CHAPTER - 2
THE GROWTH OF INDUSTRIAL ESTATES AND SSI's VIS-À-VIS ENTREPRENEURSHIP DEVELOPMENT
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Introduction

The programme of industrial estates was adopted by the country towards the end of the First Five Year Plan to promote and develop the small-scale industries in Karnataka state. Mysore Small Industries Corporation (MSIC), Mysore State started the programme of industrial estate. Mysore State was the former name of Karnataka state until 1973. In the beginning, comparatively bigger towns were selected for the establishment of industrial estates by the corporation. During the Second Five Year Plan from 1956 to 1960, the corporation had set-up 3 industrial estates in the selected cities of the State. The first industrial estate was established during 1957 in Ramnagar (now the district headquarter) of Bangalore District and later in 1958, Hubli industrial estate was erected. In 1959, Rajajinagar industrial estate was constructed. Later in the Third Plan from 1961 to 1965, 6 industrial estates were constructed, among which 3 estates were at Jamakandi, Madikeri and Kadur. Then in 1964 only one estate (Dandeli) was constructed and, in 1965, 2 estates were constructed in Tumkur and Shimoga. During 1966 to 1970, 8 industrial estates were established in the State.

During 1973, after the formation of the Karnataka state, the MSIC was renamed as KSSIDC. During 1973 to 1980, 22 industrial estates were established by KSSIDC. The period from 1981 to 1986 was a boom period for KSSIDC because it established a maximum of 61 industrial estates, among which 8 estates in 1981, 12 estates in 1982, 6 estates in 1984, 17 estates in 1985 and 6 estates in 1986. And upto 1990 only 6 estates were established by KSSIDC.

Upto September 2002, a total number of 155 Industrial estates with 5,700 industrial sheds widely spread in state were constructed by KSSIDC excluding 97 sheds, which were in progress. These industrial estates have been providing ample scope for promotion and development of small-scale industries in Karnataka.

In Karnataka State, Peenya Industrial Estate is the largest and oldest estate in South East Asia sprawling 40 sq kms span. It comprises of a conglomeration of 40 medium and 1,058 small scale industries and a total investment at a book value is put over Rs. 700 crores and annual sales value which exceeds Rs. 3,000 crores. It has a work force of nearly 40,000 people with 5,000 of them women and it attracts 15 to 20 overseas visitors daily, and annually with 5 to 6 thousand overseas dignitaries from nearly 32 countries.

The evaluation of the programme of Industrial estates shows unmistakably the significant progress made in setting-up of the estates and fostering a good number of industrial units. However, as rightly pointed out by the TECSOK, the Demand Survey of KSSIDC sheds in Karnataka during December 2000, carried out by a study team sponsored by KSSIDC, states that the Small Scale Industries and the Industrial Estates have linear relationship. Thus, the Industrial Estate plays an important role
in promoting small-scale industrial entrepreneurship for balanced economic growth of the state.

**Need for Industrial Estates**

The locational status of SSI sector in India has 42.17 percent in rural areas, 47.97 percent in urban areas, 9.86 percent in metropolitan areas. These units are facing series of problems like inadequate capital, the absence of suitable factory accommodation, shed, plots, areas and zones for location of units, lack of infrastructure facilities, insufficient supply of power, lack of speedy communication, improper marketing services etc. In order to overcome all these severe bottlenecks, Industrial estate is one of the suitable solutions. Hence, industrial estates have been extensively used as a tool for accelerating the pace of Industrialization in developed and developing countries. Especially in India, industrial estates have been used with the objective of promoting small-scale industries through generation of industrial entrepreneurship and attracting industries to backward and rural areas. And Industrial Estate has to fulfill the requirements of small-scale industries as a whole grouped into large number of small-scale industries in a particular place to utilize the common facilities provided.

