2.1 Introduction:

A good deal of writing has taken place on small scale industries in recent years. Various aspects of the organization, management, finance, planning and policy and marketing have been covered by research and reference works by academicians, researchers and administrators.

Here the researcher has made an attempt to refer to some of the writings on some aspects of small scale industry in India during the last one or two decades. A thorough review and survey of related literature forms an important part of research. It deals with the critical examination of various published and unpublished works related to the present study. Knowledge of related research enables the researcher to define the frontiers of his fields; it helps in comparing the efficiency of various procedures and instruments used. Further review of literature avoids unintentional replication of previous studies and also places the researcher in a better position to interpret the significance of his own results. In the early literature on economic growth and development, industrialization as a source of employment and capital accumulation has been recognized by various economists.

Here I highlight the review of works by various authors as well as different committee reports related to the small scale Industries at international, national and local levels.

Prof. K.T. Sash was the first among the Indian economist, who realizing the importance of Small scale industries in India, tried to give a workable definition of these industries. He defined “A small scale or cottage industry may be defined as an enterprise or series of operations carried on by a workman skilled in the craft on his responsibility, the finished product of which, he markets himself”. He works in his home with his own tools and materials and provides his own labour or at most the labour of such members of his family, as are able to assist. These workers work mostly
by hand labour and personal skill, with little or no aid from modern power driven machinery, and in accordance with traditional technique. Such supplementary energy as is provided by animal power may add to the economy and efficiency of the industry. He works, finally, for a market in the immediate neighborhood that is to say in response to known demand with reference to quality as well as quantity. In contrast Jawaharlal Nehru seemed to be clearer in his mind when he maintained separate entities of cottage and small scale industries. He was of the view that a small industry was the middle sector and it would overlap both the cottage and the large industries. The basic policy support of SSI sector had its roots in the Industrial Policy Resolution 1977, laid emphasis on reservation of items. The reservation economically viable and technologically feasible products to be exclusively manufactured by small scale industry began with a list of 47 items which was gradually extended to too many products. At Present 812 items are in the reserved list.

The other policy support which could be listed are excise exemption, credit under priority sector lending from banks and financial institutions, marketing support through reservation of items for products from small scale industry sector for government purchases, providing infrastructure facilities like sheds, plots in industrial estates, technological support, new management techniques, training and entrepreneurship development programmes.

There were about 20 lakhs small scale industry units in 1990 - 91 providing goods. Worth Rs. 1,55,340 crores exports order of Rs. 9,661 crores and providing employment to about 125 lakhs persons. The achievement of SSI sector in 1999 – 2000 were 32.25 lakhs SSI units providing production of Rs. 578299 cores, exports of Rs. 53995 crores and providing employment to 177.30 lakhs persons. Though this sector has shown substantial progress, its major problems like inadequate credit flow from banks and financial institutions, inadequate infrastructure facilities, low quality standards of products, use of technology, plant and machinery and equipments and inefficient management techniques, are still inhibiting the sector.
For the first time, J.M. Keynes (1936) has focused his attention on the forces that determine employment policy followed in industrialization. He propounded the theory that entrepreneurs will offer the amount of employment which maximizes their output and profit. Here he stressed the productivity of labour as the determining factor of the level of employment. There is a positive relationship among productivity of labour, output and employment. According to Keynes “employment can only increase with an increase in investment”.

W.A. Lewis (1954) has strongly advocated the application of labour intensive techniques of production to have a steady and smooth economic growth. He opined that many important works can be done by human labour with very little capital. Efficient labour could be used to make even capital goods without using any scarce factors. In this sense, small scale and cottage industry should be developed and promoted especially in an economy where capital is scarce. He recommends the use of capital intensive techniques only when they are necessary.

Leibenstein and Galen son (1955) took an opposite stand and tried to show that labour intensive techniques might generate immediate output but little surplus since the wage bill would be large. Economic development preceded investment but the use of labour intensive a technique leaves little surplus for investment. Hence, according to them, use of capital intensive techniques in the process of production will increase the re-investible surplus by minimizing the wage bill.

A.K. Sen. (1957) had propounded the surplus maximization criteria advocating the capital intensive techniques. Choice of technology depends on the nature of the economy whether developed or developing. According to him, a high wage rate will dictate a capital intensive technique, but a low wage rate, such as may be operative in the less developed countries will mean that a relatively labour intensive technique will maximize the surplus for further investment.

Ranis and Fei (1961) focused on the nature of the output employment conflict in the Indian context. They feel that only after ‘a critical minimum effort’ greater emphasis should be given to output rather than employment. By this criterion, they meant that
the rate of labour absorption (L) in industry should be greater than the rate of population growth (G), i.e. N>G.

