledge in the process of production. And also wants to induce women employees to contribute towards economic development of the country.

4.4 Conclusion

The small scale sector has a distinct advantage of low investment with a high potential for employment generation. It is also expected to bring about the dispersal of industries in rural and semi-urban areas with the concomitant advantage of equitable distribution of national income. Empirical evidence indicates that small scale industry can be an important vehicle for meeting the growth and equity objections of developing economies. The government would therefore, be fair to foster entrepreneurship and should help to create conducive environment to facilitate rapid growth of efficient small scale enterprises in the country. Small scale industries have a unique role to play in the industrial development of the country. Small scale industries are one of the most cost-effective ways in creating employment spreading industry. It has performed exceedingly well and enabled our country to achieve a wide measure of industrial growth and diversification. Along with industrial growth throughout the nation, small scale industrial sector also have a large scale contribution towards the development of women employees in India. It tries to make them more self sufficient and capable so that women employees can achieve target and can fulfill their own as well as their family needs. The researcher has elaborated this chapter in order to focus on the contribution made by small scale industries in the development of Indian economy as well as in the development of women employees.