CHAPTER - II
OBJECTIVES AND METHODOLOGY

In this chapter, an attempt is made to present the objectives and methodology of the study. The hypotheses of the study are also outlined. Further, efforts are made to present the review of literature on various aspects of small scale industry. At the end of the chapter, the research gap is identified based on the review of the research studies conducted so far.

SIGNIFICANCE OF THE STUDY

The study has great significance in the absence of similar study pertaining to the Krishna district of Andhra Pradesh. This study is relevant particularly when the government is very keen on the promotion and development of this capital- sparing and labor-intensive sector. It has already been mentioned that much is done both by the public and private agencies for the promotion and smooth functioning of this sector. Yet, this sector is not performing up to the expectations of many as it has been suffering from several problems.

Hence, the importance of the present study is emphasized in the light of different problems that hamper the smooth functioning of the small scale sector. So far many have organized studies on the place and role of small scale sector in a developing economy with reference to India. The present study helps the policy makers in the formulation of certain policies in the light of changing conditions to resolve the problems of small and tiny sectors. The study forms a basis for future research as it addresses various issues like production, managerial, marketing and financial problems separately. For example, studies
pertaining to the role of commercial banks and other financial agencies, export houses in resolving the financial problems of small and tiny sectors can be undertaken to initiate appropriate measures. Thus, the study has got great relevance and significance in the present context of small and tiny sectors of Indian economy.

AIM OF THE STUDY

The main aim of the study is to examine the growth and working of small scale industrial units and their problems and prospects in Krishna district. The studies of this type will be more useful to the policy makers for making necessary changes in the policies relating to the progress of micro and small enterprises in India. The academicians have to make an in-depth study of the topic and issues relating to the micro and small enterprises, which were not addressed by the earlier investigators.

OBJECTIVES OF THE STUDY

(i) To study the growth and working of micro and small-scale enterprises in India in general and with reference to Andhra Pradesh in particular.

(ii) To analyze the role of the District Industries Center in the industrial promotion of micro and small-scale industries in Krishna district along with its profile.

(iii) To study the problems and elicit the views of entrepreneurs on the problems in running the small scale and PMRY units in Krishna district.
(iv) To identify the differences between rural and urban units in the problems and prospects of small scale and PMRY units in the selected district.

(v) To summarize the study, draw conclusions and offer suggestions for the effective working of the small scale and the PMRY units.

**HYPOTHESES OF THE STUDY**

The following are the hypotheses formulated for the study:

1. **Null Hypothesis (H_{10}):** There are no significant differences in the views of entrepreneurs towards problems and prospects of sample small scale units in rural and urban areas of selected region.

   **Alternative Hypothesis (H_{11}):** There are significant differences in the views of entrepreneurs towards problems and prospects of small scale units in rural and urban areas of selected region.

2. **Null Hypothesis (H_{20}):** There are no significant differences in the views of entrepreneurs towards problems and prospects of PMRY units in rural and urban areas of selected region.

   **Alternative Hypothesis (H_{21}):** There are significant differences in the views of entrepreneurs towards problems and prospects of sample PMRY units in rural and urban areas of selected region.
METHODOLOGY OF THE STUDY

(i) Scope of the Study:

The study aims at an exploration into the views of entrepreneurs towards the problems and prospects of village industries and Prime Minister Rozgar Yojana units, with a view to discover answers to questions such as:

- What is the rationale behind starting village industries and Prime Minister Rozgar Yojana units?
- What type of assistance was provided by institutions like the DIC and other financial institutions for promoting these industries?
- What are the problems relating to production, finance, marketing and Human Resources by the entrepreneurs of respective units?
- What are the turnover, exports and other growth related aspects of the units?
- What are the future plans of the entrepreneurs of these units?

