CHAPTER II
REVIEW OF LITERATURE

2.1 Introduction

A detailed review of literature has been made to find out the research gap and to identify the relevant researchable issues for the study. It is essential for a researcher to review the related literature to have a clear knowledge about the subject and understand the research gap in order to draw the scope for the study.

Sharma (1990) in his article titled “Role of NABARD in Small-Scale Industries” pointed out that the prosperity of the country especially the rural areas, depended 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.

Shetty (1990) in his article entitled “District Industries Centre Programme-An Appraisal” critically analysed the various programmes of DICs. The study revealed that the DIC’s were not fully manned as per the restructuring norms and DIC functionaries got more involved in regulating rather than promotional work. Proper information, guidance, extension and training services for setting up small-scale industries were not available and units were facing difficulties in obtaining inputs like raw materials.

Delip R. Shah (1990) in his study entitled “Boosting Rural industries Through DIC, A case study” suggested that the tempo of rural industrialization could be boosted by reducing the gap between the schemes of DIC and their actual operation.

Umesh C. Patnaik (1990) in his study “Contribution of DIC Programme to SSI in India”, pointed out that after launching DIC programme, the growth rate of SSI sector was less, particularly in the case of export and employment generation.
The study in Cuddapah District undertaken by Reddappa Reddy (1990)\(^5\) entitled “Rural Industrialization – Role of District Industries Centre”, revealed that the total number of entrepreneurs identified in the district had been showing a diminishing trend year after year. However, the study indicated that the performance of DIC, in respect of training programme, was satisfactory.

Adhikari and Narendra Singh (1990)\(^6\) in their article entitled “District Industries Centre- Restructuring”, high-lighted the various arrangements in terms of organizational structure, function, powers of DICs and examined critically the workings of DICs and suggested possible remedial measures.

Chandrika (1990)\(^7\) in her dissertation “A Study of DIC in Madurai District During 1980-90”, has analysed the various schemes of DIC. In her conclusion, she suggested that there should be a branch office of DIC at each and every taluk head – quarters to promote the small-scale units. Further, it was suggested that various schemes of DIC should be given wide publicity.

Kallur and M.S. Chandakavate (1992)\(^8\) in their case study entitled, “Role of Subsidies in Self-Employment Promotion, A case study”, stated that ‘subsidy’ would prove to be a more powerful instrument of policy to motivate unemployed people towards self-employment, provided sufficient care was taken in the selection of beneficiaries. Subsidy is only a necessity but not a sufficient condition for the success of self-employment schemes. Therefore, the need of the hour was a well-conceived and systematically implemented ‘subsidy scheme’, not leading to the squandering of the scarce resources.

Sharma and Teneja (1992)\(^9\) in their article titled “What Industrialization has done to Rural Areas ”, pointed out that in the entire manufacturing sector, the factories located in the rural areas generated more employment and that too at a comparatively cheaper rate, whereas contribution to the manufacturing sector per factory was almost of the same order both in the rural and the urban areas, as measured through value added. The entrepreneur was, thus, not likely to be adversely affected. Besides, the other advantage was that value of output per unit of input was also of the same order. This implied that the raw material at the source could also be gainfully utilized, without incurring transportation charges and with minimum time
lag in procuring the raw material, resulting in timely, if not expeditious, production and supply to the ultimate consumer.

The study undertaken by A. Muralidhar Rao in Andhra Pradesh (1992)\textsuperscript{10} entitled “Role of DICs in Rural Industrialization – Some Issues”, revealed that DICs had exceeded the targets in setting up the number of SSI and tiny units, in employment generation and training of entrepreneurs in all the 23 districts of Andhra Pradesh. The study concluded that DICs had fulfilled all their basic objectives.

V. Balasubramanian (1992)\textsuperscript{11} in his dissertation titled “A Study of Industrial Development in the Composite Ramnad District”, suggested that DIC should make arrangements for adequate supply of raw materials and take more efforts to help the entrepreneurs to market their finished products, instead of simply directing them to approach SIDCO. He was also suggested that at least 40 percent of the project cost should be granted as margin money assistance, instead of the present 25 per cent.

Baldwin et al (1994)\textsuperscript{12} report that small and medium-sized firms have experienced that skilled labor is one of the most important factors contributing to their growth. To be successful in a global market, a small firm needs a highly motivated, skilled and satisfied workforce that can produce at low costs.

