CHAPTER II

REVIEW OF PREVIOUS STUDIES
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In this chapter an attempt is made to give related review of previous studies on Small Scale Industries with the focus of problems and prospects faced by the SSI Units in India and in Tamil Nadu. The problems and prospects have faced by the Indian Small Scale Sector alone are focused over the past fifty years have been taken. In this review studies done during the years 1960 to 2013 have been taken. Even though previous studies for the past fifty years have been taken, importance is given to studies done during the last 10 years and more than two third of the previous studies were taken from the last 10 years. Theses, Books, Journals and reports form part in this review.

Balakrishnan, G. (1961) in his study "Financing small industries in India 1950-52", analysed the experience of joint stock companies in finding finances and found that they had low carrying capacity due to the high cost of production and the high rate of interest.¹

Rao (1967) in his study, “Small-scale industries and Planned Economy”, made a vigorous appeal to promote small-scale industries for the industrialization of India. The study pointed out the role of cottage and small-scale industries in India and also discussed in detail the meaning, scope and relevance of small-scale industries in India’s development.²

Kopardekar (1974) in his study, "Small Sale Industries", attributes excess capacity remaining unutilized in small firms to the lack of finance. Lack of finance, especially shortage in working capital, leads to inefficient utilization of the installed capacity. Inadequate funds lead to inconsistent operation of the units. Many units are not in a position to apportion funds to fixed and working capitals.³

Ramakrishana (1975), pointed out the nature and magnitude of financial problems faced by the small-scale industrial sector of India and the role of the government, the State Financial Corporations and Banks financing this sector. The methods of financing by several countries like Japan, the U.S.A., the U.K., countries in Europe, Canada, Australia and the like were highlighted in the study.⁴

Mathur (1979) in his study, "Economics of Small Scale Industries", on the basis of his study in the Agra region reported that funding adequate fixed and working capital was the greatest bottleneck in the growth of small-scale industries.⁵

Sharma, S.V.S. (1979), in his study, “Small Entrepreneurial Development in Some Asian Countries- A Comparative Study”, pointed out that in India, the policy of the State/union territories had hampered the development of entrepreneurship. The policies of Megalaya and Nagaland did not permit outsiders to register their units and as such the States were deprived

of external resources for industrial development. In Korea, the government policy tended to encourage the upper and smaller enterprise, ignoring very small business.⁶

Neela Mukherjee et al (1980), in their study, “Economics of Small-Scale Industries – Emphasis on Efficiency Dimension”, pointed out that the contribution of small-scale industries to India’s total exports had been fairly stable around 16 per cent. The small-scale industries were 500 per cent more labour intensive than the large-scale industries and the output per worker was much lower in SSI than in the large-scale ones.⁷

Ammukutty (1980) suggested in the report that the some modifications in the industry like reducing communication gap between the servicing agencies and the units, fulfill the working capital requirements, maintenance of machinery, providing technical training to the employees and advancing short term and long term loans to run the units.⁸

R. Neelamegam (1983) in his study of institutional financing for small–scale industries analyzed various types of financial assistance offered to the small–scale units in Tamil Nadu. He dealt with the role of the national small industries corporation, the industrial development bank of India, the small

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industries corporation, the state financial corporation, co-operative banks and commercial banks in assisting small scale industries.⁹

**Hrishikesh Bhattacharya** (1984) in his study, "Entrepreneur, banker and small scale industries", conducted a study on the problems faced by the small-scale entrepreneurs located in Howrah and Calcutta of West Bengal. All the units were bank–assisted units. The study found that the need for proportionate increase in capital was inversely related to the size of the small firms. It was also observed that the smaller the firm, the lesser as its chance to command finance from banks in the absence of any track record of past years’ performance. The bank managers felt reluctant in sanctioning the required amount of loan because they were unable to judge the capability of prospective borrowers on the basis of projections only.¹⁰

**Thanulingom** (1984), in his study, “Small Scale Engineering Industry in Coimbatore Region – A Study of Inter-Relationship with Large-Scale Industry”, pointed out that the factors that influenced the entrepreneurial development were previous occupation in industry, favourable demand for products, location near the residence of the entrepreneur and previous working experience in large-scale units.¹¹