(ii) Period of the Study:

The period of study is ten years, which is considered to be adequate for study of this kind. The information relating to the profile of village industries and Prime Minster Rozgar Yojana units is obtained for the period covering ten years, i.e., during 1999-00 to 2008-09. The information relating to the formation, functioning, growth and problems is covered during this period.
(iii) **Selection of Sample Units:**

For the purpose of data collection, a sample of 150 units, each of which have been working under both the categories, are selected thus the total sample units will be:

<table>
<thead>
<tr>
<th>Units</th>
<th>Count (Rural Areas)</th>
<th>Count (Urban Areas)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small scale units</td>
<td>150</td>
<td>75 Rural Areas</td>
</tr>
<tr>
<td>PMRY units</td>
<td>150</td>
<td>75 Urban Areas</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td></td>
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</tbody>
</table>

The sample units are drawn from the list of units, whose data were available continuously for the last ten years given by the DIC, Krishna district. The investigator approached the DIC of Krishna, Guntur and Prakasam districts. The authorities of the DIC of Krishna district were kind enough to provide the relevant information on the topic which the investigator had proposed to undertake for his research work.

(iv) **Sources of Data:**

The data were collected from both primary and secondary source. The data relating to the growth of micro and small enterprises and their profile were collected from secondary sources i.e. text books, magazines, journals, newspapers and other relevant websites. The information relating to the address and other details of the MSE particularly PMRY and village industries was obtained from the DIC of Krishna district. The prospects and problems of the village industries and PMRY units were collected from entrepreneurs through primary source, i.e., a structured questionnaire for each of these units selected for the study.
(V) **Method of Data Collection:**

In obtaining the views of entrepreneurs on the functioning and problems of village industries and PMRY units, the questionnaire that was formed covered the following aspects

i. Support gained from DIC in financial and other related matters

ii. Rationale in starting the present enterprises.

iii. Problems faced in finance, marketing and human resource in running the enterprises.

iv. Steps taken to overcome these problems.

The questionnaire consists of the following types of questions.

i. Dichotomous

ii. Multiple choice

iii. Scaling questions

The owners/managers of these units were interviewed with the help of interview schedules.

(vi) **Data analysis and Interpretation:**

The data are analyzed with the help of tables, charts and graphs. Mathematical and statistical tools like percentages, growth rates, further tests viz., ANOVA, correlation, regression, discriminate analysis, paired t-test, etc, were also used in the process.

(vii) **Statistical Tools:**

A few statistical tools were used to test the above analysis. Correlation, regression and ANOVA without replication were conducted. ANOVA is a test
whose goal is to assess the plausibility of the hypothesis stating that the means of these normal distributions are indeed equal. More generally, we have $k$ groups of observations known to have been generated by $k$ independent normal distributions with identical variances and respective means $\mu_1, \mu_2, \mu_k$. The groups need not have the same size.

**ANOVA will test:**

- The null hypothesis $H_0 : \mu_1 = \mu_2 = ... = \mu_k$ against
- The alternative hypothesis $H_1$: at least one of the means is different from the others.

The analyst chooses a significant level $\alpha$ (typically, 0.05 or 0.01).

ANOVA produces a $p$-value.

- If the $p$-value is less than $\alpha$, the hypothesis of equality of the means will be rejected.
- Else, the conclusion will be that data is not compatible (at the significance level) with the hypothesis that all the means are equal (recall that this is not a confirmation that $H_0$ is true).

(a) **Correlation Analysis:**

Given two $n$-element sample populations, $X$ and $Y$, it is possible to quantify the degree of fit to a linear model using the correlation coefficient. The correlation coefficient is a scalar quantity in the interval $[-1.0, 1.0]$, and is defined as the ratio of the covariance of the sample populations to the product of their standard deviations.

$$r = \frac{\text{covariance of } X \text{ and } Y}{(\text{standard deviation of } X)(\text{standard deviation of } Y)}$$
The correlation coefficient is a direct measure of how well two sample populations vary jointly. A value of \( r = +1 \) or \( r = -1 \) indicates a perfect fit to a positive or negative linear model, respectively. A value of \( r \) close to +1 or -1 indicates a high degree of correlation and a good fit to a linear model. A value of \( r \) close to ‘0’ indicates a poor fit to a linear model.