Roberts (1995)\textsuperscript{13} in his empirical work comments that small industry sector has performed exceedingly well and enabled our country to achieve an extensive measure of industrial growth and diversification. By its less capital intensive and high labor absorption nature, SSI sector has made significant contributions to employment generation and also to rural industrialization. Under the changing economic scenario especially in the era of liberalization, SSI has both the challenges and opportunities before them. The business can compete on cost and quality of products at domestic and international level only if ideal investment in technology, innovative production process, R&D and effective marketing are introduced and implemented. Infrastructure bottlenecks are not completely solved. The promotional activities for SSI in India need to concentrate on improved credit flows, human resource development, appropriate technology and funds for modernization. So, this is the appropriate time to set up projects in the small scale sector which can reduce the challenges of social sector in the era of liberalization. This expectation is based on an essential feature of
the Indian industry and the demand structures. The variety in the demand structures will ensure long-term co-existence of many layers of demand for consumer products/technologies/processes. There will be flourishing and well grounded markets for the same product/process, differentiated by quality, value added and sophistication. This characteristic of the Indian economy will allow complementary existence for various or diverse types of units.

Rajendra K, Srivasatava and Rajput (1995)14 in their article titled “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 per cent. But the recovery percentage had lowered to about 35 percent, much below the minimum of 60 per cent for a viable recycling of funds.

Safizadeh, Raafat and Davis (1996)15 in their article on information process up tools reveal the key factor to survival and prosperity of small businesses in this decade and beyond will likely to rest on their ability to successfully exploit and benefit from the rapidly developing field of information processing in manufacturing.

Lahiry (1997)16 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. The growth of the small-scale sector and its contribution to export had been impressive. However, the sector required further encouragement to be able to grow by tapping both domestic as well as international markets.

Gulati, M. (1997)17 in his research work comments that the SSI clusters in India are spread throughout the length and breadth of the country. There is no definite figure available on the number and size of these clusters. However, some of the estimates point out the existence of around 2000 clusters, most of which are located in the rural areas. These rural based clusters are artisan-based units that have grown in
size with the passage of time. They use very simple manufacturing processes or
techniques and the products are manufactured by the local artisans. The skill is
transferred from one generation to another without any up-grade in the methodology
of manufacture or improvement in product quality. Some of the examples of goods
produced in such clusters are textile handicrafts, woodcarving, stone carving, metal
ware etc.

Anantha and Vishwanatha (2004)18 advocated improving the marketing
competency, prompt supply of raw material, timely finance, technological up grading
of small-scale industries. A deeper understanding of the current strategic marketing
decision making process in small businesses is necessary to raise the acceptance rates
of interventions to improve the quality of strategic marketing decisions and
consequently firm performance. The main constraints of small firms were: customer
dependency, skills and knowledge acquisition through training, poor learning attitude
and networking because of their tradition of being autonomous. However, Indian
firms are now coming forward to accept professional management. Competition has
been greatly acknowledged. The respondent firms are becoming outward-looking
from inward-looking. Quality of product is playing a great role to satisfy the
customers, to capture the market by meeting the competition challenges. The world
market is becoming more and more quality-conscious, creating pressure on the
manufacturers to maintain quality standards. In order to overcome some of the
inevitable managerial limitations within small companies, new product development
activities should seek to promote a more systematic approach to design.

Rajyalakshmi, N. (2004)19 reviewed the productivity awareness among SSI
units in Visakhapatnam district of Andhra Pradesh at micro level and explored small-
scale entrepreneurs, how they measured productivity in their units. The study based
on primary data collected by using structured schedule through personal interviews. A
sample of 200 SSI units has been selected for the study. The study found that
Chemical units were more capital intensive and it was low in food and agro units.
Productivity awareness was not noticed in the SSI units. The study concluded that
Success in small industry will be best achieved if the productivity culture will be
clearly understood by all the employees.
Mathew, M.C. (2004) highlighted the reason for panic in all India census report on small scale industries. The study observed that the vibrancy and dynamics of the sector anticipated under an era of deregulation and de-reservation remained largely unrealized. The study stated that the country needs a strong small and medium enterprises policy, which was closely linked to its international commitments. The study suggested that at the strategy level, there was a need for a mechanism by which the demography of small and medium enterprises sector itself becomes a matter of public security.