Industrial estate offers various advantages to its sponsors, industrialists and the community. An industrial estate has been described as “a carefully selected and developed tract of land on which ready made general purpose factories and certain common facilities and services are provided”. It is a tract of land, which is sub-divided and developed according to a comprehensive plan for the use of installation of utilities and erection of factory.
building in advance of sale or lease to occupants. Generally, the industrial estate is a multi-purpose tool taking care of a number of problems. It is a place where a large number of units can avail entrepreneurs. It provides facilities for factories like water, power, railway and special arrangements for technical guidance etc. Besides this, the industrial estates bring a large number of heterogeneous and homogenous industrial units together, facilitate the establishment of common service centers, encourage collective purchase of raw materials and help the organization for economic sale of finished goods. Since, many units are set-up near each other, they become interdependent and complementary to each other providing an incentive for industrial growth.

Concisely, industrial estates are a means of promoting small-scale industries and they are especially a device for expanding, strengthening and locating small-scale industries to bring about the rapid, balanced and decentralized industrialization in the country. So, industrial estates play an important role in the development of small-scale industries and entrepreneurship in India.

**Objectives of Industrial Estates**

The principal objectives of establishment of industrial estates in India are as follows:

1. To encourage the growth of small-scale industries.

2. To shift small scale industries from congested area to estate premises with a view to increasing their productivity.
3. To achieve de-centralized development in small towns and large villages.

4. To provide infrastructure facilities and accommodation to the entrepreneurs.

5. To encourage growth of ancillary industries in the township, surrounding major industrial undertaking, in both public and private sector.

6. To foster the development of industry as well as entrepreneurship by providing economic incentives.

**Industrial Estate Programme in India**

The establishment of industrial estate in India is mainly a lesson drawn from Britain. The international planning team with the aid of Ford Foundation, which studied small-scale industries in India, originally suggested the idea of the establishment of industrial estate. Earlier to this study, small scale industries faced the problems in acquiring good factory accommodation, at suitable sites and the facilities of water, electricity, transport, bank, post office, canteen, watch and ward, etc. Industrial estates with fully developed sites and sheds are effective means for industrial progress. Therefore, the programme of industrial estate was first introduced by Small Scale Industries Board in January 1955.

During the year 1951-56, only two industrial estate were established by the central government at Okhla near Delhi and at Naini near Allahabad. The National Small Scale Industries Corporation managed these estates. Among the state governments, Gujrath was the first to start an estate on a 20 acre plot of land in Rajkot in the year 1955.
During the First Five year plan, the programme was limited to a target of 10 industrial estates which were to be constructed at Gundy and Virudhanagar of Tamil Nadu State, Kanpur and Agra in Uttar Pradesh, Palghat, Trivendrum, Kottayam, Quilon and Trichur of Kerala, Rajkot of Gujrath, and Kalyani in West Bengal.

The Government has provided various incentives and concession from time to time. In the second five-year plan (1951-56), 120 industrial estates were sanctioned out of which 53 started functioning and other 33 were at the stage of completion. Upto the end of the third plan (1961-66), totally 458 estates were sanctioned, but only 208 of them had started functioning in which 106 were in urban area, 63 in semi-urban area, and 39 were in rural area. The subsequent five-year plans also provided greater emphasis to industrial estate programme as an instrument for the development of small scale industries in rural and backward areas. Now there are more than 1000 industrial estates scattered in India.

Hence, the main object of the industrial estates in India is to assist the development of small-scale industries. Small units get benefits in the industrial estates, such as good working condition, common arrangement for purchase, and cheaper amenities for workers. They also get financial aid from the Government, which helps them to overcome several difficulties at the early stage of working, sale and transport of their product.

After independence, in view of economic problem of the country, it was felt necessary to provide institutional support and guidance for stimulating the development of new
entrepreneurial talent and energizing the existing talent for speedy industrialization of the country through small scale industries in industrial estates. The industrial policy resolution of 1948, subsequent policies of state and central governments, New Industrial Policy for 2001-2006, the successive five-year plan, the tenth plan of state and central government have highlighted the significance of industrial estates in securing balanced regional development of the country.

