

PROBLEMS AND PROSPECTS OF SMALL SCALE INDUSTRIES IN RURAL AREA OF SALEM DISTRICT

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ABSTRACT

In India the small-scale industrial zone has been a key contributor to the Gross Domestic Product. This conventional sector in India is measured to have a massive increase panorama with its huge range of products. Small scale industries where in the funding in constant property in plant and machinery is more than ` 25 Lakhs but does not exceed ` 5crores.The small-scale sector produces an extensive range of products, ranging from simple consumer products to classy end-products. The small-scale sector has become a major supplier of mass consumption goods like leather articles, plastics and rubber goods, paper products, fabrics and garments, cosmetic items, utensils, metal components, detergents and soaps, sports goods processed food and vegetables products, steel and wooden furniture etc.

Key words: Small Scale Industries, Rural area, Industrial sector.

INTRODUCTION

OVERVIEW OF SMALL SCALE INDUSTRIES

In India the small-scale commercial area has been a key contributor to the Gross Domestic Product. This traditional quarter in India is measured to have a huge boom landscape with its wide variety of merchandise. With 40% contribution in general business output and 35% contribution toward exports, the small-scale business sector in India is appearing as the engine of growth.

SMALL-SCALE INDUSTRY: A CONCEPT

The definition of small-scale enterprise has been changed oftentimes. First, it deleted the employment thing from the point of view of promoting the professional programmed under successive plan periods. Secondly, it jumbled

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the constant capital by means of redefining it to include machinery only in a phased way. This alternate has necessitated the need to off-set the higher fee of equipment springing up out of the rising charges and to a greater quantity the possibilities to small-scale organizations.

Small scale industries wherein the investment in fixed property in plant and machinery is greater than `25 Lakhs however does no longer exceed ` 5crores. In the case of establishments engaged in supplying or rendering Services wherein the funding in constant assets in plant and machinery is extra than ` 10 Lakhs but does now not exceed `2crores.

The conventional small-scale industries certainly differ from their present day opposite numbers in many aspects. The traditional units are exceedingly labour eating with their age-antique machineries and traditional strategies of production resulting in bad productivity charge where as the current small-scale units are an awful lot extra effective with reduced manpower and greater state-of-the-art equipments.

The small scale zone produces an extensive range of merchandise, starting from easy patron merchandise to stylish give up-merchandise. As subsidiaries, they produce a large sort of products required by the big scale industries. The small scale zone has become a major provider of mass consumption goods like leather articles, plastics and rubber goods, paper merchandise, fabrics and garments, beauty items, utensils, metallic components, detergents and soaps, sports activities items processed meals and greens merchandise, metal and wood furnishings and so forth. More classy gadgets synthetic by way of the small scale zone now consist of television sets, digital desk calculators, auto elements, capsules and pharmaceuticals, microwave elements, air conditioning products, electric products and so forth.

IMPORTANCE, NEED AND PLACE OF SSI

The importance and need of SSIs is all of the greater tremendous in a growing financial system like India, wherein almost 3 fourth of the population is relying upon agriculture that's a seasonal one and effects in big-scale unemployment. The excellent way of coping with this is to provide the cultivators with paintings thru the improvement of SSIs, so that seasonal unemployment and underemployment may be eliminated or at least minimized. Along with this, small size of the farms continues the villagers who own lands idle for about half of the year. SSIs well organized and developed will offer profitable employment for the agriculturists for the duration of intervals in their enforced idleness and additionally make a important contribution in keeping their standard of dwelling. The advertising of small-scale industries has been extensively recommended as one of the

most appropriate means of developing enterprise in over populated backward nations. Japan is usually held up as the fantastic example of what may be accomplished on this manner.

SCOPE OF THE STUDY

The Small Scale Industrial sectors have recorded noteworthy growth and super performance. This examine makes a specialty of identifying and evaluating the factors accountable for survival of the SSI, Providing required sources for his or her business, assisting the Government in formulating rules for Small-Scale Industries and reviving the unwell gadgets and facilitating them to carry out higher.

The vicinity for this Research in Salem, Tamil Nadu. It is considered as one of the industrially forward states inside the country. The increase of SSIs in Salem is high as compared to other District. Nature has blessed Salem with modest assets of mineral wealth and woodland wealth. These had been ingeniously exploited for a long time to bring about economic prosperity. For centuries the region has been widely known for its exchange with its neighboring areas and in export and import, well-supported via its Small Scale Industries.

