



## A Study on Socio – Economic Conditions of Small Scale Industries in Thanjavur District

### KEYWORDS

Entrepreneurship, Small Scale Industry, India, Economic Power, and Chi-Squire Test.

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**ABSTRACT** *The Small Scale Industries in India has today become a growth engine for the economy, contributing substantially to increase in the GDP, employment and exports. The main objectives of this paper is to study the problems of SSIs in the era of global economy an attempt is also made to identify the factors affecting SSIs. In a developing country like India, Small Scale Entrepreneurship plays a significant role in economic development of the country. These industries, by and large represent a stage in economic transition from traditional to modern technology after globalization. The variation in transitional nature of this process is reflected in the diversity of these industries. The primary data have been compiled from the different sources and analytical methods have been employed for analysis.*

### Introduction

Small scale industries constitute the key link in the process of socio-economic transformation of underdeveloped social structures. It is, no doubt, true that in the case of dominantly rural countries, process of transformation either germinating within the rural segment or bringing the later within its orbit of influence will play a crucial role and should, therefore, occupy an important position in their development strategy. It is, however, equally true that rural and urban processes are inseparably interwoven in the socioeconomic fabric. Rural development cannot be operationalised outside the total developmental process straddling the rural-urban continuum. It constitutes a large component of the system is interdependence of vertical shifts of the workforce from the primary to the secondary sector which articulate the total development process. Its contribution to the Industrial development is quite unique.

The Government of India, Union Territories and state governments through different agencies and institutions sponsored by them are pursuing a policy of protecting and promoting small industry. These programmers have become more numerous, varied and detailed which relates to information, consultancy, entrepreneurship, development, training, modernization, technology support, industrial estate, raw materials, marketing, finance, reservation, ancillary development etc.

In a developing country like India, small scale units have played a significant role in economic development. Besides economic role, small enterprise with their unique economic and organizational characteristics played social and political role in term of creation of local employment. This project focuses on major socio-economic conditions of small scale industries workers in Thanjavur district.

### The small scale sector in India

India has traditionally always had a very vibrant and competitive small scale sector. Even after the dawn of industrialization, British producers of textiles found handmade Indian textiles such a threat that they lobbied hard to have its import banned, succeeding in the late eighteenth century. After independence, Indian planners and policy-makers felt that protection was essential to the development of a strong, indigenous economy. The Indian state played an integral role in the industrial and economic development of the country resulting in a dominant public sector and heavily regulated private sector. Public policy, immediately post independence, ensured this through the reservation of certain indus-

tries for the public sector and also controlling and regulating the private sector, so as to channel investment into desired areas. India also followed a policy of 'import substitution.' This was followed by putting strong emphasis on indigenous production, and discouraging imports through import licensing, stiff quantitative restrictions and high tariff rates.

Thus the first four decades after independence saw the development of a highly protected economy. Owing to the feeling that the small scale sector was an important tool in employment generation, value creation and poverty alleviation, small scale units were given further protection. Small scale units were given the reservation of over 800 products' exclusive production in the small-scale sector, reservation of some of the products produced in the sector for purchase preference by government agencies, supply of scarce materials, input price concessions like lower interest rates and numerous fiscal measures such as excise duty exemptions and other tax concessions. The role of the state in the development of the small scale sector has not always been greatly beneficial to the sector.

The government has also been very muddled in its definitions of the word 'small-scale itself. In 1997 the definition stood at a unit with investment in plant and machinery of Rs.60 lakhs or less. This was raised to Rs. 3 crore, so as to encourage small units to expand and grow and upgrade their technology. In 2000 however the government lowered the limit to Rs. 1 crore, ostensibly because dilution of the small industry category as a result of setting the investment ceiling too high works against the genuinely small units which really need the government's support. In 2006 a new bill was passed, 'The Micro, Small and Medium Enterprises Development Act,' which defines the enterprises as the following, "a small enterprise, where the investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees." The act also envisages the setting up of a National Board for Micro, Small and Medium Enterprises which is supposed to "examine the factors affecting the promotion and development of these enterprises and review the policies and programmer of the Central Government in regard to the facilitating the promotion and development and enhancing the competitiveness of such enterprises." This Board is also to make recommendations to the government on the matter of the development of such enterprises and how to overcome their problems. Post 1990 has seen a gradual opening up of the sector due to the policy of liberalization with some of the products being de-reserved and increasing competition from within India and abroad as well. However a large

number of the products remain reserved, making this a sector which is still highly regulated.

### Objectives of study

- To evaluate the social structure of Small-Scale industrial Workers.
- To analyze the socio-economic conditions of Small-Scale industrial Workers in the Study Area.
- To understand the problems faced by the Small-Scale industrial workers.

### Statement of the problem

Small scale industries are playing a vital role in the economic development of the country, but the problems in performing the financial functions and employment are the major hurdles in their development. The Government policy focused on the need of promoting SSIs through integrated industrial development between large and small sectors. The SSI sector today faces certain peculiar problems which are innate to it viz. lack of access to credit, marketing problems, complying with cumbersome procedures, harassment by inspecting Governmental functionaries, technological obsolescence, rigid labour laws impeding operational flexibility etc. One of the major hurdles faced by small scale industry is labour management. This study made an attempt to retrieve Socio and Economic status of Small Scale Industries workers.

### Review of literature and Methodology

This chapter explains the other survey and project which enclose with this are of small scale industries. Research Methodology is a way to find out the result of a given problem on a specific matter or problem that is also referred as research criteria. In Methodology, researcher uses different criteria for solving/searching the given research problem. Different sources use different type of methods for solving the problem. If we think about the word "Methodology", it is the way of searching or solving the research problem. These areas express methodology of the research.