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Yoosuf Khan (1988), in his study “Problems of Small Scale Industry: A Study with Special Reference to SSI units in Tirunelveli” found that the paucity of fund caused the small-scale units to organize more and more concerns under partnership, to pool together the resources of the partners. Fifty-five percent of the sample units studied required financial aid for their day-to-day running expenses and only 7.5 percent for expansion purposes. The nationalized banks in the region accounted for 40 percent of the total institutional assistance given to small-scale units.12

Sandesara (1988) stated in his study that the governments, agencies and other institutions should sponsor various programmes relate to information, consultancy, entrepreneurship, development, training, modernization and technology support, industrial estates, raw material, marketing, ancillary development, etc. to improve the viability and the growth of the small industry sector. He pointed out that the exciting bases of infrastructure and large industry which are vital for growth of small industry may not exist in such towns. They may, therefore, have to be provided for and fostered first to sub serve not merely the objectives of regional balance but also the objective of small industry promotion. Such towns will have to be away from the existing metropolitan towns and industrial areas, so as to enable them to develop as independent growth centres.13


Natarajan (1989), conducted a study on “Institutional Financing for Small Scale Industries” in Andhra Pradesh which shows that the Andhra Pradesh State Financial Corporation and banks has given increasing proportions of credit to SSI. Inter-firm comparison was absent in their appraisal as also to build up of relevant data on the performance of firms. An increasing proportion of bank loans was disbursed towards meeting working capital requirements.\(^{14}\)

Neelamegam (1989), in his article, “Employment Potential of SSI Units”, emphasized that with abundant manpower, it was more important to have mass production by men is more than machines. During 1975-76 SSI units provided employment to 44 lakh persons and this figure sharply rose to 90 lakhs in 1984-85. The employment potential of SSI was 4.5 times greater than that of large-scale industries for the same amount of investment in fixed assets.\(^{15}\)

Mithilesh Kumar Mishra et al (1990), in their research paper entitled “Sickness in Small Industries: A Case Study” state that the two major factors for the sickness of small scale industries are lack of adequate and timely working capital and lack of marketing facilities. They found that the lack of technical know-how, shortage of improved machinery, labour problems, irregular power supply and erratic power cuts, fluctuation in prices of raw


materials and inadequate arrangements for consultancy acted as checks on the growth of the units.\(^{16}\)

**Sharma** (1990), in his article “Role of NABARD in Small Scale Industries” pointed out that the prosperity of the country specially the rural areas, depend on the harmonious growth and development not only of agriculture but also of small-scale industries. As the apex bank for agriculture and rural development, it was the paramount task of NABARD to accelerate the process of all round development in the country. The National Bank formulated various schemes for the flow of credit to village/cottage and small-scale industries through commercial banks, co-operative banks and regional rural banks. Such assistance paved the way for the growth of small-scale industries.\(^{17}\)

**Subbiah** (1990), in his study “Financing of Small Scale Industries by State Bank of India: A Study with Special Reference to Sattur Branch” stated that there was delay in the sanctioning of loan and subsidy to small-scale units. The State Bank of India could not achieve its target of disbursement of loans to small scale units due to non-materialization of some new proposals. Match factories were not fully utilizing the cash credit limit sanctioned to them.\(^{18}\)

**Sen** (1992) in his work, “Appraisal and Administration of Small Industries Loans”, argues that banks lack expertise in handling small industries


accounts and have a natural aversion to them because of high risk and problems in repayment. Banks have to take precautionary measures to cover deficiencies at the time of appraisal and also during actual operations.\textsuperscript{19}

\textbf{Thomas T. Thomas} (1994) had concluded in his thesis that the Small Scale Industrial Sector appears to exist and perform in an environment which simultaneously nurtures and places impediments. The attractive promotional support offered is often a great stimulant for prospective entrepreneurs to walk into the field. The enthusiasm to expand the small scale industrial based on the part of the State, often leads to presenting an over simplified preliminary phase which helps draw in the prospects faster. Marketing dimension which is fundamental to the development and survival of the SSI sector is not given the required importance by the State while planning development of this sector.\textsuperscript{20}

\textbf{Upaulthus Selvaraj} (1994), in his article “Financial Incentives and Small Industrial Units in Madurai District: A Survey” found that the entrepreneurs of small industrial units had reasonable knowledge of the existence of long term financial incentives, subsidy and assistances. As to the availing of financial assistance, nearly seventy percent of the small scale units had made use of both the long term and the short term financial incentives. He states that the deplorable feature was found in the availing of subsidy and assistances. Only 15 percent of SSI units had availed of such assistances. The industry-wise analysis reveals that chemical industrial units followed by


engineering and textile units availed long-term finance to a greater extend. Engineering units availed of short term financial assistance to a greater extend followed by the textile units in Madurai District.\textsuperscript{21}