**(b) Regression Analysis:**

In statistics, regression analysis includes any techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables. More specifically, regression analysis helps us understand how the typical value of the dependent variable changes when any one of the independent variables is varied, while the other independent variables are held fixed. Most commonly, regression analysis estimates the conditional expectation of the dependent variable given the independent variables, i.e., the average value of the dependent variable when the independent variables are held fixed. Less commonly, the focus is on a quintile, or other location parameter of the conditional distribution of the dependent variable given the independent variables. In all cases, the estimation target is a function of the independent variables called the regression function.
In regression analysis, it is also of interest to characterize the variation of the dependent variable around the regression function, which can be described by a probability distribution.

(c) Discriminate Analysis:

To do the discriminate analysis two groups, Rural and Urban, are taken into consideration. Here, the measures are the number of units (highest and least) in both areas due to various influencing factors like year of establishment, range of working capital, type of working capital, employment, family background etc.(up to 18 factors) as follows:

<table>
<thead>
<tr>
<th>Influencing Factor</th>
<th>Region: 1=Rural 2=Urban</th>
<th>Factor influenced highest No. of units</th>
<th>Factor influenced lowest No. of units</th>
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<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>24</td>
<td>12</td>
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<tr>
<td>2</td>
<td>2</td>
<td>38</td>
<td>10</td>
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<tr>
<td>3</td>
<td>1</td>
<td>23</td>
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<td>4</td>
<td>2</td>
<td>43</td>
<td>15</td>
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<td>5</td>
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<td>29</td>
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<td>6</td>
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<td>33</td>
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<td>16</td>
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<td>32</td>
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<td>17</td>
<td>1</td>
<td>25</td>
<td>6</td>
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<td>18</td>
<td>2</td>
<td>21</td>
<td>8</td>
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<tr>
<td>19</td>
<td>1</td>
<td>28</td>
<td>3</td>
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<tr>
<td>20</td>
<td>2</td>
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<td>6</td>
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<td>21</td>
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<td>49</td>
<td>26</td>
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<td>45</td>
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<td>28</td>
<td>2</td>
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<td>10</td>
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Note: The rows represent the number of units at various ranges.
(viii) Limitations of the Study:

Though proper care is taken in the successful completion of the study, the study is not free from the following limitations and constraints:

(a) The researcher encountered several difficulties in obtaining empirical evidence from the respondents on various issues of small and PMRY units. In spite of the best possible efforts put in by the researcher, there are a little data constraints whose impact on interpretations and conclusions of the study is fortunately negligible, as sufficient care has been taken to draw meaningful conclusions.

(b) The researcher experienced data constraints in the management of secondary data too. The data published by the small industry promoting agencies have not been regular. Further, the data published by different organizations on particular issues for a given period of time have not been uniform. Thus, the researcher encountered various data gaps. However, the researcher could overcome the gaps by consulting a number of experts in the field and using his own personal judgment without any prejudice in organizing the data successfully.

REVIEW OF LITERATURE

A review of literature was conducted extensively by the investigator to know the progress of studies made on the problems and prospects of village industries and PMRY units in other countries and in India. The investigator obtained the information through a study and analysis of many text books,
magazines, journals, and websites. The review of literature was presented as under.

(i) **Studies on Small Scale Industries in other countries:**

M.H. Balasubrahmanya\(^1\) (2003) observed that small and medium enterprises (SMEs) form the majority of industrial units accounting for the highest proportion of employment in developing as well as developed countries. They produce about 25 per cent of exports to Organization for Economic Cooperation and Development (OECD) countries and 35 per cent of Asian exports (OECD 1997). Those SMEs that are internationally competitive are able to grow as well as to survive in their domestic markets. In order to become internationally competitive, SMEs must be market-oriented and offer products and services of international quality. A particularly higher level of education makes powerful contributions to technology creation. Diffusion technology innovation is an expression of human potential. Similarly higher levels of technological infrastructure can facilitate technological enterprises.