Subrahmanya, M.H. (2004) in his study highlighted the impact of globalization and domestic reforms on small-scale industries sector. The study stated that small industry had suffered in terms of growth of units, employment, output and exports. Researcher highlighted that the policy changes had also thrown open new opportunities and markets for the small-scale industries sector. The author suggested that the focus must be turned to technology development and strengthening of financial infrastructure in order to make Indian small industry internationally competitive and contribute to national income and employment.

Naryana (2004) mentions that poor quality and high cost infrastructure, lack of technology upgrade, and absence of market information affect competitiveness. The Indian small industry is facing delays in getting credit sanctioned from banks and claiming incentives from other government agencies. All these delays affect competitiveness of firms and add more costs.

M.R. Narayana’s (2004) research paper focused on analysis of quality and cost of infrastructure facilities and business environment, and their impact on competitiveness of India’s Small-Scale Industries (SSIs). Infrastructure facilities include transport, market information, credit, power, water, telecom, technology upgrade and quality certification. Quality of business environment is indicated by duration of delay in obtaining Government permissions and clearances. The analysis is based on both primary and secondary data. Primary data were collected from a sample survey of 373 SSIs in Bangalore and non-Bangalore regions of Karnataka State. The results show that low quality and high-cost transport facilities, power, water supply; lack of market information; inadequate credit facility; and low technology have lesser effects on competitiveness of SSIs in Bangalore region than in
other regions. In addition, extent of delay varies between regions in getting credit sanctioned from banks, getting tax and duty-drawbacks, getting temporary and permanent registration, clearances for exports, permission for expansion and diversification, power and water connections, and clearance from pollution control. A comparison of these results with the World Bank’s Business Environment Survey results for India and China shows important factors that affect global competitiveness of SSIs in the State. Thus, improvement in these factors will contribute to enhancing and strengthening of global competitiveness of SSIs. Subject to the comparability of economic structure, the analysis and results of this study are of relevance and applicability for other developing countries in the world.

Sudan, F. K. (2005)\textsuperscript{24} enumerated the challenges in Micro and Small Scale Enterprises Development and policy issues by arising different questions related to Micro and Small Enterprises. The study explained the meaning, advantages, problems and policy options of MSE sector and it concluded that all the policies which were opted by GOI were the efforts to form a dynamic MSE sector and a diversified economy providing expanded employment opportunities to absorb all new labour force and offer exciting career opportunities.

Balasubramanian N. (2005)\textsuperscript{25} in this article delves into the current status of the SME sector in India, emerging trends and paradigm shifts taking place in this sector and their linkages with the external world. It also highlights some of the recent pro-SMEs initiatives of the Government of India and SIDBI, and examines the role of Chartered Accountants within the SME space.

Anand. S and Murugaiah. V (2006)\textsuperscript{26} comment that Small Scale Industries (SSI) facilitate the tapping of resources for productive purposes with minimum amount of capital investment, which in turn helps to strengthen the industrial structure of a nation. SSIs existed in India for a long time in various sectors and contributed significantly in bringing down regional imbalance, generating employment opportunities, output, and exports; fostering entrepreneurship in accelerating economic development. It occupies a position of prominence in India and contributes over 50 per cent of the industrial production in terms of value-addition. This sector plays a key role in the industrialization process and accounts for one-third of exports, and employs the largest manpower next to agriculture. The process of liberalization,
privatization and globalization (LPG) has opened up new opportunities and challenges for this sector. This paper examines the role and importance of small scale industries in India, problems they encounter and performance in terms of their contribution to the overall growth of the Indian economy.

According to Pushpangadan and Shanta (2006), the outcome of globalization and reforms is to increase competition and efficiency in the economy in all the areas. Competition being multidimensional in nature needs to be looked from different angles. Therefore, stability of size of units may not capture the extent of competition. Some rigidity exists in the expansion of competitive forces in the manufacturing sector. The manufacturing sector of India registered highest growth rate (14.9% per cent) in the year 2006-07, but cyclical slowdown began in the manufacturing sector which lead to declining trends in the growth of this sector.