A study was undertaken by the National Institute of Bank Management (1995), titled “Are Our SSI Units Receiving Adequate Institutional Credit”. This study aimed at identifying the credit-related problems faced by SSI units. The findings of this study are: the inadequacy of credit limits sanctioned, increase in interest rate, insistence of banks on adequate security including collateral, and delay in sanctioning or disbursement of loans.\textsuperscript{22}

Thilaka (1996), in her study “A Study of Financing of Select Small Scale Industries by Commercial Banks in Tamil Nadu” states that one of the important problems of the small scale industries was bank finance. Restriction on term loan facilities to small scale industries acted as a stumbling block in the promotion of SSI units. She states that commercial banks provide only 75 percent of the financial needs of the small scale industrial units. Further the borrowers complained that they had to visit the bank more than ten times for getting their loans.\textsuperscript{23}

The Abid Hussein Committee (1997), in its report observed that the access of small scale enterprises to credit is inadequate and hence the existing


institutional structure needs a thorough overhaul. The committee endorsed the recommendations of the Nayak Committee for providing twenty percent projected turnover as working capital finance by banks to SSI. The plan of the government of the local area banks and specialized branches for the SSI’s was endorsed by the committee.24

Ram K. Vepa (1997) in his report some changes are to be made in the credit system for the small enterprises and atleast 20% of the working capital requirements are to be provided. He suggested that a national research institute for the SSI may be formed. He further recommended to enact a Basic Law for Small Enterprises to bring together various incentives and regulations applicable to them.25

George Verghese (1998), in his paper “Leading Issues in Credit Flow to SSI Sector is Finance for Small Enterprise in India” states that focus on the limited impact of policies on the SSI sector in India is mainly due to the isolated treatment accorded to the SSI sector. The SSI sector needs a renewed thrust, enhancing credit flow drastically, improving the problem areas of administration, personnel, entrepreneurial development and infrastructure in the dispensation of credit.26

Ramesh (1998), suggested in his study "Bank Finance for SSI Credit – The Regional Dimension", the redistribution / opening of specialized branches

in credit deficit states with a special thrust on financing micro enterprises. He acknowledges that the flow of credit would critically depend upon the availability of infrastructure and support services for SSI.²⁷

**Kiran Sankar Chakraborthy et al** (1999) in their study, “Sickness in small scale Industries of North–Eastern Region”, found that inadequate working capital supply by financial institutions, including banks, complicated banking procedure, the gap between the application for loan and the disbursement of money or the multiplicity of procedures and the like, came in the way of the smooth functioning of the small enterprises. A greater positive role has to be played by the Reserve Bank of India through its sick industrial undertakings division for the re-orientation of the attitudes of the banks and other financial institutions operating in the backward areas for assisting and rehabilitating sick units.²⁸

**Saloni, P. Ramakrishna** (2000), in her paper “Mapping the Small Scale Industries: The Creative Way” observes that if the SSI’s were given information support along with adequate and timely finance, their performance could show marked improvement.²⁹

**Harinath Reddy** (2000), study on "Working Capital Management in Small Scale Industries", indicates improper controls on the working capital funding. The preparation of periodical working capital reports at least once a

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month, better planning to overcome shortages and over trading are some of the steps suggested and above all banks have to monitor the working capital utilization to detect early signs of sickness.\(^{30}\)

**The S.P. Gupta Committee** (2000) presented a comprehensive picture of the various aspects of the small scale sector and recommended the fixing of investment limits for tiny (upto ₹ 10 lakh), small (₹ 10 lakhs to ₹ 1 crore) and medium (₹ 1 crore to ₹ 10 crores) units, and emphasised the need for priority sector lending by banks, reducing interest rate, technology upgradation and price preference to the goods manufactured.\(^{31}\)

**Revathy** (2001), study on the "Financing Pattern of Small Business Units", found that lack of access to credit represents a strong restriction on the expansion of SSI units. Owners perceive financing of their operational activities as their most debilitating constraint.\(^{32}\)