(ii) **Studies on Small Scale Industries in India:**

Another study was conducted by the same NISIET\(^2\) (1974) institute on marketing assistance to small-scale industries: a macro study on the role and importance of various organizations. In this study, the role of different types of organizations, which are helping small-scale units in their marketing activities have been evaluated and it also made recommendations in strengthening their organizational activities in marketing assistance.
Aravind Korba’s (1979) study is on marketing practices and problems of small-scale units located within the industrial estates of Andhra Pradesh. In this study, it was observed that many units are either functioning erratically or closed down. A number of small-scale units have been set up by technocrats and educated unemployed. These entrepreneurs are critically in need of support for marketing. These products as they lack marketing know-how need to organize resources to boost their sales promotion.

Umesh C.Patanik (1984) made a comparative study of the growth of small industries in the country before and after the launching of DIC based on secondary data. He calculated simple, compound and exponential growth rates to measure growth in terms of number of units, value of output, employment generated and investment made. He concluded that the growth in SSI sector is less after the establishment of DICs. The small entrepreneurs need managerial, marketing, raw material assistance and incentives to small industries and promotional activities of DICs and solutions to problems associated with implementation of the promotional institutions and to the problems faced by the entrepreneurs.

P.M. Mathew (2004) observed that after 13 years of active liberalization policies, India’s small industry was then being examined against its own pounding rationale, which was as old as the Quit-India movement of 1942. NABARD and SIDBI, the preview of institutional credit, is still limited only to 14.19 per cent of SSI units in the country. States with high birth rate of small scale units also had high death rates, and even after having active
promotional policies spanning more than half a century, India did not have a mechanism to monitor the demography of its small and medium enterprises. In the WTO India is bound to negotiate on NAMA, but we are still to do a lot of homework on what is going to be negotiated. It was against this background that the United Nations Conference on Trade and Development (UNCTAD) initiated a program called strategies and prepared news for trade and globalization in India. In the context of this two-year project on official launch cum validation, exercise was initiated by UNCTAD in New Delhi on April 12, 2004. Trade is often not considered an engine of employment generation and poverty removal, even by governments, let alone the SMEs.

Avvai Kothai\textsuperscript{6} (2005) says that the role of small scale units in the economy can be known from the fact that the small scale sector contributes 40 per cent of industrial production and 35 per cent of national exports, the composition of exports and food products being 29 percent and 18 percent respectively. The industry groups, which have recorded high growth rates and share in the total production of SSIs, are textile products, wood furniture, paper printing and metal products. The fixed investment in the sector has been reckoned at Rs.84,329 crore. As per the policy note 2004-05 issued by the small industries department, our country has about 35.31 lakh small scale units providing employment to more than 199.65 lakh people. This sector is the second largest employer of Indian work force after agriculture. Under the WTO regime the small scale units have to face challenges of growing competition both globally and domestically. Right from cosmetics to computers a lot of
products have already started entering India without any restriction. Around 675 items reserved for the small scale industry would now have to face competition from similar products being imported freely which would be produced by large world scale manufacturers.

A study was conducted by Sudhansu Sekhar Nayak and Dr. R.N. Misra (1983) on “Sickness in Small Scale Industrial Units and their Revival” in two districts of south Orissa, i.e. (Cuttack, Ganjam). The period of the study was limited to 9 years from 1995-96 to 2003-04. Their analysis reveals that in Orissa the number of sick units was recorded at 767 in the year 1982 and the same increased to 1418 in the year 1995. Finally the number increased to 1688 as on 31-03-2005. It can be concluded that in spite of the incentives and facilities offered under industrial policy resolution of 1977 and 1980 and intensive efforts to promote large number of small scale industrial units over the years, large number of units have been confronted with a number of problems which made them sick. Previously most of the small scale industrial units established in south Orissa were confronted with delay in supply of raw materials, delay by bankers in sanctioning working capital and poor selection of entrepreneurs. They have suggested the setting of an agency that can monitor the case of sick units.

There are some surveys conducted by many individuals on the general aspects of small scale industries which focused their retention on the role and place of small industries in a developing country like India. They have looked into various aspects of small scale sector at macro level viz., growth working
contribution and problems of SSI sector. The studies of Basu\textsuperscript{8}, Chandrajit Singh\textsuperscript{9}, Chari\textsuperscript{10}, Joshi\textsuperscript{11}, Mohanty\textsuperscript{12}, Rao\textsuperscript{13}, Shetty\textsuperscript{14}, Singh Balajit\textsuperscript{15}, Staley\textsuperscript{16} and Umamaheswara Rao\textsuperscript{17} are important among them. The studies of Bhatty\textsuperscript{18} and Urmil Singh\textsuperscript{19} have focused their attention on cottage industries.

