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## Role of SSI's in economic development: A study of Kalaburagi district of Karnataka state

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### Abstract

The rapid progress in the Industrialisation process in recent decades, including the establishment and encouragement of SSI units all over the country has created an abnormal increase in the class. Increase in the population pressure on agricultural land and migration of land less labourers to Industrial centers have increased the size of Industrial labour. It was always complained that SSI units contained that kind of Industrial labour which was unable to find permanent job in any large units due to low skill, high rate of migration, absenteeism, high labour turn over, wide spread illiteracy, poverty and rural attachment. An alert and active labour is needed in these units. Labour working in SSI units has not yet crossed the transitional stage. The various rules and regulations are not properly implemented by the employers in these units and Social security measures have failed to rescue this labour from the clutches of the employees in this regard the present paper evaluates the SSI laborers' and suggests to policy makers to overcome from problems.

**Keywords:** Industrialisation, SSI, labour and skill etc.

### Introduction

The study of Socio Economic conditions if Industrial labour needs special attention. Countries like India seem to be possessing misfit industrial labour even today. The rapid progress in the Industrialisation process in recent decades, including the establishment and encouragement of SSI units all over the country has created an abnormal increase in the class. Increase in the population pressure on agricultural land and migration of land less labourers to Industrial centres have increased the size of Industrial labour. Such a rise of the Industrial labour of the class directly affects the industrial activities and the development of the country. The rate of growth always depends upon the progress of the economy of a country. The rate of growth always depends upon the progress of labours without any problem.

### Concepts

In India the official delimitation of SSI units including manufacturing units (under the factory Act 1948 under section 3(c) and revised Industrial development and Regulation Act of 1956 & latest latest definitions) denotes "the investment limits to 60 lakhs for SSI units and Rupees 75 lakhs for ancillary nits and in respect of tiny units to Rs. 5 lakhs with respect to location and employing less than fifty persons with power & more without power. Economic survey of 1996 conveys that investment limits rose to crores for SSI and ancillary units & Rs.25 lakhs for tiny units.

### Concepts of labour

The term labour in economics refers to manual or mental work many economists have tried to provide the most meaningful definition. A committee of economic development put forth a definition of labour in 1947. It says that labour may be defined as a factor of production which rears to "a willing person's service directly selling to the employer either manual or mental work which is performed for wages and salaries depends upon the marginal productivity of their service with time criterion."

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### The role of SSI units

At present SSI are playing a significant role in the industrial structure of the country. The rise and growth of the modern SSI have helped to create new jobs at minimum cost. It has reduced unemployment in the most of the developing countries including India. On the other hand, it has assisted in the dispersal of Industrial activities all over the region, to correct regional imbalances. SSI units also fulfill the diverse needs of customers with quick production.

The govt. of India passed the Industrial policy Resolutions in 1948. It aims at protecting the labours from clutches of the employers. It emphasized the utilization of local resources for the achievement of self-sufficiency. The constitution of India adopted directive principles for the healthy expansion of SSI units in 1950. The Industrial policy Resolution of 1956 laid stress on the importance of cottage & small industries. Its main aim was to solve the unemployment problem.

Many enquiry committees have been appointed by the Govt. of India to investigate the problems of the labours in SSI units after independence. Among these the mahalnobi committee report and the Karve committee Report are important. Both the committees appointed during the second five year plan period 1956-61 reported that there was special of the labours working in SSI units. In addition to this the Karve committee recommended special measures to external training facilities and educational facilities to these labours.

### Objectives of the paper

The following are the specific objectives of the study:

1. To know the status of SSI in India and Karnataka.
2. To evaluate the working and the welfare conditions of the labourers in SSI units.
3. To suggest policy measures on the basis of the empirical analysis of the study.

### Hypotheses

Keeping these objections in view, the following hypothesis may be formulated and tested.

1. There is a significant association between the category of the respondents and skilled and unskilled labourers in the study.
2. There is a significant association between the respondents' and employment status.

### Methodology

Presently study is case study of SSI Units in Kalaburagi District which is considered as backward district. An attempt is made to investigate labour problems in SSI units under selected industrial groups in order to find our current problems regarding these labours. We are collecting information on the primary data and adopting random sampling method as it is helpful to obtain accurate results.

The Indian economy has seen a tremendous growth in the recent past. The small scale industries are known as the backbone of the industrial growth and development. The role of government and the ideal planners have been the main area of concern somehow. The development of this sector has promoted production, generated employment and

has helped in generating a major share of exports in the economy. This paper analysis the impact of SSI on the growth and development of the economy as a whole.

**Table 1:** Distribution of respondents' on the basis of age group

Sl. No.	Particulars	Frequency	Percentage
1	Below 20	6	2.40
2	21 - 30	54	21.60
3	31 - 40	155	62.00
4	41 - 50	35	14.00
5	Total	250	100.0

Source: Field survey 2020

Table no.1 provides that distributions of respondents on the basis of age group among the respondents more than 62 percent are 31-40 i.e.155 and 2.60 percent of the parsons are age of 21-30 i.e. 54.remaining respondents are having age group below 20 and 41-50 i.e. 2.40 percent and 14 percent of the respondents. Finally it gives the information to more than 62 percent of the respondents are more involved in the particular jobs.