**Rudra Murthy** (2001), in the unpublished thesis on "Institutional Finance for the Development of SSI in Karnataka State", finds that the availability of institutional finance has not met the demand from the SSI sector. The educational background of the owners had little impact on the running of the units. Proprietary and partnership firms were found to be more prompt and regular in repayment of loans than limited companies. The study suggests the


setting up of an SSI mutual fund, more specialized SSI branches and modification of the Narasimham Committee report to suit the SSI sector.\textsuperscript{33}

\textbf{Manickavasagam et al} (2002), in their article “Contribution of Small Scale Industries to the Indian Economy” assessed the role of the small scale industrial sector in augmenting the production and also in earning foreign exchange through exports.\textsuperscript{34}

\textbf{Sunder et al} (2002), in his study found that financial institutions became important sources of finance for industrial projects. Banks should widen their horizon of loan assistance to cater to the diverse credit requirements of the small scale units. It has to intensify its lending activities into the areas like Equity assistances, Project-related finance and Resource support to the institutions engaged is promoting SSI.\textsuperscript{35}

\textbf{Anil Kumar} (2002), in his study "Role of State Financial Corporation (SFC) in financing SSI in India during Post Reform Period", has revealed that the SFC’s should make efforts to sanction the loans in a balanced manner for different purposes. More emphasis has to be laid on small size category of loans, because it will help in promoting entrepreneurship development in the country, which is the need of the hour. SFCs should concentrate on the growth


of the services sector in terms of loans sanctioned and disbursed, which is considered as essential.\textsuperscript{36}

**Subbaiah et al** (2003), have studied "The Financing of the Small Scale Industries by the Commercial Banks", operating in Virudhunagar District under the Lead Bank Scheme. The term “Commercial Bank” at the District level refers to all branches of Public and Private sector commercial banks operating in Virudhunagar District. Financing small scale industries refers to financing the small scale industrial sector under the Lead Bank Scheme. For this purpose the commercial banks are classified into three categories.\textsuperscript{37}

**Rashid** (2005), in his article “Trends in financing SSI sector in India” explains that the small scale industries play a very important role in India. The small scale industry has been given a priority status in the matter of bank financing. Experience, however, shows that in a significant number of cases, bank branches have departed from the guidelines which leads to the loss of viability of SSI.\textsuperscript{38}

**Srivastava, K. Rajendra, K. and Satya Pal Sing Rajput,** (2005), in their article, “Sick SSI units in India: Role of Commercial Banks”, mentioned that though a number of steps were being taken by commercial banks in nourishing SSI units, it was difficult to bring the sick SSI units on to the right track. For example, the industry’s exposure to SSI as a percentage of total


advances has ranged between 15 and 18 percent. But the recovery percentage had lowered to about 35 percent, much below the minimum of 60 percent for a viable recycling of funds.\textsuperscript{39}

\textbf{Chinnaiyan P. and Nandagopal, R} (2005), in their study explained that the inability of small scale entrepreneurs to scout for funds results in slowing down their growth, lowering their capacity to internally generate funds thereby leading to the lowering of the retention and recycling of the same.\textsuperscript{40}

\textbf{Namasivayam, N. and Ganesan, S} (2006), in their articles "Financing of Small Scale Industries by Banks", said that the small-scale industries have emerged as an engine of growth in several developed and developing economies of the world. Commercial banks with their vast network of branches have emerged as an important alternative institutional source for SSI financing. Private- sector banks also play an important role in financing the SSI sector.\textsuperscript{41}

\textbf{Chockalingam S.M. and Sundararaj, J.} (2006), in their article “Adequacy of Commercial Bank Credit to Small Scale Industries: An Empirical Analysis” explain that the SSI sector is a major contributor to the country’s industrial economy. The objectives were to access the adequacy of commercial banks finance to small scale industrial sector and to offer suggestions for the smooth flow of commercial bank credit to the SSI sector.


The banks are liberal in extending credit to the industrial sector and more particularly to the SSI.\textsuperscript{42}

**Chandak, B.L** (2006), in his study "SSI Credit – Supply side constraints", says that the ratio of SSI bank credit to GDP at current prices declined from 3.0 percent in 1998 to 2.6 percent in 2004, whereas the overall bank credit to GDP ratio increased from 21.3 percent to 30.5 percent. The world over, it is the SMEs which play a major role in innovation, revitalization of economy and creation of new jobs. Hence it is high time Governments realized that adequate and timely availability of working capital is vital for the growth of SSI units. \textsuperscript{43}