The study undertaken by Sudhansu Sekhar Nayak and Dr. R.N. Misra (2006) aims at highlighting the sickness in small-scale industrial units and its revival position ascertained by the OSFC and State Government from time to time. For the purpose of the study, the districts of South Orissa are taken as the sample. The period of the study is limited to 9 years, i.e. from 1995-96 to 2003-04 and only secondary data are taken into consideration for purpose of the study. The relevant secondary data are collected from Annual Action Plan of DICs, Statistical Hand Book of all the districts of South Orissa, Annual Report of OSFC and official records of Directorate of Industries, Orissa, Cuttack. So, all limitations of the secondary data are found in this study. Finally, a few suggestions have been put forth for the improvement of sickness position in SSI units in Southern Orissa.

C.S. Prasad (2006) analysed that according to the 3rd All India Census of Small Scale Industries (2001-02), of the total number of 10.5 million small enterprises in 2001-02, about 87% per cent units were unregistered while 2.95 lakh units were factory units (employing more than 10 workers with power and registered under Factories Act). 99.5 per cent of the SSI units were tiny units having investment in plant and machinery less than Rs. 25 lakh. While a registered unit employed on an average 4.48 persons, in the case of unregistered units this was only 2.05 persons per unit. “Per unit investment” in plant and machinery was found at Rs. 2.21 lakh in the case of registered units and Rs. 0.27 lakh in the case of unregistered units. Per unit
fixed investment was Rs. 6.68 lakh for registered units and Rs.0.68 lakh for unregistered units. The average for the SSI sector was Rs. 1.47 lakh. “Average per unit output for registered unit” was Rs. 14.78 lakh and for unregistered unit it was Rs. 0.86 lakh. Average for SSI sector was Rs. 1.47 lakh. The Census of SSIs found that only 14.26 per cent of the registered units availed bank finance, while only 3.09 per cent of the unregistered units had access to bank finance. This means that 97 per cent of the smaller among the small enterprises were deprived of the institutional credit. In other words, most of tiny and micro enterprises use self finance or borrowed funds from friends, relatives and moneylenders. Moneylenders continue to play important role after self-finance. The recent All India Debt and Investment Survey has revealed that the share of moneylenders in total dues of rural households rose from 17.5 per cent in 1991 to 29.6 per cent in 2002.

A recent World Bank survey (August 2006) on the status of flow of credit to SME sector has revealed that in the start-up phase, family constitutes an extremely important source of funds for overwhelming majority (over 85 per cent) of the respondents and trade credit, came next in importance, representing extremely important source of funds for 27 per cent of the respondents. In comparison, loans from state-owned banks make up an extremely important source for 15 per cent and very important source for about 17 per cent of the firms surveyed.

Morris et.al (2006) found out that major problems faced by small scale industries is to deal with government requirement of simplifying the laws and regulations ranging from Labor Compensation Act to Unionization Act which are required to be merged.

Rathod, C. B. (2007) described the importance of small scale industrial sector and also the contribution of Indian small scale entrepreneurs in world economy. The main objective of the study was to analyse the growth and pattern of the SSI sector and identify the reasons for success/ failures, to evaluate the impact of globalization on SSIs and export opportunity, to identify the barriers and constraints that SSIs were facing to cope with globalization. The study analysed that SSI sector in India has been exhibiting a striking export performance; export had grown up to double digit from the last ten years. The study concluded that both the opportunities and the challenges were raised as the impact of globalization on Indian Industry as a
whole and the small scale sector in particular. The study found that a major portion of our exports would have to gear up to the new era of boundary-less economy. The study has suggested that there was need for simplified legal and regulatory framework, good governance, sufficient and accessible finance, suitable infrastructure and competitive environment.

Patricia R. Todd, et.al, (2007) published a research paper which aims to focus on the determinants influencing the internationalization of small and medium-sized enterprises (SMEs) in India. The objective is to investigate and evaluate the business environment and, then, examine the importance of developing and promoting entrepreneurship to allow SMEs in India to develop a competitive position in the international marketplace. It is proposed that the primary method for fostering or promoting the growth of entrepreneurship is through the utilization of technology. In this study an overview is provided of the current economic situation facing SMEs in India. Then factors necessary for the expansion of the business are discussed, along with the challenges of overcoming the resource gaps identified. The importance of fostering entrepreneurship is presented. The current state of technology is then evaluated. The paper concludes with an assessment of challenges and implications for future expansion. Findings of the study states that information is provided concerning the current situation for SMEs in India and the challenges encountered as they face a business environment that is becoming more competitive. Several factors are identified that must be addressed before the SME can achieve international growth, specifically the utilization of technology. Special attention is given to the gaps in infrastructure that could enable a more efficient use of resources and the impact of entrepreneurship on the economic growth of the SME.