**Dhar and Lydall (1961)** made their study on the data collected from Census of Indian Manufactures, 1956 and the study prepared by the Perspective Planning Division of the Planning Commission in respect of capital, labour and output relations in various industries. They concluded that the issue of choice between large and small industries for the purpose of an employment-oriented industrialization strategy is largely irrelevant, and it should aim at making the best use of scarce resources, instead of aiming at creating employment for the sake of employment.

**Professor Gunnar Myrdal (1968)** recommends the adoption of a strategy based on predominantly labour-intensive techniques in less developed countries on the ground that “the large volume of unutilized labour possessed by these countries has a productive potential, capable of creating capital and increasing production”.

**Karve Committee Report** According to the Village and Small scale Industries Committee Report (1955), popularly known as Karve Committee Report, since a substantial number of employed and underemployed belongs to the village and small industries group, setting up of small scale and village industries will provide employment to them in occupations.

**Vijayaraghavan committee** were appointed on 28 August 1995 to revise the reservation list and the committee deleted 91 items from the reservation list and 56 items included as addition in the list.

A high powered committee headed by **Meera Seth**, former member of Planning Commission describes how the hand looms faired during 10 years after implementation of the textile policy but the committee failed to provide a credible account or analysis for impact of policy.

**Abid Hussain committee** recommended raise in investment limit or small and tiny enterprises. The committee has also made a recommendation of scrapping of policy of reservation. The Abid Hussain committee report touches upon an array of concepts and
debates in the area such as small profit centers, protection versus promotion, level playing ground, cluster based strategy of development and lead role of small scale industry.

Asok Mitra, economist and former finance minister of West Bengal, committee came out with a diametrically opposite position on policies and strategies being followed by the Indian Government. This committee emphasized the important poverty eradication role of SSI in the country. According to the opinion of the committee, any substantial improvement in the state of SSIs will also mean a significant reduction in the level of poverty. The committee pointed out that not even 3.3 percent of the union budget is spared for SSI sector. While the government’s negligence towards infringements of law relating to SSI has been highlighted by the committee, it also reported that the multinational companies and the Indian corporate sector have back-door into the SSI sector in a big way. The committee also pointed out that the SSI sector is not receiving adequate attention in the hands of the Government. The report pinpointed out the need for an active protectionist role by the Government.

Bhagavathi committee in its “Report of Unemployment” opposes fast introduction of mechanization designed to replace human labour but at the same time recommends introduction of sophisticated technology in certain selected areas. The committee recommends reduction to the maximum extent possible in the installed capacity in various industries in order to generate employment in the industrial field. The committee virtually favors creation of employment at any cost without going into economics of the scheme.

Small scale industries are playing a stellar role in the economic development of the country but the problems in performing the financial functions are the major hurdles in their development. So there is a great need to examine the financial practices of this sector, since it has its own limitation in adopting the modern financial concept.

Vasant Desai has made an in depth study of small scale industries in his book, “Management of Small Scale Industries”. He has extensively dealt with the various managerial aspects of small scale industries viz., performance and policies,
institutional assistance, capital and finance, marketing and promotion, etc. He enlists some major marketing problems of small scale industrial units viz., competition from within the sector, as well as from large industrial units, consumers awareness, need for setting up distribution network and the difficulties of entering export markets. He further elaborates the marketing problems of these small scale industrial units. “Due to their size, limited scale of operations, and inability to set up an adequate network of retail outlets...” He suggests that any marketing organization for the sales of products of cottage, tiny and small scale industrial units should be encouraged.

Another scholarly study has been made by Ram K. Vepa on small scale Industry in India. He has traced the growth of small industry in our country during the plan period. He has made a critical appraisal of modern small industry sector both in retrospect and with an eye on its future growth and prospects. He has identified some key areas which need greater attention on the part of policy makers if the small industry sector is to successfully meet the challenges posed by modern technology. These areas include technology support, credit flow, and market assistance. Vepa feels that “all too often government agencies seek to take away the selling function from the unit; such a dichotomy is good neither for the assisting agency nor for the entrepreneur it is intended to help. He suggests that assistance in marketing needs to be given with a measure of sublimely; the sense of competition which alone ensures that product, price and quality are well balanced must be retained”.

Sudhir C. Bhave has made a study of marketing problems of 40 small scale industrial units in Poona region. He has recommended, among suggestions, that a consortium be formed and follow some common The common factors to be considered are: (i) a common brand name, (ii) a common advertisement programme with access collected from members, (iii) a common network of distribution agencies,(iv) a standard system of discounts for the retailers/distributors commonly arrived at, and (v) a common pool of funds formed for designing and development of the product.