**Sudhansu Sekhar Nayak & Dr.Misra, R.N** (2006) recommended in his studies the sick units will have to set-up an agency which could monitor the case of sick units. Accordingly, Government set up a District level committee in each District. The concerned DIC of the District and OSFC are the two primary level institutions whose main task is to identify the sick or closed SSI units and assist them for early rehabilitation.\textsuperscript{44}

**Mumtaz Ali Junejo, Chandanlal Rohra and Ghulam Murtaza Maitlo** (2007) have indicated that small entrepreneurs are to be provided immediate training in the field of Management and Marketing otherwise their


survival is in jeopardy and the first generation entrepreneurs must be given the opportunities to their educated children for running the parent industries.\textsuperscript{45}

\textbf{Kamalakannan K. and Namasivayam, N} (2007) in the study "SIDBI and Small Scale Industries", have said that small scale industries have an important role to play in achieving the plan objectives of increasing industrial production, generating additional employment and reducing regional imbalances of growth. The Small Industries Development Bank of India (SIDBI) was set up for promoting, financing and developing industries in the small scale sector and for coordinating the function of other institutions engaged in similar activities.\textsuperscript{46}.

\textbf{Subbiah A. and Navaneethakrishnan.K,} (2008) in their article “Small Scale Industrial Units and their Problems” explain that small scale industries have a place of pride in India. These have a high potential, among others, for generating employment, dispersal of man power to semi-urban and rural areas, promoting entrepreneurship and earning foreign exchange. A district industries centre has been set up in each district to serve as the focal point for the development of small-scale and cottage industries. Small scale industrial units play a significant role in the economic development of India.\textsuperscript{47}

\textbf{Lahiry, S.C.} (2009), in his article, “Rural Industrialization – An Overview”, pointed out that improvement of the economic conditions of the


rural population was closely linked to the growth and development of rural industries. Rural industrialization should continue to be a central component of industrial policy and the Khadi and village industries institutions should be strengthened in order to meet the challenges posed by rapid industrialization and intense competition due to the opening of the economy.  

Sonia (2009) in her research stated that an attempt has been made to analyze the impact of globalization on the growth of small scale industries. The comparative analysis of growth pattern of key parameters between Pre- and Post – Globalization periods reveals that the “globalization” had a negative impact on the growth of small scale sector measured in terms of number of units, production, employment and exports.

Hitendra Bargal, Ashish Sharma and Manasranjan Dashmishra (2009) pointed out in their study that the annual average growth rate of different parameters of SSIs have declined in the period of nineties vis-à-vis the pre-reform years. The productivity per employee and also employment in SSME has declined. There is an absence of any lead-lag causal relationship between exports and production in small-scale sector and GDP of Indian economy and the small scale sector is not significantly contributing to the overall GDP.

Palaniappan, A. (2010) studied the elasticity of substitution between capital and labour is unity which implies that the relevant form of production function at All India for small scale Industry is the Cobb-Douglas. From our findings, the labour elasticity of output is found to be a more important factor than capital in terms of factor elasticity, marginal productivity and relative contribution to the output growth at India for small scale Industry. Further increase in labour productivity is attributed to capital deepening.51

Yusufu Nigel Bachama (2010) stated that the degree to which problems affect small scale industries varies, depending on the type; while to some it could be capital, others could be badly in need of electricity, while others is good road network or a combination of all, we could go on and on. So it is important that government identify the different set up within the small industries sub-sector and apply appropriate policy measures.52

Santosh Kr. Pandey and Pankaj Kant Dixit (2011) have recommended in their study that the establishment government centers, specialized training centers, technology development in all districts in to provide the needed services and facilities to SSI in order to increase their role in the economic development of the country. The adequate inflow of credit to

the sector should be ensured, taking into consideration the growing investment demands including the requirements of technological transformation.  

**Arif Anjum and Thakor, D.V.** (2011) recommended in their studies the following facilities should be provided to overcome the problems. They are Upgradation & Modernization, Industrial Estate & Textile Park, Set up Marketing Complexes: & Processing Facilities, Technical Training, Providing adequate Financial Institution, Entrepreneurial Training, Awareness about Government Schemes and so on.  

**Vetrivel, K and Iyyampillai, S** (2011) explained the actual situation of industrial and entrepreneurial development. It is found that the overall policy and physical environment has been utilized by the entrepreneurs to maximize the benefits. In spite of all the external factors, the individual factors do play more important role in the expansion of the industrial activities. All the external factors and the individual factors do play more important role in the expansion of the industrial activities.  