According to Milind Kumar Sharma and Rajat Bhawat (2007) Performance Measurement System (PMS) is underdeveloped and under researched in Small and Medium Enterprises (SMEs). It has emerged as a vital decision support tool at the strategic management level in SMEs in the developing nations. This research explores and examines the PMS development through four select case studies in India. Another purpose of this study is to provide some preliminary insights on why SMEs adopt the PMS. It also aims to identify critical issues that would contribute to the effective performance measurement function in Indian SMEs. This research is
exploratory in nature; a case study methodology is used for the research. Based on four case studies from diverse SMEs from three different states of western India, the paper presents four important issues – PMS strategy, competitive priorities, benefits observed/perceived by effective management of PMS function and barriers observed in implementing PMS practices. Based on the analysis of the case studies, several propositions as recommendations for effective PMS development in Indian SMEs are proposed.

According to Development Commissioner SSI (2007)35 in all there are 13 million enterprises in India’s small sector providing employment to about 29 million people, contributing 40 per cent of total industrial production and 34 per cent of total exports. These small enterprises produce about 8000 items ranging from conventional products to hi-tech components. These bold statistics are seen at the top of continuous incremental growth curve of India’s small sector. With this economic performance, small businesses (particularly Micro enterprises) have been the major support to India’s village / rural economy and small-Medium enterprises have been the major counterpart of India’s growing urban economy.

Vaaland and Heide (2007)36 comment that the weak bargaining power of the SSI units compels them to sell their products at the terms and conditions of the buyers. The small units could not perform well with regard to the management of demand because of their poor practices and strategies.

Bala Subrahmanya (2007)37 opines that globalization has offered new opportunities to Indian SSI much more than before and there were clear indications that the sector in fact has been taking advantage of it, particularly in the international market. Indian SSI sector has grown more towards the international market than towards the domestic market in the globalization era.

Bodla and Verma (2008)38 reveal that the growth in the share of exports of SSIs in total exports of India was higher in pre-liberalization period than the post-liberalization period. Compound Annual Growth Rate (CAGR), with reference to the number of units, employment level, production, and value of plant and machinery in SSIs were also comparatively higher in the pre-liberalization period. The percentage share of SSI sector in total bank credit and in total outlay of various five year plans
has also declined significantly. Moreover, this sector is growing at a rate half of the total industrial growth rate. The inference was that the SSI sector could not grow to the desired level due to intense competition from large and medium sized domestic and multinational companies. The objective of the policymakers as well as small industry associations was to enable the sector to be vibrant, competitive and to focus on R&D not only to improve the overall quality, but also to deliver a superior product in the market.

Vidya Suresh and P. Shashidhar (2008) mention that the Small-Scale Industries (SSI) gathered momentum along with industrialization and economic growth in India. It started growing due to the vision of our late Prime Minister Jawaharlal Nehru who sought to develop core industry and have a sustaining sector in the form of small-scale enterprises. Being a labor-intensive sector, they offer a higher productivity of capital than capital-intensive enterprises due to low investment per worker. The SSI today constitutes a very important segment of the Indian economy as they help in dispersal of industries, rural development, and the decentralization of economic power. The central discussion of this paper highlights the importance of small industries and their role in the economy and the impact of economic reforms on growth pattern and productivity performance of small-scale industries. However, this is not to say that there are no shortcomings within the industry, or in public policy relating to it. Small industries are faced with numerous problems major and minor, which make them either uncompetitive, or sick. An attempt is made to address some solutions that can improve their productivity by focusing on a sustainable vision.

In the Annual report of Ministry of MSMEs (2008) it has mentioned that, the primary responsibility for promotion and development of MSMEs lies with the State Government. However, the Government of India [in recognition of potential of these enterprises both in terms of creation of wealth and employment as well as the need for country-wide unified framework of policies and measures for their promotion and development] has always taken active interest in supplementing the efforts of State Governments through various policies and schemes. The role of the Ministry of Micro, Small and Medium Enterprises is mainly to assist the States in their efforts to promote growth and development of MSMEs, for enhancing their competitiveness in an increasingly market-led economy and for enabling them in
generating additional employment opportunities. Besides, the Ministry also attempts to address common concerns of these enterprises and undertakes policy advocacy on behalf of the sector on issues critically affecting their sustenance and growth. The specific schemes / programmes undertaken by the Ministry and its organizations seek to facilitate / provide one or more of the following : adequate flow of credit from financial institutions/banks; support for technology up grade and modernization; integrated infrastructural facilities; modern testing facilities and quality certification; access to modern management practices, entrepreneurship development and skill up grading through appropriate training facilities; support for product development, design intervention and packaging; welfare of artisans and workers; assistance for better access to domestic and export markets; and cluster-based measures to promote capacity-building and empowerment of the units and their collectives, in addition to all or some of the above-mentioned supports.