A.P. Sharma while tracing the evolution of a fast growing small scale industrial sector with active government support maintains that the perspective of marketing assistance
to these industries has to undergo a change both in complexion and emphasis. He feels that they do need varying types of assistance to meet changing market challenges in different types of markets i.e., urban, rural and export markets.

K.N. Sapru dealing on the marketing problems of small industries feels that because of their small size and lack of resources the small industries, by and large, are unable to adopt modern marketing methods. He feels that market research, market forecast, branding, effective publicity and even proper type of after sales service are beyond the means of many small industrialists. He concludes that unless small units in particular industries join hands and build up their own marketing organization it will be impossible for them to capture national markets and to compete effectively with large industries.

Vivek Deolankar a firms that marketing is the primary responsibility of small scale units and not that of the State because they are privately owned and marketing efforts depend essentially on the initiative of the owner or manager. He maintains that government can only assist and advise on such matters as quality, product, costing, pricing, promotion, selection of distribution channels or in evaluating contribution made by distribution intermediaries.

Arvind Korba makes a detailed study of marketing problems of small scale industrial units in his paper and Concludes that structural limitations like inadequate resources for production promotion and quality control as well as lack of marketing experience and know-how have kept marketing to a low profile.

J.M.L. Tambi makes a fervent plea for formation of consortia of marketing groups among the small scale industrial units. In his article he pleads for cooperation among various small manufacturers engaged in allied lines of manufacture to pool together their resources, skill and ingenuity for an aggressive market promotion drive.

D.B. Gosavi’s study on marketing problems of small scale industries throws light on the inadequate efforts by government and other agencies in marketing of the products of small scale industrial units. He feels that National Small Industries Corporation has been helping small scale industrialists in a small way enlisting the major marketing
problems of small scale industrial units as sales promotion and media advertising, distribution, credit sales, financial assistance, taxes on sales and exports.

M.K. Ingle suggests that help from outside should be only Supplementary. The real solution according to him lies with the entrepreneur himself. D.S. Vaidya advocates for giving importance to creating of market than for meeting the needs of the market through advertising, sales promotional campaigns, fairs and exhibitions, sale contests, etc.

R.P. Singarvalu makes a critical study of the role of State in the marketing of small industry products. He maintains that in the procurement and execution of government orders the accent should be on canalization of government purchase to the small scale sector to ensure that substantial proportion of the government purchases are made from small scale industries.

M.L. Pandit makes a detailed Study of Employment and Wages in the Registered Small Scale industries. Since Small Scale industries are likely to play a much more important role in employment generation in the coming years. The Payer is almond based on the data collected under the Second Census of SIDD Units.

Henny Romijn The paper is a review of approaches towards institutional technology support for small-scale manufacturing enterprises in developing countries since the early 1970s. Early programmes tended to suffer from a number of weaknesses, stemming from a limited conceptualization of technology and an inadequate understanding of the role of the small-scale sector in industrial development more broadly. There was also a lack of practical experience with project implementation. However, in recent years important advances have been made on all these fronts. Four features of recent technology assistance programmes that have tended to be associated with success are discussed, and illustrated with evidence from different projects. Broadly, successful projects: (a) embrace the notion that durable competitiveness of small producers in a competitive economic environment requires that they develop internal capabilities to effectively assimilate, use and adapt product and process technologies (b) are demand driven (c) target the assistance to groups of producers
with common interests and problems, and help them to organize themselves in collective bodies that can evolve into self-help institutions; and (d) include appropriate incentive structures based on market principles.

Albu, 1997: The writers appear to presuppose that clustering may also enhance capability to initiate and diffuse technological improvements, though this claim has remained largely unsubstantiated. The innovation and learning effects have not been investigated systematically. ‘Learning’ crops up in some studies, but what this entails in practice remains unclear.

Dr. S. N. Babar “Small Scale Industries and Economic Development: Special Reference to India” The small scale industries sector contributes significantly to the manufacturing output, employment and exports of the country. It is estimated that in terms of value, the sector accounts for about 45 per cent of the manufacturing output and 40 per cent of the total exports of the country. The sector is estimated to employ about 59 million persons in over 26 million units throughout the country. The production of SSI unit in India was Rs 84,413 crore in 1992-93, which increased and reached up to Rs. 9,82919 crore in 2009-10. The production of SSI units shows continually raising trend during the study period. During 1992-93 SSI units shows 4.71 growth rates in production which went up to 11.59 percent in 2009-10. The production of Small Scale Industries increased with an annual average growth rate of 15.15 percent during 1992-93 to 2009-10. The production of SSI shows highest growth rate of 42.49 per cent growth in 2006-07. The total employment from SSI sector in the country as per the third All India Census of SSIs conducted with the reference year of 2001-02 was 249.33 lakh numbers. Units operated with fixed premises are treated as SSIs. As per the estimates compiled for the year 2005-06 the employment was 294.91 lakh persons in SSI sector. SSI Sector plays a major role in India's present export performance. 45 to 50 percent of the Indian Exports is contributed by SSI Sector. Direct exports from the SSI Sector account for nearly 35 percent of total exports. Besides direct exports, it is estimated that small-scale industrial units contribute around 15 percent to exports indirectly.
Desai, Vasant (1983) also stated that rapid industrialization in India depends on the growth of small scale industries. Most of the small scale industries are operating under certain handicaps like shortage of raw materials, low levels of technical knowledge and counseling, poor infrastructure, inadequate capital and credit facilities, improper distribution system, lack of facilities for market analysis, research and development.