**Ratna N. Shettar** (2011), has attempted in his study on "Perspective on the Problems of Sickness in SSI Sector", the growth of SSI is spectacular during last five decades (1950-2000). The productivity and employment potential of unregistered units is relatively high. Since the tiny sector is the

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nursery of traditional skills of rural areas and caters to artisans and craftsmen both in rural and urban areas, it should be strengthened to exploit its intrinsic merits.\textsuperscript{56}

\textbf{Goyal, K.A.& Nitin Gupta, Neeta Gupta} (2012) in their study has pointed out the problems faced by the sick units. The highest number of sick units among the MSME increased in the year 1999 after that it declined by following years till 2010 but it again increased in the year 2011. At the same time, the investment blocked in sick MSME has also increased year after year. There was increase in the total investment among MSME has wider implications including locking of funds of the lending institutions, loss of scarce material sources and loss of employment.\textsuperscript{57}

\textbf{Arjun Kumar, S.N.}, (2012) reveals his study that the 76 per cent of the small scale units are facing marketing problems. Analysis and interpretation comprises of all the problems regarding Marketing Mix (4Ps). Market forces are governed generally by the criteria of efficiency, productivity and competitiveness and this is much more in the present era of liberalization and globalization. Performing the marketing functions satisfactorily and successfully in the global context is the major hurdle for SSI and their development.\textsuperscript{58}


Reetu Sharma (2012) stated his findings in his studies the ultimate objective of prosperity and happiness of the people can be achieved only through expansion of economic activities, on a massive scale in Tiny, Small and Large Sectors on the basis of the rationality of their complementarily. Therefore, need of the hour is strong and flourish small scale sector. Indian economy will become capable to fulfill needs of the huge population as well as to provide sound base for industrial progress only with the help of strong small scale sector. For strong small scale sector, there is need of promotive measures rather than protective measures.\(^5\)

Mallika, V. (2012) stated in her article there was a threat for the very survival of small scale industry in India during the post reform periods. The Government apart from encouraging high rate of foreign investment in the Indian industries it has been also liberal in extending relatively more number of foreign good is available everywhere in India at cheaper rate. Small scale industrial sector has to contribute to increase of industrial productivity, rise of exports, generate more employment opportunity and also contribute very impressive of the GDP.\(^6\)

Baljeet Singh Narang et al (2012) have stated in their study that the small scale industries play a vital role in the growth of the country. It contributes almost 40% of the gross industrial value added in the Indian economy. They play a critical role in the development of regions. The


government announced some policies and programs to support entrepreneurs of handlooms to sustain employment in rural areas and to improve the quality of life for handloom weavers.61

Siva (2012) in his studies stated that the optimistic way to overcome the current situation is to move on to entrepreneurship, which helps themselves and others. Entrepreneurs are now in a situation to work on par with men. If the facilities and encouragement, that are available to men, are also given to entrepreneur, they will also produce good results. Therefore the government, and various institutions should help entrepreneurs not in papers and acts, but in reality. In this way entrepreneurs could be benefited and also make so many people bear its fruits.62

Shivani Mishra (2012) pointed out in his studies that the Small-Scale Industries (SSI) gathered momentum along with industrialization and economic growth in India with generating the highest rates of employment growth and account for a major share of industrial production and exports.63

H.Akinlabi Babatunde et al (2012) have pointed out that that Government should re-introduce the small business credit scheme so that beneficiaries can use them to run the micro, small and medium enterprises. Micro, Small and Medium enterprises operators’ should device effective marketing strategies. This includes such promotional strategies as advertising,
good management customers relations at all times. There should be re-
introduction of soft loans for small and medium business by the government
and financial institutions. Finally, the quality and quantity of micro, and small
scale enterprises products should be high at all times. This will attract more

**Ghoshal et al (2012)** stated that the SMEs the world over have been
undergoing crucial changes in response to the manifold imperatives of
globalization. The potential of neo-localism having been much emphasized, the
SMEs in developing countries have often been split between national strategies
and objectives of promoting this vital and most promising sector and the
demands of a globalizing business environment. In India, the historical role of
SMEs in creating ample opportunities for employment for the teeming millions
has come to occupy secondary status in the face of novel strategies to ensure
external orientation, achieving manufacturing competitiveness and emerge