The analysis is conducted by Manjit Das, Bhabananda Bayan and Birnchi Choudhury "Socio-Economic Aspects of Bell Metal Industry Workers of Sarukhetri Block of Barpeta District, Assam"(2011). It is evident from the above discussion that bell metal industries of Sarthebari block, Barpeta district have been sufferings from various problems related to backward and forward linkages. It is no longer lucrative as a sequel for which the educated youth of the region are not interested in carrying out that activity. In future with its gloomy situation it may be continued with the few handful persons who have little traditional knowledge only. The artisans have been sufferings from basic facilities like drinking water and sanitation. As a result, health of the workers including their family members was not in good conditions as they were sufferings from various ailments.

The study has conducted by Jinky Leilanie Lu "Occupational Health and Safety in Small Scale Mining: Focus on Women Workers in the Philippines" (2012). This study highlights women's participation in small scale mining, and their occupational safety and health conditions. Small scale mining is a significant source of income in many developing countries such as the Philippines, Papua New Guinea, Bolivia, Colombia, Indonesia, Mali, and Zimbabwe. In the Philippines, small-scale mining has been the leading occupational group among all mineral industries. However, data show that women face many issues in mining such as double burden of work-home responsibilities, chemical exposure to either cyanide or mercury used in extracting gold, dust from manganese and other minerals, and respiratory and systemic diseases from toxic chemical exposures.

### Methodology

#### Research design

Research design is consider as blueprint for research it deals with source of data, sample size, sampling method and tools

of analysis.

### Source of data

This study includes both primary and secondary data. Primary data refers collected by the investigator himself for the first time and thus they are original in character, they are collected for particular purpose. In this study primary data were collected through a well planned questionnaire. It contains personal and details about Small Scale industrial workers. Socio and economic status was measured by using of 26 questions at different aspect. Secondary data are those, which have already been collected by some other persons for their purpose and publish. In this study secondary data were collected from books, journals, websites and it was used to strengthen the project.

### Sample size

The total sample size taken for the study is 130. The industries included under the study are Manufacturing Industries, Ancillary Industries, Service Industries and Feeder Industries. The research collected average of 4 workers in each industry. They were personally contacted to collect the data.

### Sampling method

The determined numbers of samples were collected through judgment sampling technique. Judgment sapling refers the sample selection which is purely based on the judgment of the investigator or the researcher.

### Tools used for analysis of data

The following tools were used to analysis objectives of the study

1. Simple percentage analysis and
2. Chi-Squire Test.

### Chi-square analysis between income of respondents and skill category

This analysis shows the relationship of respondents and skill categories. It verified and analyzed with the help of Chi-square test. The following hypothesis was made to know the relationship between two factors.

**Ho:** There is no relationship between income of respondents and skill category.

**H1:** There is a relationship between income of the respondents and skill category of respondents.

### Table No 1

Chi-square test between incomes of the respondent's skill of respondents

Particulars	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	33.658 <sup>a</sup>	6	.000
Likelihood Ratio	39.952	6	.000
Linear-by-Linear Association	21.508	1	.000
N of Valid Cases	129		

### Source: primary data

Table value of 5% level of significance is 12.592. The table value less than the calculated values (33.658). Table valued less than the calculated valued therefore Ho is rejected. Hence there is relationship between Education Level of workers and Skill category therefore alternative hypothesis is accepted. This relationship also has shown the following diagram.

### Chi-square analysis between educational level and skill of respondents

To make analysis on relationship between educational qualification and skill the researcher used chi-square test. The results are given in the following table.

**Ho:** There is no significance between Education Level and Skill category of the workers.

**H1:** There is Significance between Education Level and Skill category of employees.

**Table No 2**  
**Chi-square test between income educational qualification and skill**

Particulars	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	42.610 <sup>a</sup>	8	.000
Likelihood Ratio	47.768	8	.000
Linear-by-Linear Association	5.145	1	.023
Source: primary data			

The table value at the 5% level of significance is 15.507 and calculated value is 42.610. Table value is less than the calculated value therefore Ho is rejected. Hence alternative hypothesis is accepted there is relationship between Education Level of workers and Skill categories. The following figure indicates the same.

**Chi-square test analysis between income of the respondents and ownership of the respondents**

The chi-square test analysis between income of the respondents and ownership of the respondents help to analysis the economic status and socio status of the respondents.

**Ho:** There is no relationship between income of respondents and type of ownership of houses.

**H1:** there is relationship between income of respondents and type of ownership of houses.

**Table No 3**  
**Chi-Square Tests analysis between income of respondents and ownership of houses**

particular	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.170 <sup>a</sup>	3	.000
Likelihood Ratio	34.544	3	.000
Linear-by-Linear Association	27.603	1	.000
N of Valid Cases	130		
Source: primary data			

The table value of chi-square test at 5% level of significance is 7.815. Calculated valued less is than the table value, so the Ho is rejected. There is a significance relationship between income of the respondents and ownership of houses.

**Conclusion**

The small-scale industries have been playing an important role in the growth process of Indian economy since independence in spite of stiff competition from the large sector and not very encouraging support from the government. The success of a small enterprise revolves around the entrepreneur and its employees, provided the employees are skilled and efficient. Study area from the study the researcher aims to find the Socio-economic status and problems of small scale workers. The major Socio-economic problems workers include inadequate wages and lack of basic facilities. Some other problems are like communication gap between employee and employer. Due to all these problems the development of small-scale industries could not reach a prestigious stage.

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