Role of Small Industries in rural area Salem district

Maximum gadgets inside the District have been set up in Cotton textiles class accompanied via Engineering. Cotton Textiles devices have additionally taken the most share of Investment. Maximum employed sector in Micro and small were Agro based industries After Cotton Textile class. Readymade Garments and Granite are important exported objects. Other exported gadgets include Fabrics, Engineering merchandise, Sago and Coir. Presence of textile Manufacturing gadgets is foremost gain for the boom of Readymade Garments. Making of Silver adorns and artifacts by means of hand paintings is an critical cottage industry in Salem. Silver anklets made in Salem are popular at some stage in the united states of America Making of Silver Ornaments and artifacts by hand work are an essential cottage enterprise in Salem. Silver anklets made in Salem are popular all through the use of a. Nearly 10,000 devices are functioning in the Silver anklet-manufacturing hub of Salem in Tamil Nadu, employing 2 lakh human beings. Nearly 2,000Kg of silver articles is synthetic consistent with day within the Salem District. The Salem belt debts for over 60% of silver anklets produced inside the United States and the products are furnished to shops countrywide. Besides, it is also exported to Singapore and America. Some of the devices also manufacture toe earrings and lamps. Salem is one of the major textile processing hubs of Tamilnadu. In Salem District huge range of strength looms and Auto looms are functioning in Salem, Edapady and Mettur Taluks. Also handlooms are functioning in high numbers at Omalur, Edapady and Salem Taluks.

Rural industries

Rural and Traditional Sector industries largely from the unregistered SSIs and unorganized zone make contributions approximately 15 % of the entire output of Small Scale Industries but approximately forty% of the work force is hired in rural industrial zone. These industries are based on traditional abilities and are primarily based on simple production procedures which are finished with the aid of utilizing hand equipment frequently and in some cases through employing easy machines. This additionally makes clear how large employment is generated in these gadgets.

OBJECTIVES OF THE STUDY

1. To study the theoretical framework of Small Scale industries in general and in particular with reference to Salem District.
2. To identify the prosperity and the common problems faced by the Small-Scale Industry in Salem District
3. To assess the contribution of small scale industries in vital areas, namely, gross domestic product, Employment generation and Regional Development in the development profile of Indian economy.
4. To identify the problems of Indian small-scale industries and examine the management strategies.

RESEARCH METHODOLOGY

Sampling and Sampling Design

In this study, small scale industries in Salem district are selected. In order to pursue the present study, the researcher has undertaken a study with a view to find out the suitability of information furnished in the questionnaire to the proprietor or 50 Respondents of the small-scale industry. The study is undertaken with reference to 50 sample respondents in study area, which are 10 respondents in each type of industry. To conducting a survey on problems and prospects of SSI units in Salem, probability sampling methods have been used. Stratified random sampling techniques have been adopted in this survey.

DATA ANALYSIS AND INTERPRETATION

Table No: 1. Self-Employment Influenced to Start the SSI

S.NO	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1.	Most influence	12	24
2.	More Influence	09	18
3.	Moderate Influence	12	24
4.	Less Influence	09	18
5.	No Influence	08	16
	Total	50	100

INTERPRETATION

From above table it is clear that 24% of the respondents are highly influenced by self-employment, 18% of the respondents are more influenced by self-employment, 24% of the respondents are moderately influenced by self-employment, 18% of the respondents are less influenced by self-employment, 16% of the respondents are not influenced by self-employment.