A few have undertaken macro-level studies which fall in certain regions. The regional studies focused their attention on the problems faced by small scale sector of the concerned regions. Many of the above-mentioned studies have revealed that the problems faced by small industries of different regions are different because of differences in the geographical features. For example, the small scale sector of undeveloped regions has more problems than the small scale sector of developed regions. Moreover, the nature of problems in the underdeveloped regions differs from that of developed regions. As such, the regional studies are relevant because of the differences in the regional features. Banerjee\textsuperscript{20}, Shamboo Prasad\textsuperscript{21}, Sandesara\textsuperscript{22}, and Upadhyaya\textsuperscript{23}, have concentrated on their concerned regions while dealing with small scale sector at macro-level. A few more studies are there which are carried out with a special emphasis on specified regions. Such regional studies are organized by Agarwal\textsuperscript{24}, Agrawal\textsuperscript{25}, Gangele\textsuperscript{26}, Gopal\textsuperscript{27}, Gupta\textsuperscript{28}, Joshi\textsuperscript{29}, Iakshman\textsuperscript{30}, Majumdar\textsuperscript{31}, Moosa Baker\textsuperscript{32}, Mathur\textsuperscript{33}, Nirmal Kumari\textsuperscript{34}, Oomman\textsuperscript{35}, Prajapathi\textsuperscript{36}, Ramachandran\textsuperscript{37}, Rastogi\textsuperscript{38}, Varma\textsuperscript{39}, and Varma\textsuperscript{40}. Further, some researchers have concentrated their attention on the aspects of investment employment and output in small scale sector. Shushil Kumar\textsuperscript{41}, Gambhir\textsuperscript{42}, Kopardeka\textsuperscript{43}, Mitra\textsuperscript{44}, Namdeo\textsuperscript{45}, Satyapal\textsuperscript{46}, and
Saxena$^{47}$, have dealt with investment, employment and output in the small scale industries. Furthermore, many have conducted studies on the problems of small scale industries bringing to light the various problems faced by small industrial units. Agrawal$^{48}$, Anselm$^{49}$, Bahadar Singh$^{50}$, Banerjee$^{51}$, Barooah$^{52}$, Dey$^{53}$, Gurcharan$^{54}$, Misra$^{55}$, Nisar Ahmad$^{56}$, Patil$^{57}$, Rastogi$^{58}$, Sharma$^{59}$, Sharma$^{60}$, Sharma$^{61}$, Sharma$^{62}$, and Siya Ram$^{63}$ have worked on the problems faced by small scale industries.

A case study was conducted by Neha$^{64}$ (2008) on M/s Classic Filaments Limited, a unit which was established at Bollaram in Medak district. The analysis revealed that the unit failed due to stiff competition and the selling price had come down drastically. It was also observed that availability of spares was a big problem and time-consuming. Another important factor that contributed to the failure of the unit was that the workers union was always at logger heads with the management and never cooperated with it. Any amount of working was insufficient.

A study was conducted by Neha$^{65}$ (2008) on Swad Edible Oil refinery in Kakinada. A case study of a successful unit reveals that, the company has been importing raw/crude edible oil from Indonesia and Malaysia and that is the reason why the company has established its refinery in the coast which is nearer to those countries. The unit has been setup near the port so as to get the advantage of a pipeline from Kakinada deep-sea port. This has enabled the company to reduce its production cost. The company has good infrastructure facilities at its unit at IDA Vakalapudi in Kakinada. The technology adopted is
one of the best in the industry. The present industrial policies both at national level and state level are favorable for the company. The financial institutions and banks are extending the required finance when need arises.