**Industrial Estates in Karnataka**

The programme of industrial estates was adopted by the country towards the end of the First five-year plan. To promote and develop the small-scale industries in Karnataka state, the programme of industrial estate was started by Mysore Small Industries Corporation (MSIC, Mysore State was the former name of Karnataka State till 1973). In the beginning, comparatively bigger towns were selected for the establishment of industrial estates by the corporation. During the second five year plan (from 1956 to 1960) the corporation had set up 3 industrial estates in the selected cities of the state. The first industrial estate was established during 1957 in Ramnagar of Bangalore district (Now Ramnagar is the district head quarter). In 1958 Hubli industrial estate was erected, and Rajajinagar industrial estate was constructed in 1959. In the third plan (from 1961 to 1965), six industrial estates were constructed, out of which one each was set up at Jamakhandi, Madikeri and Kadur. Then in 1964 only one estate (Dandeli) was constructed, and, in 1965, two estates were constructed in Tumkur and Shimoga. During 1966 to 1970, 8 industrial estates were established.
During 1973 after the formation of Karnataka State, the MSIC was renamed as KSSIDC. During 1973 to 1980, 22 industrial estates were established. From 1981 to 1986, 61 industrial estates were established by KSSIDC. Upto September 2006 a total number of 157 industrial estates with 5,700 industrial shed widely spread in the state were constructed by KSSIDC. These industrial estates have been providing ample scope for promotion and development of small scale industries in Karnataka.

**Entrepreneurship vis-à-vis Industrial Estates**

Industrial entrepreneurship can be achieved through rapid industrialization in rural, semi-urban and backward areas. But it should be noted that in developing countries like India, entrepreneurial units particularly the smaller ones are encountered with certain problems in respect of inadequate finance for purchase of land and buildings for industrial activities, inadequate supply of power, water, high cost of transportation, insufficient factory space, availability of labour, technical knowledge and materials, lack of developed infrastructure and social services like banks, post office, insurance and cafeteria. Consequently, the industrial development in these countries suffers a set back. Therefore, the governments of these developing countries should be able to provide all these facilities to industrial enterprises. For this, the industrial estate programme has been introduced as a technique for rapid industrialization for the development of rural and backward areas. Therefore, properly planned and managed industrial estates can serve as an effective instrument for
bringing the entrepreneurship for industrial development in rural and backward areas.

These industrial estates provide a climate that is congenial for the growth of small-scale industries by making available several facilities and these industrial estates motivate the entrepreneurs for establishment of new enterprises. Industrial estates have been recognized as an effective institutional technique for supporting the innovation, expansion and modernization of small industries. Perhaps, on account of these reasons, industrial estates play a significant role in the promotion and development of small entrepreneurship.

India ranks 2nd among highly populated countries in the world with more than 103 crores populace, out of which around 80 percent are living in rural and backward areas. Despite all these, among the industrialized countries in the world, India has 13th position. This implies a successful transformation and dispersal of industrial entrepreneurship to rural and backward areas.

India is second among all the nations in total entrepreneurship activity as per the Global Entrepreneurship Monitor Report 2002. India is the fifth largest economy in the world, and has the third largest GDP in the entire continent of Asia. It is also the second largest among the emerging nations. The liberalization of the economy in 1990s has paved the way for a huge number of people to become entrepreneurs. Developing countries such as India are in a state of transition. They are striving to be outward looking global economies rather than inward looking local economies, which will be possible only if
small and medium-scale enterprises (SMEs) are encouraged. A wider population base capable of entrepreneurial behavior needs to be developed. Entrepreneurs are the economic visionaries fuelling economic growth; they are the leaders who will pioneer new products and jobs and create new exports. India is poised for entrepreneurial culture due to the rapid environmental forces. Moreover, in India, the post-liberalization and globalization era has brought with it a growing middle class - roughly estimated to be 250 million - and rising disposable incomes. This presents a huge potential, which, if tapped, can be an absolute gold mine. Entrepreneurs can make the best of this by catering to various demands of this segment. India, with its plentiful supply of talent in IT, management and R&D, has become the hot destination of outsourcing of services from all parts of the globe where companies can reduce their costs.