Ramayah Thurasamy et.al (2009) in their interesting paper present the research agenda that has been proposed to develop an integrated model to explain technology adoption of SMEs in Malaysia. SMEs form over 90 per cent of all business entities in Malaysia and they have been contributing to the development of the nation. Technology adoption has been a major issue among SMEs as they require big outlay which might not be available to the SMEs. Although resource has been an issue among SMEs they cannot lie low and ignore the technological advancements that are taking place at a rapid pace. With that in mind this paper proposes a model to explain the technology adoption issue among SMEs.

According to Sonia and Rajeev Kansal (2009) globalization refers to the process of integration of the world into one huge market. It provides several things to several people with removal of all trade barriers among countries. Globalization happens through three channels: trade in goods & services, movement of capital and flow of finance. Globalization in India is generally taken to mean ‘integrating’ the economy of the country with the world economy. The real thrust to the globalization process was provided by the new economic policy introduced by the Government of India in July 1991 at the behest of the IMF and the World Bank. Globalization has led to an ‘Unequal Competition’- a competition between ‘giant MNC’s and dwarf Indian enterprises’. The small scale sector is a vital constituent of overall industrial sector of
the country. The small scale sector forms a dominant part of Indian industry and contributing to a significant proportion of production, exports and employment. Therefore, the present study analyzes the impact of globalization on Indian Small Scale Industries. The main theme of the paper is to evaluate the performance of SSI, before and after liberalization and compare them with average annual growth rates, to know the impact of Globalization on the performance of SSI. The period of the study is 1973-2007 and it is based on secondary information.

Pratysh Bharati and Abhihit Chaudhury (2010) express their views that the knowledge-based view of the firm has motivated a rich stream of research on how social factors impact knowledge acquisition by firms. More recently, information systems research has seen an increasing interest in the effect of social influences on software assimilation. This paper combines these two streams to examine the impact of social influences on software assimilation within the firm, using knowledge acquisition as a mediating variable. A square structural equation model using formative constructs is developed. In this study of small and medium firms, we investigate the assimilation of three different software systems that support manufacturing. Data has been collected and is currently being analyzed. Results would be discussed at the conference.

Vijaya Bharathi et.al (2011) report that the small scale industries play a vital role in the growth of the country. It contributes almost 40 per cent of the gross industrial value added in the Indian economy. By less capital intensive and high labour absorption nature, SSI sector has made significant contribution to employment generation and also rural industrialization. Under the changing economic scenario, SSI has to face number of diverse problems like vast population, large scale unemployment and underemployment and scarcity of capital resources and the like. Hence, the government has been providing some special facilities through different policies and programmes to overcome the problems and for the growth and development of small scale industries. The efforts of the government have resulted in the phenomenal increase in the number of units in the small scale sector. The government also introduced various schemes and incentives for the promotion of SSIs. Constant support to SSI sector by the Govt. in terms of infrastructure development, fiscal and monetary policies have helped to emerge as dynamic and
vibrant sector of Indian economy. Over the past five decades, Government policies and schemes have been to protect the interests of the SSIs and facilitate its rapid development from time to time.

According O. Rajesh et.al (2011)45 Small-scale industries occupy a place of strategic importance in Indian economy in view of its considerable contribution to employment, production and exports. However, since 1991, small-scale industries in India find themselves in an intensely competitive environment due to globalization, domestic economic liberalization and dilution of sector specific protective measures. This paper probes the implications of globalization and domestic economic liberalization for small-scale industries and analyses its growth performance in terms of units, employment, output and exports. The paper concludes with policy recommendations to ensure the sustenance and competitive growth of small scale industries in India.