Chart No: 1. Self-Employment Influenced to Start the SSI

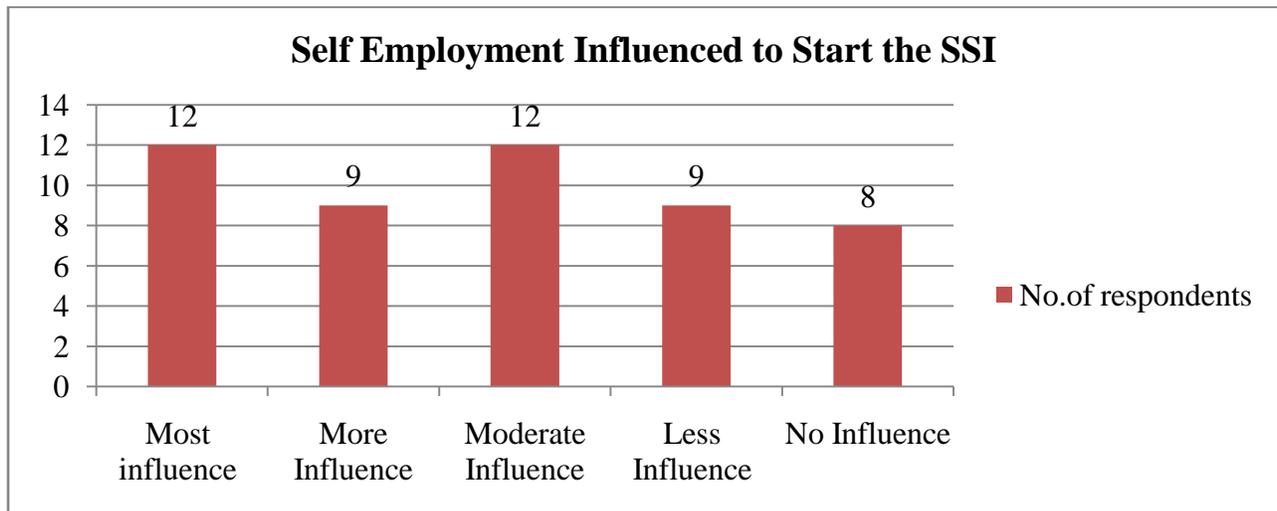


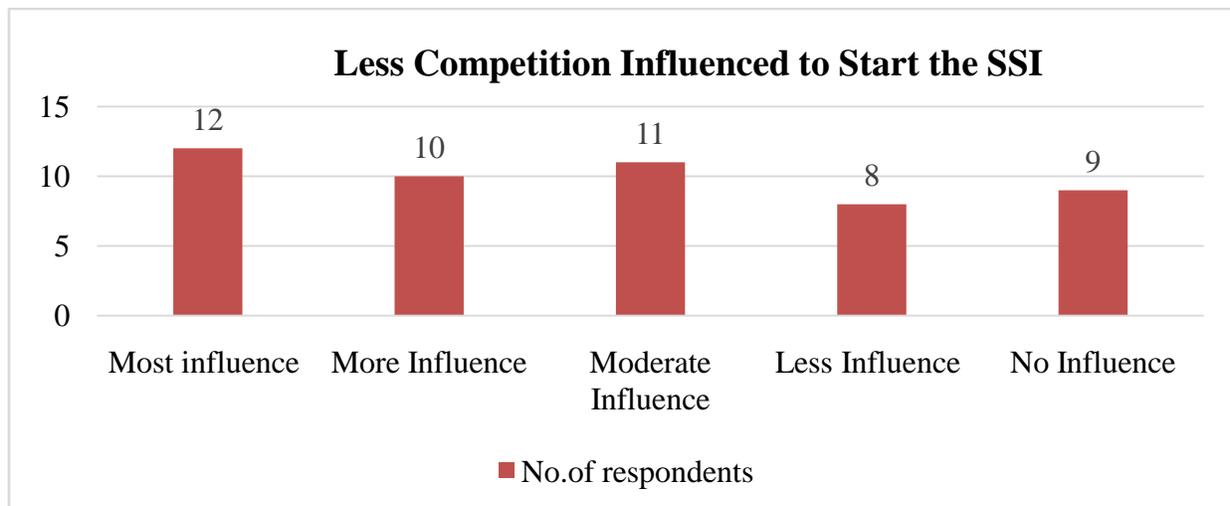
Table No. 2 Less Competition Influenced to Start the SSI

S.NO	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1.	Most influence	12	24
2.	More Influence	10	20
3.	Moderate Influence	11	22
4.	Less Influence	08	16
5.	No Influence	09	18
	Total	50	100

INTERPRETATION

From above table it is clear that 24% of the respondents are highly influenced by Less Competition, 20% of the respondents are more influenced by Less Competition, 22% of the respondents are moderately influenced by Less Competition, 16% of the respondents are less influenced by Less Competition, 18% of the respondents are not influenced by Less Competition.

Chart No: 2 Less Competition Influenced to Start the SSI



CONCLUSION

Small scale establishments are vital to the advertising of sustainable monetary boom and unemployment discount inside the county. But for the sector to carry out such functions, those identifiable unfavorable business

environments should be addressed. These are economic limitations, labour issues, advertising issues, infrastructural problems, and lack of awareness about assist to be had for small scale industries.

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