Ruddar Datt and Sundaram (1979) strongly advocated the small scale and household enterprises as an important component of an employment of industrialization. Researchers found that employment-output ratio is the lowest in the small scale sector while that employment generation capacity is eight times higher than that of large sectors.

Teijiro Uyeda (1938), and his associates, as part of a review of international programme studied Japan's small industries. Small industries played an important role in Japan's industrialization. Their onslaught on the international market had created serious problems for the market economies. The study investigated the status and the representative character of the small scale industry in Japanese economy.

Malgawakar (1973), is one of the early enquiries is not the development of small industry in Andhra Pradesh. Another point out that it depends on the size of market which intern depends partly as the efficiency of the size of market and distribution of machinery. It also observes that there is a time lag between sales and the realization of the sale proceeds and this affects production of the enterprise.

Ramakrishna Sharma, in his book on industrial development in Andhra Pradesh 1982 made a comprehensive study of growth and problem of the small sector in Andhra Pradesh and observed that the backward districts of the state improved their relative position in terms of units, employment and capital during 1966-75. He further observed that a majority of the small units faced problems of finding adequate raw materials and finance.

Vasant Desai, detailed book length study 1983 pointed out that problems affecting he small scale industries ranged from organization to management. He concluded that the
rapid development of small scale industries solely depended upon their readiness to accept modern technology and adaptation of professional management.

**Valasama Antony**, 2002 in her article titled “Prospects and growth of SSIs in India: An overview “Observes that adequate and timely availability of working capital and marketing avenues for the SSI products should be ensured for improving their competitive strength in the domestic and global markets. There is the need for providing better information and efficiency networking for the SSIs besides development of quality infrastructural facilities.

**Small Industries Extension Training**, in its study entitled, “National Small Industries Corporation on Hire purchase scheme” has observed that the growth in the number of units and the expansion of capital intensity alone may not create the necessary impetus to the growth unless considerable productivity changes have also been effected through further capacity utilization. Most of the units utilizing full capacity have been either big export oriented industries or local need based activities.

**Ekpeyong, D.B. and Nyong, M.O. (1992)** “Small and Medium Scale Enterprises Development in Nigeria” however, stressed the indicators prominent in most definitions namely, size of capital investment (fixed assets), value of annual turnover (gross output) and number of paid employees. In countries such as the United States of America, Britain and Canada, small and medium business is defined in terms of annual turnover and number of paid employees. In Britain, for instance, a small and medium business is defined as that business with an annual turnover of €2 million or less with fewer than 200 paid employees. The Research institute for Management Sciences, University of Delft, The Netherlands, has classified businesses into four groups and defined small-scale industry as one employing 10 – 99 persons in which the Manager personally performs all the functions of management without actually taking part in the production.

**Malga Weker** in his study entitled, “Problems of small Industry in Andhra Pradesh” has found the lack of infrastructure as a general problem. The industrial estate alone cannot overcome the vocational disadvantages. The infrastructure facilities are either
very weak or nonexistent in rural areas. In urban areas with necessary industrial climate and infrastructure facilities, the growth of industries is relatively faster. The scarcity of indigenous raw materials has been a serious bottleneck. Scarce raw materials supplied through quotas are not sufficient to meet the demands of the units. There is a delay in the disbursement of the loans due to the existence of procedural delays and instances of tangible securities.

Srinivasan Ramani (1997), “A study of marketing orientation to the success of small scale industries”, quotes in State Bank of India Report which identified that financial management, lack of planned and organized approach are the major cause of failure. However in his study of 20 units, he finds management failure as the single largest contributing factor. He also found problems with governmental procedures and consequent delays contributing to the malaise. However these and other studies also refer to the problem and importance of marketing function on the need for planning and organizing for marketing.