Vanipriya. R and Venkatamaraju. D (2011)46 have mentioned in their research paper that Small scale industry is widely recognized as a powerful instrument for socioeconomic growth and balanced sectoral development. One of the distinctive characteristics of small scale sector is that the development of these industries would create broader employment opportunities assisting entrepreneurship and skills development and ensure better use of scarce financial resources and appropriate technology. Furthermore, they can play a main role in achievement of national economy and sociopolitical objectives, the gestation period is very short and they need small amount of capital to start. They also help in the dissemination of production capacity unlike the large scale industries which tend to concentrate in a few hands. This apart, establishment of such industries in rural areas and small towns helps to check the influx of population into bigger towns. A rewarding feature of economic development in India has been the impressive growth of modern small scale industries. The small enterprises have by now established their competence to manufacture a wide variety of sophisticated goods in different product lines requiring a high degree of skill and precision.

According to Kishor N. Jagtap (2011)47 the small scale sector has occupied a prominent place in the socio-economic development of the country since
independence. It has contributed to the overall growth of the Gross Domestic Products [GDP] as well as in the terms of employment generation. The small scale industries have an essential component of the development strategy in most of the developing countries, especially in India where most of the population is below poverty line. The small scale industry provides more than fifty percentage of industrial production in country and more than eighty percentage of the employment. It accounts for about thirty five percentage of India’s export earnings. The small scale industry produced wide and different range of products. It produced mass consumption goods. At present there are nearly 150 lakh SSI units in the country. The study is helping the entrepreneur to set up enterprises and create sustainable industries and increase socio-economic conditions. The study stresses that improving the productivity, skills, training and marketing will help to create awareness among the future generation about the vast untapped opportunities available in the country.

Mulimani et.al (2012)48 attempted to study the SSI units and their problems and prospects. These units are playing a key role in the gross root economy in the study region. The secondary data have been compiled from different sources and analytical methods have been employed for analysis. The resource base and locational advantages and disadvantages are also considered to identify the problems and pay an attention to the prosperity of SSI units. The planning policies revealed and suggested the strategy for the prospering units with effective suggestions. Proper plan may be of help to bring the changes towards the path of growth in the study area.

2.2 Conclusion

Various studies have been conducted from time to time in different states of India on different aspects of small-scale industries. Most of the studies are related to “financial aspect”, “growth of small scale industries”, “entrepreneurship in SSIs”, “WTO regime and small scale industries” and also related to “small industry and globalization”. But a few studies are available on the institutional supports received by the SSI units operating in India. This has been identified as the research gap. Thus, the current study aims to analyse the role of District Industrial Center in Promotion of Small Scale Industries, a study with special references to Thoothukudi District, Tamilnadu.
References:


25. N. Balasubramanian (2005); *Small And Medium Enterprises In India: Emerging Paradigm and Role For Chartered Accountants*, The Chartered Accountant , pp 416-420 September


27. Pushpangadan, K., & Shanta, N. (2006); *Competition in Indian Manufacturing Industries*. Economic and Political weekly, 30(September), 4130-4137.

28. Sudhansu Sekhar Nayak and Dr. R.N. Misra (2006); *Sickness in Small-Scale Industrial Units and Its Revival*, Orissa Review, September-October.


34. Milind Kumar Sharma and Rajat Bhawat (2007); *Performance measurement system: case studies from SMEs in India*, International Journal of Production and Quality, Vol.2, No.4, pp.475-509


41. Ramayah Thurasamy, Osman Mohanad, Azizah Omar and Malliga Marimuthu (2009); *Technology Adoption among Small and Medium Enterprises (SMEs)*: A Research Agenda; World Academy of Science, Engineering and Technology 53.

42. Sonia and Rajeev Kansal (2009), *Globalization and Its Impact on Small Scale Industries in India*, PCMA journal of Business, Vol. 1, No. 2, pp. 135-146, June, ISSN 0974-9977

43. Pratysh Bharati and Abhihit Chaudhury (2010); *IT Adoption in Small and Medium-Sized Enterprises*: The Role of Knowledge Acquisition; Proceeding of the Fifteenth Americas Conference on Information Systems, Lima, Peru, August 12-15th.


46. Dr. G. Vijaya Bharathi Dr. P. Subbalakshumma and Mr. P. Harinatha Reddy (2011); *Promotion Of Small Scale Industries - A Panoramic View*, International Journal of Enterprise Computing and Business Systems, ISSN (Online) : 2230-8849, Vol. 1 Issue 2 July