**Pawan Kumar et al (2012)** in his studies reveal that the small scale
industries are not using appropriate marketing strategies in the highly
competitive environment. Small scale industries are weak in differentiation
strategy. As small scale industries are following low cost pricing strategies, so
it is also essential to follow product differentiation for product development.
The small manufactures need to use selective product positioning strategies for
different products because same product positioning strategies for all products are not beneficial.\textsuperscript{66}

\textbf{Arun Kumar} (2013) recommended his studies the process of development can be visualized with two different types of entrepreneurial activities types of entrepreneurial activities. The entrepreneurship can emerge either as a result of individual efforts or collective and cooperative efforts. The first type of entrepreneurship is the potent source of development. In such regions, since the public and cooperative techno structure has its own limitations, it is the local entrepreneurship that must get it involved in the process of development. The development would not gather momentum if much reliance is placed on the factors beyond local control.\textsuperscript{67}

\textbf{R. Melba Kani et al} (2013) in their study, have stated that the Cottage Industries are of cultural and economic importance to India. They keep the age old traditions alive and also provide employment to a number of people. Support should be provided by the community to prevent exploitation and further develop these industries as they face stiff competition from other economies. In the over-populated countries like ours, the only way to fight the monster of unemployment is the development of cottage and small scale industries.\textsuperscript{68}


Etebefia et al (2013) recommended that the growth of the National Economy of Nigeria depends on how vast the Small Scale Industries are growing and their ability to overcome negative economic factors that may rise against the growth of the small scale industries. Government should re-introduce small business credit scheme so as for the beneficiaries to use them to run the small scale enterprises. Government, chamber of commerce and industries and other non-governmental organization should regularly organize seminars for potential and actual small and medium enterprise operators where they should be educated on how to plan, organize, direct and control their businesses to foster the Nigeria economy.  

Vivekanand Pandey (2013) in his study have expressed that the Reorientation in the attitude of the people of the state in general, the educated youths and capitalist class in particular is the urgent requirement for paving the way of industrialization in the state. It is an accepted fact that people with right attitude, total commitment and right conception can change the existing system. People of the state must give up the lure to earn easy money and set their mind to take risk. They should learn from the past. We cannot deny that with “obsession over industrial liberalization”, the crucial matter of employment creation has taken a backseat. A gradual approach is necessary, apart from the government, the capitalist class and the educated youth must come forward

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with a new vision and energy to break the vicious circle of non-
industrialization in the state.\textsuperscript{70}

\textbf{Tanya Gupta} (2013) stated that the SWOT Analysis helps in
assessment of the internal and external factors which is very important for all
the organisations not only for Small Scale businesses but for large businesses
as well. But as Small Business are facing many problems due to globalisation
and are suffering from undue losses as compared to large businesses so SWOT
analysis has been done for all the small businesses at large, to make them
understand their weaknesses in a better way and to make them use their
strengths to stand in market and to make normal profits.\textsuperscript{71}

\textbf{Mulimani et al} (2013) reveals in their studies, the vast technological
change has brought some changes in the enhancement of the different form for
SSI units. These are considered to be as basic economy of Goa. These SSI units
have played an important role for not only promote the small industrial
industries but also helps to improve the standard of the life of the people. The
skilled labours are replaced the technical labours. The industrial policy 2003
is not oriented towards the prospering of such units due to the lack of
geographical aspects.\textsuperscript{72}

\textsuperscript{70} Vivekanand Pandey, (2013), \textit{“Trends, Opportunities & Challenges in Small Scale and Cottage
Industries in Uttar Pradesh”}, Asian Journal of Technology & Management Research, Vol. 3, No. 2,

\textsuperscript{71} Tanya Gupta, (2013), \textit{“SWOT Analysis of Small Scale Industries in India”}, International Journal of

\textsuperscript{72} Mulimani, A.A, Morakar, P.R, Dharwad, K.U, (2013), \textit{“Problems and Prospects of Small Scale
Industries of Goa: A Geographical Study”}, Indian Streams Research Journal, Vol. 1, No. 12,
pp. 1-4.
Ramavat Vaijayanti (2013) pointed out in her studies that the marketing problems of SS units are discussed in the above paragraphs running a Small Scale Industries is a challenging task. The task is full of problems. Majority of these problems arise either because of additional mindsets or infrastructural lacunas. The major problem is socio-economic conditions and socio-psychological setups. Various problems faced by the unit owners of Small Scale industries have different weight age of different points of view. Efforts need be made to bring out amiable solutions.\textsuperscript{73}