Hitendra Bargal, “Performance Analysis of Small Scale Industries - A Study of Pre-Liberalization and Post-Liberalization Period”, the role of small-scale industries has always been supported in a country like India with various opinions such as employment, equality, latent resource, trickling effect, insurance against social tension, distributive effect, creation of social eco-system and decentralization etc. The other arguments in favor of this are making provision for self-employment and capital formation. Study of SSIs has received many responses from various economists. The performance of the small-scale sector has a direct impact on the growth of the overall economy in terms of number of units, production, employment and exports. It may help to understand its role in the economic development of the country.

Bepin Behari, in his study entitled, “Small industrialization in India” examined the problems, possibilities and perspectives of small industrialization and discussed the crises in Indian villages and the need for the new strategy of small industrialization and the provision of fuller employment in rural and small scale industries and technologies. He traced out agricultural development encouragement to village and small scale
industries and general awareness for incorporating appropriate technologies as principal sources of impetus to the programme of technological transformation in rural India. Further he reviewed various measures undertaken by the Government towards small industrialization, local industrial growth, and agro-based industries, and mini-rural cement plants, utilization of annual waste and harnessing of natural power.

People TS, in his study entitled, “A Spatial Diversification of Manufacturing Industries in Uttar Pradesh” furnished evidence of continued spatial concentration has noted a decline in the share of factory employment in five most industrial districts from 57 percent in 1975 and also in 10 industrially least developed areas from 1.10 percent to 56 percent. He has concluded that there is a need for a small degree dispersal of manufacturing actually in favor of backward areas with some degree of industrialization.

Andhra Pradesh Industrial Technical consultancy organization and Kerala Industrial Technical consultancy organization, conducted a study of the various problems faced by the industries in three states viz. Kerala, Karnataka and Andhra Pradesh. This study revealed that the serious problem faced by the units was the inadequate working capital. 69 percent of units in Kerala, 44 Percent of units in Karnataka and 52 percent of units in Andhra Pradesh are facing the working capital problem. The next serious problem is marketing as 30 percent of the units in Kerala felt it. Another setback, non availability of raw materials has affected the productivity of several units in all the states, especially in industry groups such as metal-products in Kerala, chemicals, rubber and plastics and metal products in Andhra Pradesh. It is observed that the delay in getting timely finance also hampered the productivity of the units and this leads to high cost of production.

Mathur Gautam, in his study entitled, “True employment and non employment” opined that the appropriate techniques in the consumption. Goods sector will be of a low degree of mechanization creating incidentally a lot of employment per unit of investment of scarce capital.
A.C. Minocha, in his study entitled, “Industrial development in Madhya Pradesh Regional Structure and Strategy for employment Oriented Industrialization” has suggested that the strategy of employment oriented industrialization should aim at the development of SSI in rural areas.

K.M. Rostagi, in his study entitled, “Employment Generation through Small Scale Village and Cottage Industries– A case study in Madhya Pradesh” has also reported that unique case of growing unemployment and poverty amidst plenty. He is in favor of only small and village industries which make optimum use of indigenous resources and techniques. According to him, there are hundreds of items which can be produced in rural and in small scale industrial units more economically than in a large sector.

Siddharthan. G, in his study entitled, “Entrepreneurship of small scale Industries– a study in Kanyakumari District” revealed that community and economic back ground alone will determine the growth of entrepreneurship in Kanyakumari District.

Sarma, R.K, in his study entitled, “Industrial development of Andhra Pradesh– a Regional Study” has observed that the backward districts of the state improved their relative positions in terms of units of employment and capital. Majority of the small units are confronted with the problems of raw materials and finance.

Sekhar A., in his World Bank Staff Working Paper No: 620, entitled, as “Uday Industrial Location Policy- Indian Experience”, have observed that the location policies were successful in narrowing the disparities of industrial location in different states. The value added and employment are more equally distributed among the states during 1960 and 1975. He also examined intra-regional distribution of industry by comparing the degree of concentration of industrial employment in 1961 and 1971 by grouping cities by size and arrives at the conclusion that, for India as a whole, the degree of concentrations of employment in household industry has declined substantially between 1961 and 1971. However the non household industry maintained its level of concentration during the period.

Rajula Devi, in her study entitled, “Industrialization Holds Key to Rural Development” found following serious deficiencies.
(i) Some part of the assistance was provided to relatively larger amongst small scale industries.

(ii) Assistance was delivered to towns which were excluded from the preview of the scheme and

(iii) Rural artisans did not receive adequate credit.

Banujam K.V., in his study entitled, “Poverty Alleviation through Small industrialization” suggested that appropriate technology should be developed to promote the rural small industries.