There is a clear distinction between the traditional and modern small industries. The traditional small industries include khadi and handloom, village industries, handicrafts, sericulture, coir, etc. Modern small industries manufacture a wide variety of goods from simple items to sophisticated items such as television sets, electronics control system, various engineering products, particularly as ancillaries to large industries. The traditional small industries are highly labor-intensive, while the modern small industries use highly sophisticated machinery and equipment. The term small-scale industries is mostly used to represent modern small industries. The SSIs manufacture many items, which include rubber products, plastic products, chemical products, glass and ceramics, mechanical engineering items, hardware, electrical
items, transport equipment, electronic components and equipments, automobile parts, bicycle parts, instruments, sports goods, stationery items and clocks and watches.

Since Independence, the Government of India, on the following grounds, has favoured the growth and development of the small-scale sector: (1) generation of employment opportunities by SSIs, (2) mobilization of capital and entrepreneurship skills, (3) regional dispersal of industries and (4) equitable distribution of national income. The policies pursued by the Government of India over the years have helped in the growth of the SSIs to a considerable extent.

India's long-term economic prospects depend mainly on agricultural sector, which contributes a quarter of gross domestic product and provides livelihood to two-thirds of the population. It is, therefore, imperative that highest priority is accorded to agriculture.

In India, 70% of our Population is involved in agriculture and only 7% in processing, transportation, storage and marketing. On the other hand, in advanced countries only 4 to 7% population lives on agriculture and 40 to 45% are involved in grading, processing storage, marketing, transportation, retailing and in exports. The private sector in India has been taking initiative in developing the agro-industry.

In the last few years, Indian citizens have been demanding faster economic development and transparency and there is growing importance among the masses specially those who are living in rural/ semi urban areas. The rural demand for
manufactured goods and services also depend on the expansion of the agricultural economy and are essentially due to robust performance of agricultural sector. The challenges under the World Trade Organization (WTO) regime are likely to be radical. With the result, for Indian agriculture to be competitive not only in price but also in quantity, much needs to be done in the areas of logistics and infrastructure particularly in post-harvest management, processing and distribution. The Government of India needs to encourage the marketing effort, which is most important for the growth of SSI.

**SSIs and Economic Development**

The role played by SSIs in economic development is presented below:

**Employment generation:** SSI Sector in India creates largest employment opportunities for the Indian populace, next only to Agriculture. It has been estimated that a lakh rupees of investment in fixed assets in the small-scale sector generates employment for four persons. Food products industry has ranked first in generating employment, providing employment to 4.82 lakh persons (13.1%). The next two industry groups were Non-metallic mineral products with employment of 4.46 lakh persons (12.2%) and Metal products with 3.73 lakh persons (10.2%). In Chemicals & chemical products, Machinery parts and except Electrical parts, Wood products, Basic Metal Industries, Paper products & printing, Hosiery & garments, Repair services and Rubber & plastic products, the contribution is ranged from 9% to 5%, the total contribution by these eight industry groups being 49%. In all, the other industries contribution was less than 5%.
Per unit employment: Per unit employment was the highest (20) in units engaged in beverages, tobacco & tobacco products mainly due to high employment potential of this industry particularly in Maharashtra, Andhra Pradesh, Rajasthan, Assam and Tamil Nadu. Next came cotton textile products (17), Non-metallic mineral products (14.1), basic metal industries (13.6) and electrical machinery and parts (11.2). The lowest figure of 2.4 was in repair services line in which per unit employment was the highest (10) in metropolitan areas and the lowest (5) in rural areas. However, in chemicals & chemical products, Non-metallic mineral products and basic metal industries per unit employment was higher in rural areas as compared to metropolitan areas/urban areas.

In urban areas the highest employment per unit was in Beverages, tobacco products (31 persons) followed by Cotton textile products (18), Basic metal industries (13) and Non-metallic mineral products (12). In rural India, Non-metallic products contributed 22.7% to employment generated in rural areas. Food Products accounted for 21.1%, Wood Products and Chemicals and chemical products shared between them 17.5%.

