Chapter - 2

REVIEW OF LITERATURE

Introduction

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2.0 REVIEW OF LITERATURE

In the present exercise, a review of relevant literature is undertaken for an assessment of what has already been done by expert committees and researchers in the sphere of rural industries. The review is collected from reports, books, published and unpublished thesis and articles in the disciplines of rural industries, small and large scale industries, economics, commerce, agriculture and management. The review also enables the researcher to identify certain lacuna in the literature and select appropriate tools of analysis for the present study. The following is the account of the review work on the existing literature related to the topic of the study.

2.1 Books

Soundarapandian, M., in his edited book Rural Industries in India, has selected all the papers which basically deal with issues and strategies of rural industries, human resource management in rural industries, social aspect of rural industries, rural industries and new economic policy in India, rural industrialisation- trends and policy issues, development of rural industries and role of KVIC in rural industrialisation'.

Soundarapandian, M., in his published edited book Industrial Resurgence in Rural India Scope and Strategies discusses the technological transformation in Indian rural industries, problem and
prospect of Ghani oil industries, management of TNKVIB, soap unit-problems and prospects, globalisation of village industries products, changing the small scale industries policies, and emerging strategies, environmental health intervention in rural areas, Input-Output analysis in Khadi and Village Industries Sector, problems and suggestion of rural industries, and appropriate technological tools in khadi industry'.

Dhulasi Birundha Varadarajan’s (1991) book Cost-Benefit Analysis of Bio-Gas Plants reveals cost-benefit analysis in Bio-Gas plants for measuring various type of tools, namely Net Present value (NPV), cash flow, Internal Rate of Return (IRR), Payback period, cost ratio and other analytical tools.:

Parashar D.C., et. al., in their Edited book Global Environment Chemistry, have selected all the papers which basically deal with pollutants affecting water, land, air (ocean) and man and how it can be purified. Most of the selected papers are analytically studied.4

2.2 Articles

Agarwal A.G in his paper on Managing and Promoting Research and Development as a Business discusses, applied research as very essential to research for raw material, human improvement of process, products and equipment establishing new product and its method and measured of safety, healthy and convinces. He has suggested to improve the quality of raw materials, purchase and inventory, diversification of product and import of technological machines etc.,
Raoot in his article A Low Cost Management Strategy, for Continuous Improvement and Growth of KVIC, has opened that any organisation can improve itself by adopting suitable models, methods, strategies and management techniques. It is not the tool which matters, but the ways and methods in which tools are being adopted by the organisation. Further the study suggests that any organisation cannot avoid aecs / and it keeps on improving its performance and efficiency."

'iec: P.K. in his paper on Group Approach to Overcome Limitations of Small and Village Industries "as analysed the importance and concept of group approach to overcore limitation, group approach. vS co-operative approach and major mature of group approach; and he suggests Resource based well planned strategy may be development to utilise group management as a critical input to reduce cost or production and to maximise profit of the tiny units of small and village industries and also existence of same Kind of units in an area of smaller racius (village or Panchayat or block) is a sur.able condition for successful implementation of the approach/

Psaliopoulos et. al in the paper Input-Output Evaluation of Rural Development: a Forestry Centred Application, aims to study and to analyse the role of forestry in the rural economy :f Scotland,. The Generation of Regional Input-output tables technique is applied in the estimation of input-output tables for rural Scotland. Th s is followed by a forestry-centred multiplier analysis. The study suggesis that the forestry planning and harvesting sectors offer great potential for improving economic activity."
Pulak Chakravarty (1990) has highlighted in his paper Marketing Research and KVSC, Marketing Research providing additional information about current trend and helps to reduce uncertainty the managers face regarding the result of an ensuing decision and problems of Marketing Research and suggests needs of Marketing Research for the administration of the organisation, commercial research services and so

The Working Group for ninth Five Year Plan (1997-2002) on Khadi and Village Industries has framed the following terms and reference, a) Evolving strategies for improving the quality of Khadi and Village Industries products and reduction in manufacturing costs, b) A system of market intelligence for contractual product development and larger consumer acceptance, c) Developing effective marketing system for Khadi and Village Industries products and d) Estimating the requirement for working capital and term loans and suggesting measures to improve the working efficiency and utilisation of finance and other resources in the sector.

Mohammad Rafiqual Islam's, article on Profitability of Fertilizer industries in Bangladesh, deals with the significance and scope of the fertiliser industry. He has used ratios like analysing gross profit ratio, net profit ratio, return on capital ratio, return on equity, total debts to total assets ratio and cost of goods sold to sales ratio. The study suggests that some individual units are affected due to higher cost of production, poor investment and frequent disruption of production
process, over stocking of inventory, such industries will be well-advised to promote and improve their output (production).\textsuperscript{11}

Hyderabad, R.L. has presented a paper on Factoring: Cost, Benefit Analysis. His paper throws light on the effects of factoring on balance sheet and profit and loss account. The study is on the profit and loss account and clearly indicates that the overall profitability of ABC Co. Ltd. increased by Rs.3,64,400. This would increase the Return On Investment and dividend rate, if management so desires.

Thillainayagam N., (1999) et. al., have published a paper on input and Output Analysis in Khadi and Village Industries Sector. This paper deals with input and output of selected Khadi and Village Industries, in Dindigul derived on what is major input (material cost, labour cost and capital employed) and output (production value) and gives the formula for calculating the input of raw material cost, labour cost, capital cost on value of production. This paper concludes the material input for Khadi and Village Industries may be around 32% to 39% percentage of labour cost on total production for both Khadi and Village Industries, around 28% for exclusive khadi production is 44%, and the capital cost for both Khadi and Village Industries is around 5% only.\textsuperscript{12}

Radhakrishnan. S., et. al in their articles Khadi and Village Industries Commission on Rural Industrialisation analysed the performance of Khadi and Village Industries, growth of production, sales into current and constant price in Khadi and Village Industries products, analysing capital cost per employment, per capita consumption of Khadi
and Village Industries all over India for a period of ten years. Their major findings are low/negative growth rate of production, sales employment are due to many reason like under utilisation of capacity, stiff competition from organised sector, low level of technology; and accumulation of stock due to low sales. Increased allocation of funds, use of modern technology, change or consumption pattern of people may in future, increase the growth of Khadi and Village Industries activities."