Stanley and Morse (1965) stated that post World War Japan defines small and medium enterprises as one either having capital not exceeding Y50m or having not more than 300 employees in manufacturing industry, and either having capital not greater than Y10m or having not more than 50 employees in commerce and service sectors. They further reported an Indonesia Agency for Small and Medium Enterprises as defining small scale enterprises to mean all enterprises, household or cottage, employing less than 10 full time workers and not using motive power or machinery, and medium sized industry as one employing between 10 – 50 workers and using motive power. From the point of view of quantitative measure, the Indian official version defines small scale industry as comprising manufacturing enterprises with investment in plant and machinery not exceeding 750,000 Rupees. In the definition, employment was emphasized, thus reflecting India’s preoccupation with problems of scarcity of capital and unemployment.

Rethnam N.V., in his study entitled, “Small industrialization and IRDP” opined that infrastructure development for industrialization in the rural areas and investment in basic services designed to realize the full potential of human resources in the rural areas should receive a high priority.

Gholam Ali, in his study entitled, “Help makes small scale industries viable” revealed that big and small industries have their share in the development of a nation and the prosperity of its masses. A balance must be struck in the development of these
industries. The thrust on the development of SSI through successive Five year plans and Government Policies had helped this sector.

**Indian Institute of Management**, in its study entitles, “Evaluation of DIC Programmers in Andhra Pradesh” observed that the General Manager, DIC, as secretary to the single window committee is expected to hasten up the processing of entrepreneurial cases and thus help the intimation of delay. Single window committee just recommends and request for speedier action and the DIC have no powers to hasten up and clean up such delayed cases. Several entrepreneurs in every DIC have been annoyed to find their cases pending with developmental agencies and local bodies due to indifferent attitude and lack of empathetic understanding of entrepreneurial problems. With regard to the activities like term loan assistance, working capital assistance, capital subsidy, land and factory shed, many entrepreneurs seemed to have received the requisite help from District Industries Centre (DIC). In these activities, DICs have mostly recommended powers, raw materials and other information. This study has tried to indicate certain deficiencies of various schemes provided by DICs but they have not evaluated the performance of DIC at regional level.

**Singh Nagendra**, in his article entitled, “Type of Entrepreneurship” has focused the growth of indigenous entrepreneurship after independence in the country as a whole. The contribution of both public and private sectors, including large scale and small scale enterprises for economic development, is discussed and evaluated.

**Himachalam D.** in his study entitled, “Entrepreneurship Development in Small Scale Sector” revealed that entrepreneurship development and small scale industrial development are the obverse and reverse of the same coin. The government and financial institutions have done a lot in this area through Entrepreneurship Development Programmes (EDP). But they have still failed to attract the class of people for whom these programmes are meant. Therefore he puts forth a few suggestions: (i) the entrepreneurs should be provided with more and more information on various aspects of EDP. (ii) there should be suitable organizational arrangements for disseminating information about appropriate technology to the proposed
entrepreneurs (iii) Entrepreneurs should be provided with full assistance not only in preparing project reports but also in meeting financial requirements (iv) preparation of directory of industrial technical and management experts and (v) intensive efforts should be made to impart more technical training to the entrepreneur trainees.

Berna, in his study entitled, “Entrepreneurship in Madras State” highlighted the main characteristics found in the entrepreneurs such as capital, experience of business, technical knowledge and family background. These factors alone promote the growth of entrepreneurship.

Ramakrishna K.T., in his study entitled, “Finance for Small Scale Industries in India” has described the nature of problems of finance with regard to small scale industries in India and the role played by the government, State Financial Corporations and Banks in financing the small scale units. His study highlighted the methods of financing followed by several countries in North and South America, Asia and Europe.

Retnakar Gedans, in his study entitled, “Economic reforms and industrial production” has described the problems faced by the industrial sector during economic reforms such as industrial unrest, political disturbances, elections in different states, downward revision of demand estimates and curtailment of plan outlays.

Malcolm S. Adiseshiah, in his study entitled, “Foreign Investment and Liberalization” emphasized that the country needs more investment both for domestic and foreign. While domestic investment responds to the needs of the economy, the foreign investment begins to increase; efforts should be made to encourage this trend.

Resia Beegam S. and Sarnagadharam K., in their study entitled, “Female Entrepreneurship in Kerala” revealed that though the entry of women in the entrepreneurship field is a recent phenomenon, they have been attracting the attention of policy makers and Government departments by their excellent performance.

Selwyn Thampiraj K., in his study entitled, “A study of Sickness among Industrial Cooperatives in Kanyakumari District” revealed that all industrial cooperatives in
Kanyakumari District are considered to be sick according to the views of Reserve Bank of India, but some of the industrial cooperatives are making profit.