In urban India, Food Products and Metal Products almost equally shared 22.8% of employment. Machinery and parts except electrical, Non-metallic mineral products, and Chemicals & chemical products between them accounted for 26.2% of employment. In metropolitan areas the leading industries were metal products, machinery and parts except electrical and paper products & printing (total share being 33.6%).
Production: The small-scale industries sector plays a vital role in the growth of the country. It contributes 40% of the gross manufacture to the Indian economy.

It has been estimated that a lakh rupees of investment in fixed assets in the small scale sector produces 4.62 lakhs worth of goods or services with an approximate value addition of ten percentage points. The small-scale sector has grown rapidly over the years. The growth rates during the various plan periods have been very impressive. The number of small-scale units has increased from an estimated 8.74 lakh units in the year 1980-81 to an estimated 31.21 lakhs in the year 1999. From the year 1990-91 this sector has exhibited a comparatively lower growth trend (though positive), which continued during the next two years. However, this has to be viewed in the background of the general recession in the economy. The transition period of the process of economic reforms was also affected for some period by adverse factors such as foreign exchange constraints, credit squeeze, demand recession, high interest rates, shortage of raw materials etc.

When the performance of this sector is viewed against the growth in the manufacturing and the industry sector as a whole, it instills confidence in the resilience of the small-scale sector. The estimates of growth for the year 1995-96 have shown an upswing. The growth of SSI sector has surpassed overall industrial growth from 1991 onwards. The positive trend is likely to strengthen in the coming years. This trend augurs a bright future for the small-scale industry.
Exports: It would be sad if we do not appreciate the contribution of SSI towards the exports of the nation. SSI Sector plays a major role in India's present export performance. SSI Sector is contributing 45%-50% of the Indian Exports. Direct exports from the SSI Sector account for nearly 35% of total exports. The number of small-scale units that undertake direct exports would be more than 5000. Besides direct exports, it is estimated that small-scale industrial units contribute around 15% to exports indirectly. This takes place through merchant exporters, trading houses and export houses. They may also be in the form of export orders from large units or the production of parts and components for use for finished exportable goods. It would surprise many to know that non-traditional products account for more than 95% of the SSI exports. The exports from SSI sector have been clocking excellent growth rates in this decade. It has been mostly fuelled by the performance of garment, leather, and gems and jewelry units from this sector.

The lucrative product groups where the SSI sector dominates in exports are sports goods, readymade garments, woollen garments and knitwear, plastic products, processed food and leather products.

Small industry sector has performed exceedingly well and enabled our country to achieve a wide measure of industrial growth and diversification.

By its less capital intensive and high labor absorption nature, SSI sector has made significant contribution to employment generation and also to rural industrialization. This sector is ideally suited to build on the strengths of our
traditional skills and knowledge, by infusion of technologies, capital and innovative marketing practices.

The opportunities in the small-scale sector are enormous due to the following factors:

- SSI industries are less capital intensive.
- The government offers support and promotional benefits.
- Reservation made for certain exclusive categories of products/service for SSI.
- Funding and financial subsidies are offered.
- Machinery and raw material procurement is easier.
- Government assists in technical and managerial skills.
- Government buys some portion of the production exclusively.

All said and done, the following problems of SSI need to be tackled immediately by Government of India with the help of Private Sector:

- Reasonable Price for the goods/service
- Marketing support
- Integrated Production, Marketing and Export
- Knowledge-based development
- Managing and Coping with Natural Disasters
- Managing WTO Agreements and Provisions
- Creating and Strengthening Enabling Mechanisms and Measures
- Synergizing Institutions, Investments and Infrastructure
Harnessing the Youth Power
Revitalizing the Indian Agricultural Research and Education System
Empowering the Powerless
Establishing a National Farmers Commission.

The significant growth of small-scale industries in India over the last five decades is on account of the high priority accorded to this sector by the Union Government and the Reserve Bank of India. The number of SSI units increased from 8.74 lakh in 1981 to 34.64 lakh in 2002. The SSI units have made significant contributions in terms of output, employment and export earnings. The sector is important because it promotes growth with equity. Its rate of employment creation across the country is among the fastest for any sector.

