

# A Study on Role of Small-Scale Industries in Tirunelveli District

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**Abstract:** “Small Scale Industry” today plays a very important role in developing the Indian Economy. Small-scale industry (SSI) is a term that applies to the small entrepreneurs engaged in manufacture and production on a micro-scale. It may sound small but actually, it plays a crucial part in the overall growth of an economy. The development of this sector came about primarily by the vision of our late Prime Minister, Jawaharlal Nehru, who sought to develop a core industry and to have a supporting sector in the form of small-scale enterprises. This paper attempts to assess the role of Small Scale Industries in the Tirunelveli district. This district is fully dependent upon the agriculture sector and the agriculture sector is depending upon the monsoon conditions but the monsoon condition is failing the growth of the agriculture sector and hence the people depending upon agriculture are creating unemployment and poverty situation. These people migrated from the agricultural sector to the industrial sector for employment opportunities and to increase their income level. Government should encourage the industrial sector for the betterment of the people.

**Keywords:** Small Scale Industries, Problems, industrial sector, and poverty

## I. INTRODUCTION

Many nations, both developed and developing, see in the small industry sector as a useful vehicle for growth; in the former as complementary to large industries: and in the latter as generators of new employment opportunities. For rapid industrialization, existence of both large scale and small-scale industries are necessary. Industrialization has a major role to play in the economic development of underdeveloped countries. The gap in per capita income between the developed and underdeveloped countries is largely reflected in the disparity in the structure of their economies, while in the latter production is confined predominantly to agriculture.

### 1.1 Objectives of the Study

1. The main purpose of the study is to identify the role of SSI in economic development.
2. To study the demographic profile of the respondents.
3. To study the per unit employment generation in the SSI sector.
4. To study the years of experience towards DIC in Tirunelveli District.

## II. REVIEW OF LITERATURE

In same line, other studies have been conducted to evaluate the role of small scale industries. Let us have a look at few of them as a prelude to this research investigation.

- **Ramavat (2013)**, pointed out in her studies that the marketing problems of SSI units are discussed in the above paragraphs running a Small Scale Industries is a challenging task. The task is full of problems. Majority of these problems arise either because of additional mindsets or infrastructural lacunas. The major problem is socio- economic conditions and socio-psychological setups. Various problems faced by the unit owners of Small Scale industries have different weight age of different points of view. Efforts need be made to bring out amiable solutions.
- **Satish (2014)**, in his study, “Problems and Prospects of Indian Small Scale Industries” find that, small scale

industries have been playing an important role in Indian economy in terms of employment generation and growth. If remedial measures are taken in proper time and spirit the small scale sector will be able to utilize huge development potential available in the country and the SSI sector will prove itself as one of the most dynamic and vibrant sector of the economy of the country.

- **Mamta (2015)**, in his study “Globalization and Its Impact on the Performance of Small-Scale Industries in India”, find that, the study indicate that small manufacturers are affected in the globalization era and facing lot of problems to run their businesses. It has been observed that units from all surveyed industries irrespective of age and turnover believed that liberalization has resulted into more competition, increased quality consciousness, difficulty in marketing, dumping of cheaper goods by other countries, reduction in profit margin and high level of customer satisfaction. Units relating to higher turnover group also opined that liberalization have opened new opportunities for them. The main reasons of these problems are lack of infrastructural and operational facilities in comparison with large, medium and foreign companies. Small units are not using latest machinery to manufacturer quality product with latest design as per international standards.

### III. RESEARCH METHODOLOGY

The study is confined to the District Industries Centre of Palayamkottai of Tirunelveli. A random sampling method was used in this study. Questionnaires have been administered to total number of 90 respondents. The collected data is classified and tabulated according to the objectives stated. First, the data was recorded on data sheets and then fed into the Excel Package manually to analyse. In this study we have applied percentage and ranking tools are also used for analyzing data.

### IV. ROLE OF SSI IN ECONOMIC DEVELOPMENT

The small- scale industrial sector has recorded a high growth rate since independence in spite of stiff competition from the large sector and not so encouraging support from the government.

During the last decade alone, the SSI sector has progressed from production of simple consumer goods to the manufacture of many sophisticated and precision products like electronics control systems, micro-wave components, electro-medical equipments, T.V. sets etc.

### V. DEMOGRAPHIC PROFILE OF THE RESPONDENTS

**Table 1:** Age-Wise Classification of Respondents

Age	Number of Respondents	Percentage
Above 20 years	21	23.33
21 to 30 years	26	28.89
31 to 41 years	20	22.22
Above 41 years	23	25.56
Total	90	100

SOURCE: Primary Data

The above table:1 reveals that the majority 26 (28.89%) of the respondents are in the age group of Above 21 to 30 years, 23(25.56 %) respondents are in the age group of above 41years, 21(23.33%) respondents are in the age group of above 20 years, and the remaining 20(22.22%) respondents are in the age group of 31 to 41 years. Hence, it can be concluded that majority of the respondents are in the age group of 21 to 30 years.