Mahesh Prasad, in his study entitled, “Industrial Development”, has established that as a result of sound policies pursued over the years, tremendous development has taken place in Indian Industry, which stands today on a sound footing. However, there are certain infrastructure weaknesses which need to be tackled to ensure further growth.

Pon Murgan R., in his study entitled, “Industrial Estates in Tirunelveli Region –An empirical study of their impact on the growth of small scale industrial units,” analyzed the impact of industrial estates on small scale industrial units located in Kanyakumari district. The study identified the various factors which influences the growth of small scale industrial units in industrial estates in Kanyakumari District. They are scientific sales management, budgeted production, availability of institutional finance, availability of working capital, availability of water at confessional rate, undisturbed working environment, ploughing back of profits and availability of investment subsidy, nearness to raw materials and utilization of installed capacity.

Varinder Kumar, in his study entitled, as “Marketing practices in Small Scale Industries– a Study of Engineering Industry of Punjab”, has studied the importance of product, pricing, promotion and distribution aspects of marketing. He emphasizes the effect of marketing environment on small scale industries with difficulty in performing their marketing functions even with the government Assistance.

Saxena H.M., in his study entitled, “Behavioral Pattern of Market place participants-A regional analysis of Rajasthan”, underlines that the growth of marketing systems is a result of historic economic factor and it is very much related with the growth of civilization, more specifically with the growth economic development, growth of population and urbanization. He also emphasized that the behavior of market participants in each system of marketing has its own importance and suggested a strategy for the development of a more efficient marketing system.
Suresh Chandra Jain, in his work analyzed the details to problems of institutional finance for small scale industries on the state of Uttar Pradesh. The enquiry is limited to a case study of Meerut.

M.L. Sarma, in his study examines industrial financing by national level financial institutions. The study also discussed the role of state financial institutions in financing industries of Bihar. Among other things, researcher suggested that financial institutions should also act as a guide, philosopher and promoter of industries and recommends the setting up of a Small Industries Bank.

H.S. Parekh, in his thesis, review the role of financial institutions and state agencies in extending credit to small scale units and pin points their attitude of indifference in catering to the needs of the tiny units. He was of the view that financial distributions have to attain their lending policies in consonance with the need of the small sector in general and the smaller among the small scale units in particular.

Nikhil Bhusan Dey, deals with the role of Government and various institutions in developing and financing small scale industries in Cacber district in particular and the state of Assam in general.

R. Natarajan, examines the trends in institutional financing to SSI units in Andhra Pradesh for a period of one decade commencing from 1970.54

In a study based on small scale industries in Vishakapatnam district, K.C. Reddy conducted that bank finance in particular and institutional finance in general have contributed significantly in the promotion of small scale industries.

The following studies have sought to highlight the role of banks and state financial corporations to financing the small scale sector. A report of the proceedings of the seminar on financing of small scale industry organized by the Reserve Bank of India identifies some of the factors responsible for borrowers shying away from commercial banks instead approaching the money lenders. The main findings of the seminar is that besides providing finance, banks should also helps small scale industry in procuring raw materials and marketing their output.
K.T. Ramakrishna, in his study analysis the financial assistance provided by the State in the shape of direct credit order the state aid to Industries Act, non-technical assistance in the form of external aids and credit from State Financial Corporation, State Bank of India and other commercial banks.

In a study covering small artisans in Kashmir, Inderit Singh and N.S. Gupta, try to find out the role played by commercial banks in financing small industries, the responsiveness of their enterprises to bank finance in the state in particular and the county in general. They conclude that commercial banks have not been able to induce small artisans and small factories to benefit from bank finance.

S.S. Sikidar, analyses the contribution of Assam financial Corporations in the order of the region and also evaluate its performance, policies, procedure and practices.

Mohankumar C.S examines the role played by commercial banks in general and more particularly by state scale industries in Thiruvananthapuram district. He finds that State Bank of Travancore has failed to reach its budgets because of lack of co-operation between the different Government and financial agencies.

M.L. Jain, in his study, examines the role of state financial corporation in industrial finance in India with particular reference to the Uttar Pradesh financial corporations. He opined that State Financial Corporation should pay greater attention forwards the financing of tiny units and also in the modernization and rehabilitation of small units.

Basu S.K discusses the role and problems of small scale industries. Emphasizing their importance in the economic programme of the nations, he deals at length with their financial problems and the functions of the state financial corporation helping them.

G. Balakrishnan, in his work analyses the financial experience of public limited joint stock companies in India during 1950-52 in certain manufacturing industries in which small industries predominate.

Mohammed Sayeed, in a study focusing on the financial problems of small scale and cottage industries in Uttar Pradesh recommends the introduction of participation loan
scheme by the state Government and setting up of small business investment companies.