In 1991, industrial reform was initiated in a big way. Liberalization of the domestic economy made it easy for fresh capacity to come up in the form of large units across Industry segments. Despite substantial increase in the number of players in each industry segment, the Small Scale sector has managed to hold on its own and withstand the onslaught of competition. The post liberalization scenario has witnessed a number of initiatives aimed at easing controls and regulations, supportive measures such as the Delayed Payment Act, schemes for ISO-9000 quality certification, and the Prime Minister's Rozgar Yojana. In certain categories, the SSI units have proved themselves to be extremely adopted at beating large industrial houses, which were enabled to respond promptly to the changing market needs or innovate in time; due to the removal
of quota regiment from all items imported into India w.e.f, 1st April 2001, the small sector is facing much greater competition. Government of India responded to this situation. It announced the comprehensive policies package in August 2000 to strengthen the Small Scale Sector and enhance its competitiveness both domestically and globally. The policy package provides for easier access to credit, availability of collateral free composite loans up to Rs. 2.5 million-capital, subsidy for technology upgradation, and improved infrastructure. The SSI Sector accounts for about 95% of industrial units in the country, 39.52% value added in manufacturing sector, 34.03% of national exports, and 6.81% of GDP. The size of the total SSI sector is estimated to be over one crore (1,05,21,190), about 42.26% of these units are SSIs and the rest are small-scale service business enterprises (SSBEs). The Services Sector emerged as the dominant component in the Total SSI Sector.

Definitions

The definitions of some of the important terms are as follows:

**Small Scale Industrial Undertaking:** From 21st Dec 1999, an industrial undertaking, in which the investment in fixed assets in plant and machinery whether held on ownership terms, on lease, or on hire purchase does not exceed Rs 10 million, can be termed as small-scale industrial undertaking. (Subject to the condition that the unit is not owned, controlled or subsidiary of any other industrial undertaking)
Medium Scale Undertaking: As per the announcement of the Hon. Finance Minister, Government of India in the Parliament on August 10, 2005, for stepping up credit to small and medium enterprises, units with investment in plant and machinery in excess of SSI limit and up to Rs.10 crore may be treated as Medium Enterprises (ME).

Ancillary Industrial Undertaking: An industrial undertaking which is engaged or is proposed to be engaged in the manufacture or production of parts, components, sub-assemblies, tooling or intermediates or the rendering of services. And the undertaking which supplies or renders or proposes to supply or render not less than 50 per cent of its production or services, as the case may be, to one or more other industrial undertakings and, whose investment in fixed assets in plant and machinery whether held on ownership terms or on lease, or on hire-purchase, does not exceed Rs 10 million.

Tiny Enterprise: An enterprise in which investment limit in plant and machinery is Rs 2.5 million irrespective of location of the unit.

From about 80,000 units in the late 1940s to over 3.3 million units today, the sector has been proving its mettle repeatedly. The last decade of 20th century has witnessed its steady growth. The SSI sector in India alone can contribute 7% to India's GDP. The performance of the Indian Small Scale Sector in terms of economic parameters such as number of units, production, and employment is commendable.
**Women Entrepreneurs:** A Small Scale Industrial Unit/ Industry related service or business enterprise, managed by one or more women entrepreneurs in proprietary concerns, or in which she/they individually or jointly have a share capital of not less than 51% as Partners/ Shareholders/ Directors of Private Limited Company/ Members of Cooperative Society.

**Small Scale Service and Business (Industry Related) Enterprises (SSSBEs):** SSSBEs industry related service/business enterprises with investment up to Rs 500,000 in fixed assets, excluding land and building are called Small Scale Service/ Business Enterprises (SSSBEs). This limit has been raised to Rs.1 million w.e.f. September 2000.

**Characteristics of SMEs**

The characteristics of SMEs are as below;

1. **Born out of individual initiatives and skills:** SME startups tend to evolve along a single entrepreneur or a small group of entrepreneurs, in many cases, leveraging on a skill set. There are other SMEs being set up purely as a means of earning livelihood. These include many trading and retail establishments while most countries continue SMEs to manufacture services, others adopt a broader definition and include retailing as well.