Kanuasamy M., has published a paper on Influence of Sewage on Psycho-Chemical Characteristics of the River Vaigai. The study of Psycho-chemical of the river Vaigai studied at three locations at the point of entry and after mixing of Sewage (200 metres away from the entry points) into the main water body, reveal5 that there was not much difference in $p^\text{H}$ and temperature in all the samples tested. The raw sewage has higher total solids, biological oxygen demand and heavy metal content and lower DO.11.

Chandrasekaran G.E., et. al., in the paper A Short Report on Ambient Air Quality in the Vicinity of a Cement Plant at Dalmiapuram. deals with people in Dalmiapuram in Tamil Nadu which is known for its cement industry since 1939. At 4 different stations in the vicinity of the cement industry, namely, Pullambadi, Thappai, Kallaga and Kovanda Kurichi, samples were collected and SPM, SO$_2$ and NO$_x$ contents were analysed and used. All these stations are in rural area. The SPM. SO$_2$ and NO$_x$ values did not exceed the ambient air quality standards. This may be due to stringent pollution control measures by the industry or due to transport of pollutants to long distances. The health of the water
lettuce plants are affected when the heavy metal concentration exceed 10 mg/L. They are severely affected when all the metals are present together due to synergistic effect. The removal efficiencies are higher when the metals are present individually, compared to the values obtained when they are altogether in the same solutions.

Dhevagi V.P., et. al., in the work Effect of Paper Mill Effluent on Soil Micro Flora of Maize, conducted the study at Mooliamangalam. Pugalur to assess the effect of treated paper mill effluent on soil microbial properties, enzyme activities and Psycho-chemical properties. The physical, chemical and biological characteristics of the effluent samples are analysed as per the standard methods for the examination of water and waste water. This study brings out the findings such as TNPL sludge added plots recorded higher pH values, when compared to the well water irrigated plots since the effluent has higher pH values. The available nitrogen, phosphorus and potassium, status are higher in the effluent irrigated plots than the well water irrigated plots. The pulp and paper mill effluent irrigation to soil was not harmful to the soil microbial population and its activities.¹

Deshpande V.P., et. al., has published a paper on Waste Water Management in a Rayon Fibre Manufacturing Industry. This paper points out that waste water from Viscose Rayon fibre industry has great pollution potential, the major pollutants being Zinc, mercury, BOD and suspended matter. Waste water from an industry producing 200 TPD of Viscose, staple fibre were characterised. Based on results and laboratory - scale treatment studies, various treatment options are developed. The
treatment scheme essentially consists of equalisation of waste waters, treatment of acidic waster waters with lime to neutralise acidity and also to participate Zinc and aerobic biological treatment of the settled effluents together with other waste water. The waste water is not harmful to the soil, water and other biological aspects."

2.3. Unpublished Reports/Thesis

Arumukham P., in his work on Tamil Nadu Khacli and Village Industries Board, A study of Financial Management, discusses the financial conditions of Khadi and Village Industries run by Tamil Nadu Khacli and Village Industries Board."

Meenakshisundaram N. (1991) in his Research work Khadi and Village Industries Institution in Tamil nadu - A Study of Financial Performance, examines the financial performance of selected agencies of Khadi and Village Industries in Tamil Nadu. His study sharply focuses on macro level and his main recommendation are introduction of production planning, inventory control, improving them by norms of working capital."

Radhakrishnan S. (1997) in his thesis on Khadi and Village Industries in Thsruchirapalli District - A Study of Financial Management has used the analysis investment and employment, employment and wages, fund flow analysis, operating cycle and formulation of capital and value of production. He has suggested Khadi and Village Industries Institutions have constantly improved the
technology, raising quality of output, productivity of labour and reducing cost of production.\textsuperscript{21}

Kannannair N. (1998) has made an attempt to analyse Khadi and Village Industries in Dindigul District - A Study of Financial Performance. His paper discusses encountering fluctuations in production value addition (NVAM) and sales due to competition from organised sector, high cost of marketing. He suggests the Government should give priority to Khadi and Village Industries and existing training programmes of Khadi and Village Industries Commission and so on.

2.4 Uncovered Areas in the Subject and Research Gaps

Most of the literature available on Khadi and Village Industries dealt with Government policies towards philosophy of Khadi, economic, financial and technical aspects of Small and Village industries and their importance in the economic development of the country. However, very few of them have addressed themselves to the managerial problems of their activities. Even though many writers have discussed the problems in the supply of raw materials in these industries, material management has remained untouched. Most of the literature available have made a mention of environmental pollutant and pollution's of large scale sectors and small scale sectors. The Doctoral dissertations cited above are among the exceptions. Therefore, specific study of the managerial inputs and outputs, and cost effectiveness of Khadi and Village Industries institutions at micro level enable one to understand the problems faced in these activities.
2.5 Coverage of Research Gaps, in the Present Study

Wider coverage of some functional areas of management like raw material, labour, capital and employment (personnel) and benefit of the society will be unwieldy. It is, therefore, necessary to select some of the functional areas for the present work viz., input-output and cost benefit analysis.

The present exercise seeks to evaluate the performance of institutions under study individually and draws conclusions there from.
Endnotes