**Table 2:** Gender- Wise Classification of Respondents

Gender	Number of Respondents	Percentage
Men	57	63.33
Women	33	36.67
Total	90	100

SOURCE: Primary Data



The table:2 provides information relating to the gender of the small scale entrepreneurs and it is found that 57(63.33%) of them were men entrepreneurs and 33(36.67%) of them were women entrepreneurs. Hence, it can be concluded that majority of the respondents are men entrepreneurs.

Table 3: Classification Based on Educational Qualification

Educational Qualification	Number of Respondents	Percentage
Illiterate	9	10.00
12 <sup>th</sup> std	15	16.67
Diploma	16	17.78
Under graduate	24	26.67
Post graduate	26	28.88
Total	90	100

SOURCE: Primary Data

The table:3 reveals the educational qualification of the respondents. It has been clear that out of 90 respondents, majority 26(28.88%) respondents are Post graduate, 24(26.67%) respondents are Under Graduate, 16(17.78%) respondents are Diploma, 15(16.67%) of the respondents are 12<sup>th</sup> std, and the remains 9(10.00%) respondents are completed their illiterate person. Information resources availed in District Industries Centre

Table 4: Various Industries of small scale analyzed from DIC employees

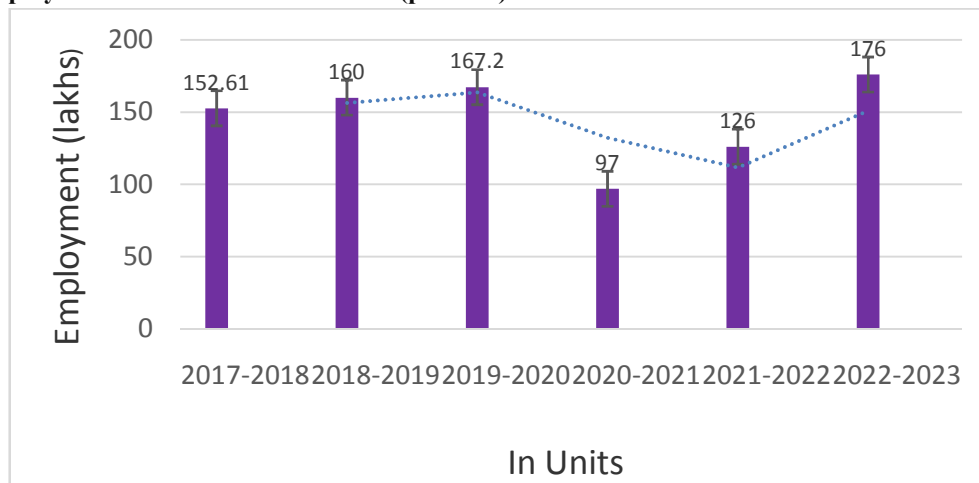
Resources	No. of Respondents (90)	Percentage (%)
Leather Belt	37	41.11
Agarbatti making	19	21.11
Clay pots	15	16.67
Toy making	7	7.78
Chocolate making	5	5.56
Honey processing	4	4.44
Chalk making	3	3.33

Sources: - Primary data

Table No.4 shows the information resources on various small scale industries. The most resources analyzed of the small scale industries are Leather Belt (41.11%), Agarbatti making (21.11%), Clay pots (16.67%) while toy making and chocolate making by 7.78% and 5.56% respectively. Around 4.44 - 3.33% are of honey processing and chalk making.

5.1 Employment Generation

Graph 1: Employment in small scale industries (per unit)



Sources: Computer Generated Data



Further, the encouragement to small scale and cottage sector would, no doubt, serve to counter the seasonal unemployment of the agricultural labour force and thus utilize it which otherwise would go waste. SSI sector in India creates largest employment opportunities for the Indian populace, next only to agriculture. It has been estimated that a lakh rupee of investment in fixed assets in the SSI generates employment for four persons.

Graph No: 1 reveals that Small-scale industries are labour intensive. Total employment generated by these small-scale industries has increased to 152.61-167.2 (before pandemic period (corona) during 2020-2021, 2021-2022 has decreased the employment to 97 and 126 and after, the employment increased to 176 in units.

**Table 5:** Years of experience in the business activity

Period	Number of Respondents	Percentage
Less than one year	9	10.01
1 to 2 years	14	15.55
3 to 5 years	16	17.77
5 to 10 years	24	26.66
Above 10 years	27	30.01
Total	90	100

*SOURCE: Primary Data*

The table:5 provides information that 27(30.01%) of the entrepreneurs carry on the business for more than 10 years, 24(26.66%) of the entrepreneurs carry on between 5 to 10 years, 16(17.77%) of them carry on between 3 to 5 years, 14(15.55%) carry on from 1 to 2 years and the remaining 9(10.01%) do this for less than a year. Majority of the entrepreneurs carry on the business for more than ten years.

**VI. CONCLUSION**

Small scale industries is developing industries in rural areas, so that we can develop the rural areas by giving opportunities to unemployed persons. Government should also help the small scale industries by giving marketing assistance and also help in technology upgradation. Loans should also be given by various banks at concessional rate of interest. This all is done for the balanced regional development.

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