2. **Greater Operational Flexibility:** The direct involvement of owner(s), coupled with flat hierarchical structures and less number of people ensure that there is greater operational flexibility. Decision making such as changes in price mix or product mix in response to market conditions is faster.
3. **Low Cost of Production:** SMEs have lower overheads. This translates to lower cost of production, at least up to limited volumes.

4. **High Inclination to Adopt Technology:** Traditionally SMEs have shown a propensity of being able to adopt and internalise the technology being used by them.

5. **High Capacity to Innovate Export:** SMEs skill in innovation, improvisation and reverse engineering are legendary. By being able to meet niche requirements, they are also able to capture export markets where volumes are not huge.

6. **High Employment Orientation:** SMEs are usually the prime drives of jobs, in some cases creating up to 80% jobs. SMEs tend to be labour intensive per se and are able to generate more jobs for every unit of investment, compared to their bigger counterparts.

7. **Utilization of Locally Available Resources:** SMEs provide jobs locally and hence utilize manpower available locally. Since it is available for them to transport materials over long distances, they often improvise with materials, which are available locally.

8. **Reduction of Regional Imbalances:** Unlike large industries where divisibility of operations is more difficult, SMEs enjoy the flexibility of location. Thus, in any country, SMEs can be found spread virtually right across, even through in some specific locations, they are emerged as 'clusters' the units of a similar kind. Nevertheless, the spread of SMEs is a fact, which enhances their attraction from a national or regional policy.
Table - 2.1

Performance of Small Scale Sector

<table>
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<th>Year</th>
<th>No. of units (lakh)</th>
<th>Production (Rs. Crore) (At current prices)</th>
<th>Employment (lakh)</th>
<th>Exports (Rs. Crore)</th>
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<td>1994-95</td>
<td>79.60</td>
<td>1,22,210</td>
<td>191.40</td>
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<td>1995-96</td>
<td>82.84</td>
<td>1,48,290</td>
<td>197.93</td>
<td>36,470</td>
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<tr>
<td>1996-97</td>
<td>86.21</td>
<td>1,68,413</td>
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<td>1997-98</td>
<td>89.71</td>
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<td>1998-99</td>
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<td>2,12,901</td>
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<td>2001-02</td>
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<td>2004-05</td>
<td>118.59</td>
<td>4,18,263</td>
<td>282.99</td>
<td>NA</td>
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Source: Ministry of SSI, 3rd All India Census on SSI, 2004-05.

The Ministry of Small Scale Industries (MOSSI) designs policies, programmes, projects and schemes in consultation with its organizations and various stakeholders, and monitors their implementation with a view to assisting the promotion and growth of micro and small enterprises (MSEs). The Ministry also performs the function of policy advocacy on behalf of the MSEs with other Ministries/Departments of the Central Government, the States and Union Territories. The role of the Ministry of Small Scale Industries is thus to mainly assist the States in their efforts to promote growth and development of the SSI, enhance their competitiveness in an increasingly market-led economy and generating additional employment opportunities. In addition, the Ministry attempts to address issues of
countrywide common concerns of this segment and undertake advocacy on behalf of the SSI for this purpose. The specific schemes/programmes undertaken by the organizations of the Ministry seek to facilitate/provide one or more of the following:

- Adequate credit from financial institutions/banks;
- Funds for technology up-gradation and modernization;
- Integrated infrastructure facilities;
- Modern testing facilities and quality certification laboratories;
- Access to modern management practices and skill upgradation through appropriate training facilities; assistance for better access to domestic and export markets;
- Cluster-wide measures to promote capacity building and empowerment of the units and their collectives, in addition to all or some of the above-mentioned supports.

Implementation of the policies and programmes/projects/schemes for providing various support services to the MSEs is undertaken through its attached office, namely, the Office of Development Commissioner (Small Scale Industries) also known as Small Industries Development Organization (SIDO) and the National Small Industries Corporation (NSIC).
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