Shetty M.C., A study by covering a selected sample of household manufacturing units in small towns and villages of Maharashtra reveals that lack of capital resources, mainly working capital, posses the biggest constraint on their efficiency.

B. Narayanan, in this study, discusses the financial problems faced by industries in general and recommends the settings up of an industrial developments and the state level for mitigating problems.

Ghanshyam Panda (2008) A study covers the problem of raising working capital. The utilization of bank credit by small industries and their industries in backward areas and priority sectors forms a special part of the study.

Kalchetty Eresi, A study through light on the various sources of long term and short term finance and the problems faced by the units is raising such funds. He also enquires into policies procedures and practices of small units in managing their finance.

S.N. Arjun Kumar (2012) Marketing is very essential though strenuous, in developing countries like India. The importance of Small Scale Industries (SSIs) is such that their development is concomitant with the balanced growth of Indian economy. Small, Medium or Large scale industries prospects depend upon how well they market their products in the dynamic competitive markets. So with the importance of marketing management in small scale industries increasing and sell the products effectively in the markets. In other words, effective marketing of small scale industrial products would ensure higher levels of income, consumption, and employment which increase the standard of living of the people. Marketing is demanding greater attention not only from industrialists especially of the small scale sector but also from our planners and economists. This empirical study covers the socio-economic conditions, marketing strategies of SSIs and identifies the marketing problems of SSIs. The aim of this is to generate the awareness to the SSIs regarding the blind spots in marketing of their products.
Osotimehin, K.O.(2012) Micro and small scale enterprises have been accepted worldwide as instrument of economic growth and development. No wonder that government, particularly in the developing countries has made tremendous efforts and establish policies to enhance the capacity of micro and small scale enterprises (MSEs). SMEs are faced with significant challenges that compromise their ability to function and to contribute optimally to the economy. This study was conducted in Lagos State, South Western Nigeria with the use of questionnaire and interview to gather relevant data that was statistically analyzed. The phenomenal growth of small and medium enterprise in Nigeria is mainly due to the people’s quest to be self employed and not because it is easy to establish or manage. Financial constraints and Lack of management skill hamper the efficient performance of micro and small scale enterprises in Nigeria. In view of this, we recommend that government and other non-governmental organization should regularly organize seminars for potential and actual small and medium enterprise operators on how to plan, organize, direct and control their businesses, and that micro, small and medium enterprises operators’ should device effective marketing strategies and good management customers relations at all times.

There are many more studies which are listed in the above the chapter however, none of the studies examines the role of promotional agencies in small industries development or specially District Industries centers Most of the studies are national level studies. An in depth study of the problems pertaining to small industries as perceived by the entrepreneurs and by the financial institutions at the regional level is very much lacking.

There is however some studies at the state level on SSIs like the one by Dhar and by Sandesara. These are based on surveys and deal with the problems of SSIs with regard to location, finance and raw material. Various other studies which have dealt with financial aspects or industrial finance are by Ramakrishna, Pareek and Upadiya. These studies deal at the macro problems and are at national level.
An exclusive study of the role of the promotional agencies has not been done. The above studies relate to areas like Delhi and Bombay. There is no comprehensive study covering the Hyderabad Karnataka in Karnataka state about these aspects of Small industries.

It is therefore necessary to undertake an independent enquiry at the District level. The present study is an attempt at analyzing the promotional agencies particularly DICs as promoter of SSIs in Raichur and Gulbarga Districts of Hyderabad Karnataka region and the role played by DICs, KSFC in promoting Industrialization in the study area. As brought out earlier, though a number of studies have been undertaken regarding SSIs in general and promotional activities undertaken by the Government and by various developmental agencies in particular, much has not been highlighted on DICs. Hence, the present study is an attempt to fill the gap that exists in the literature on Small industries in India and with special reference to Hyderabad Karnataka.

Conclusion

In this chapter the depth and width of small industrial literature review have been assessed and theoretical background, conceptual clarity have found in various study and one of the significance finding of fact is that small industries are panacea to eradicate poverty and unemployment, disguised unemployment in developing countries and use the surplus labour. In this view importance of small industries in India and Karnataka can be seen in next chapter.
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M.K. Ingle suggests that help from outside should be only Supplementary. The real

R.P. Singarvalu makes a critical study of the role of State in the marketing of

Henny Romijn, Department of Technology and Policy, Faculty of Technology Management, Eindhoven University of Technology, PO Box 513, 5600 MB Eindhoven, The Netherlands “Technology Support for Small-scale Industry in Developing Countries: A Review of Concepts and Project Practices”, ISSN 1360-0818 print/ISSN 1469-9966 online/01/010057-20 Ó 2001 International Development Centre, Oxford DOI: 10.1080/13600810120016209


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