A study was conducted by B.Lalitha on “Aravinda Plastics Pvt. Ltd. M/s. Aravinda Plastics, a public limited company was established in 1999 at Thimmapuram Village, Peddapuram Mandal of East Godavari district. The factory started manufacturing of HDPE Pipes in 2000. The study reveals that the company faced several problems initially and was not able to meet its commitments up to 2002. There was a change in the management which extended the loan period by 2 years from August 2002. Since then the company has been making payments with normal delays. Presently the unit is running in profits and recount is also regular with the corporation and other funding agencies. All this is possible with the management’s efficiency expertise, commitment and experience.

N.V.Ratnam (1984) opines that infrastructure development for industrialization in the rural areas and investment in basic services designed to realize the full potential of the human resources in the rural areas should receive a high priority.

Subash Singh Yadav (2005) says that the small-scale sector has been playing a prominent role in the socio-economic development of the country for the past five decades. It has direct impact on the growth innovative and competitive structure. In the context of liberalization as experienced through integration with the global economy in a phased manner in national and
international competitive environment, perspectives and strategies for small industry development have undergone a sea change, the author opines.

A case study was conducted by Satyajit Majumdar (2001-2002) on “Strategic Leadership in Small Manufacturing Organization”, an empirical study in Madhya Pradesh and Maharashtra. The study concludes that strategic planning in small organizations is significantly different from the large organizations. The process is informal in nature, as in most cases the entrepreneurs are the sole strategic decision makers. The objective of this research is to study the characteristics of strategy planning process and strategic leadership in small manufacturing organizations. The broad areas of study were identified from the literature on strategic leadership. Business process elements and drivers under these broad areas were identified from business excellence models, viz., Malcolm BAL Bridge National Quality Award (MBNDA) in (USA) and European Foundation for Quality Management (EFQM) in European Union. Their conclusion is that these small organizations have developed competence to work on uncertain conditions largely to meet the demand fluctuations of their customers; while maintaining these skills they should gradually create market focus.

Several research papers have been published in periodicals by the eminent researchers on sickness in small scale sector. The papers published by Anantarayan, Bhagavan Reddy, Brahmanandam, Chattopadhyay, Chopra, Jailal Saaz, Jaya Prakash Reddy, Kaura, Khosla, Khurana, Nag, Nambiar, Narayan, Ojha, Patnaik, Puri, Reddy, Soundararaj,
Subhash\textsuperscript{88}, and Subramanyam Chetty\textsuperscript{89}, have dealt with the general aspects of small scale sector. The papers published by Almal\textsuperscript{90}, Arvind Bhandari\textsuperscript{91}, Asthana\textsuperscript{92}, Basanta Kumar\textsuperscript{93}, Farooq Khan\textsuperscript{94}, Jaya Prakash Reddy\textsuperscript{95}, Patwardhan\textsuperscript{96}, Pawar\textsuperscript{97}, Ramachandran\textsuperscript{98}, Rao\textsuperscript{99}, Sahney\textsuperscript{100}, Satyasundaram\textsuperscript{101}, Shubhra Garg\textsuperscript{102}, Singh\textsuperscript{103}, Singh\textsuperscript{104}, Sinha\textsuperscript{105}, and Syed Amin Jafri\textsuperscript{106}, have focused their attention on industrial sickness with reference to small scale sector and the prevention of sickness and rehabilitation of units which have fallen sick.

(iii) **Committee Reports:**

Bhagavathi\textsuperscript{107} Committee (1973) opposes fast introduction of mechanization designed to replace human labour but at the same time recommends introduction of sophisticated technology in certain areas. The committee recommends reduction of mechanization to the possible extent in various industries in order to provide more employment in the industrial field. The committee virtually favors creation of employment at any cost without going into the economics of the scheme.

Further, there are important studies on the program of industrial estates in India by Dhan and Lydall\textsuperscript{108} (1961). Various economic aspects such as the relationship between capital employment and output, location and setting-up of the estates at the national level have been discussed.

P.C. Alexander\textsuperscript{109} (1963) had made a pioneering study of the program and progress of industrial estates in India but in the present context his study appears to be somewhat outdated since the study covers only the period up to second five – year plan.
Gunnar Myrdal\textsuperscript{110} (1968) had recommended the adoption of strategy based on predominantly labour intensive techniques for creating capital and production. Industrial estate covered a period of the first eight years after the program being implemented in the country.

D. Nagaiya study\textsuperscript{111} reviewed the working of industrial estates program from its inception till 1969 and gave the trends in expenditure on the programs and physical achievements at national level.

Malgawakar\textsuperscript{112} (1973) in his study of problems of small industry in Andhra Pradesh found the lack of infrastructure as a general problem. The industrial estates alone couldn’t overcome the location disadvantages. The infrastructural facilities were either very weak or non-existent in rural areas. In urban areas, with necessary industrial climate and infrastructural facilities, the growth of industries was relatively faster. The scarcity of indigenous raw material had been a serious bottleneck. Raw materials supplied through quotas were not sufficient to meet the demands of the units. There were delays in the disbursement of loans due to the existence of procedural delays and insistence for tangible securities.

There are some studies which concentrated on Industrial Estates. The studies of Agarwal\textsuperscript{113}, Bharti\textsuperscript{114}, Chawda\textsuperscript{115}, Kamal Kishore\textsuperscript{116}, Sanghavi\textsuperscript{117}, Satyanarayana\textsuperscript{118}, Subba Rao\textsuperscript{119}, and Subbi Reddy\textsuperscript{120}, are important among them. The studies of Satayanarayana, Subbarao and Subbi Reddy pertained to the Industrial estate of Andhra Pradesh. They
brought to light the various problems faced by both the industrial estates and the small industrial units working in the industrial estates.

As pointed out earlier, there are some surveys conducted by many individuals on the general aspects of small scale industries. There are two unpublished dissertations which were submitted to various universities which have emphasized on the role and place of small scale industries in developing countries like India. The studies of Mahfooz Ahmed\textsuperscript{121} and Patel\textsuperscript{122} are important among them.

From the above survey of literature, it is obvious that a good number of research studies have been undertaken on various aspects of small scale sector. A few researchers have worked on the place and role of small industries in Indian economy and reviewed the contribution of small scale sector to Indian economy from time to time. Some have worked on specific industries. Some have done their research work on cottage industries. A few have dealt with the problems faced by small scale sector. Some have specifically focused their attention on specific problems such as financial, managerial, labour and marketing. Yet others have undertaken regional studies confining their scope to their concerned regions. They examined the contribution of small scale sector to the economic development of their respective regions. They also have outlined the various problems confronted by the small scale sector in their respective regions. Studies pertaining to the state of Andhra Pradesh are a few. All this gives us an understanding that there is a dearth of work on the problems faced by small scale industries confined to a specific district. In this context, it is to be noted
that there is no study of this type related to Krishna district. The present study is intended to explore the problems faced by small scale industries in Krishna district.

**Research Gap:**

From the above literature, it is evident that the review of literature was confined to macro level only. The studies relating to micro level are found to be less in number. Further, it was observed that the studies relating to village industries and PMRY units are very few. As such a research gap is observed in this area. The investigator plans to make a detailed analysis of prospects & problems of village industries with reference to small scale and PMRY units in the Krishna the native district of the investigator.

**Presentation of the Study:**

(i) In the first chapter, introduction about small-scale industry in India is given with origin, growth, performance, promotional schemes and problems of small scale sector.

(ii) In the second chapter research design and methodology is presented. This includes review of literature, research gap, presentation of the study, etc.

(iii) In the third chapter, development of small scale sector in Andhra Pradesh with reference to parameters like fixed investment, employment, number of registered units etc is presented.
(iv) In the fourth chapter, role of DIC in Krishna district is furnished along with the profile of the district.

(v) In the fifth chapter, a study on problems and prospects of small scale units in Krishna district are presented. The differences in the views of both rural and urban respondents are presented.

(vi) In the sixth chapter, a study on problems and a prospect of PMRY units in Krishna District is presented. The difference in the views of both rural and urban entrepreneurs is also discussed in the same chapter.

(vii) In the last chapter, findings and conclusions are presented with suggestions of the study.
References:


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