**Table 2:** Distribution of respondents on the basis of gender

Sl. No.	Gender	Frequency	Percentage
1	Male	139	55.6
2	Female	111	44.4
3	Total	250	100.0

Source: Field survey 2020

Table no. 2 shows that distributions of respondent on the basis of gender group. The male respondents are 55.60 percent higher i.e.139 compare to the female respondent's group 44.40 percent i.e.111. Finally it indicates the male age group very much interested to do the job in small scale industries in the study period.

**Table 3:** Distribution of respondents' according to educational qualification

Sl. No.	Particulars	Frequency	Percentage
1	Illiterate	18	7.2
2	Primary	11	4.4
3	Secondary	62	24.8
4	PUC	70	28.0
5	Technical course	41	16.4
6	Graduation	24	9.6
7	Post-graduation	12	4.8
8	others	12	4.8
9	Total	250	100.0

Source: Field survey 2020

Table no.3 describes that distribution of respondents on the basis of educational qualification there are six different qualifications out of them many of the respondents are PUC holders 70 i.e. 28.00 percent and 62 are secondary education, technical course holders are 41 i.e.16.40 percent and 24 respondents are graduation. Remaining are Illiterates, post-graduation and others are which accounts 18, 12 and 12 i.e. 7.2, 4.8 and 4.8 percent. It exposed only PUC holders are the more labourers in the industries.

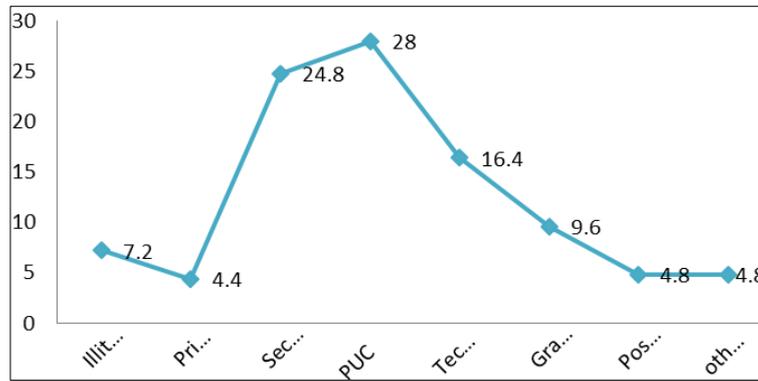


Fig 1: Distribution of respondents' according to educational qualification

Table 4: Distribution of respondents' opinion skill of work

Sl. No.	Particulars	Frequency	Percentage
1	Skilled	185	74.00
2	Unskilled	65	26.00
3	Total	250	100.00

Source: Field survey 2020

Table no. 4 explores that distribution of respondents opinion of the skill of work requirement for working in the small scale industries out of the total 250 respondents 185 respondents are skilled i.e.74 percent and 65 respondents are unskilled labourers' i.e.26 percent. After having this much information researcher is founded more than 70 percent of the respondents are skilled persons are working in the industries in study are area.

Table 5: Distribution of respondents' according to designation

Sl. No.	Particulars	Frequency	Percentage
1	Officer	6	2.4
2	Worker	160	64.0
3	Helper	54	21.6
4	Other	30	12.0
5	Total	250	100.0

Source: Field survey 2020

Table no.5 Distribution of respondents' according to designation of the labourers in the small scale industries are 160 respondents are worker designation labourers i.e.64.00 percent and Helper designation labourers are 54 i.e.21.60 percent. Other type designation labourers have 30 i.e.12.00 percent and only few persons are working as a Officer in a small scale industries i.e.4.8 percent. Finally it is found the Maximum labourers are working a worker designation in these industries.

Table 6: Distribution of respondents' on the basis of wage/salary

Sl. No.	Particulars	Frequency	Percentage
1	Daily	35	54.4
2	Weekly	60	26.4
3	Monthly	100	80.8
4	Annually	55	19.2
5	Total	250	100.0

Source: Field survey 2020

Table no.6 Distribution of respondents' according to wage/salary of the labourers in the small scale industries are 100 respondents are monthly wage /salary labourers i.e.40.00 percent and Weekly labourers are 60 i.e.24.00 percent. Annually type of wage/salary holders are have 55 i.e.22.00 percent and only few labourers are Daily labour

available i.e.14.00 percent. Finally it is found the Maximum labourers are working monthly payment system in the small scale industries.

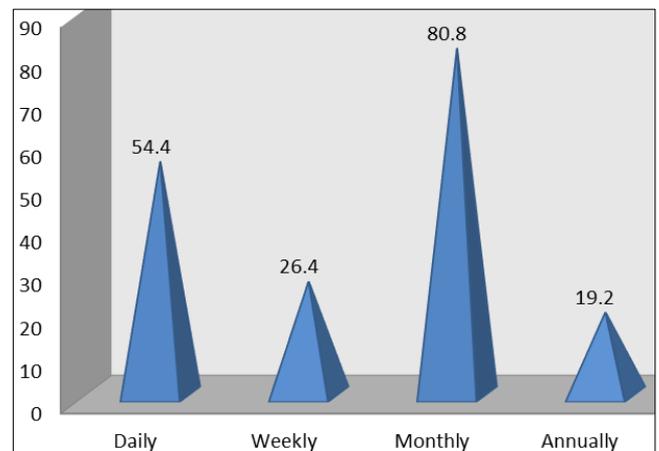


Fig 2: Distribution of respondents' on the basis of wage/salary

Table 7: Distribution of respondents' satisfactory about salary

Sl. No.	Particulars	Frequency	Percentage
1	Satisfactory	202	80.8
2	Non Satisfactory	48	19.2
3	Total	250	100.0

Source: Field survey 2020

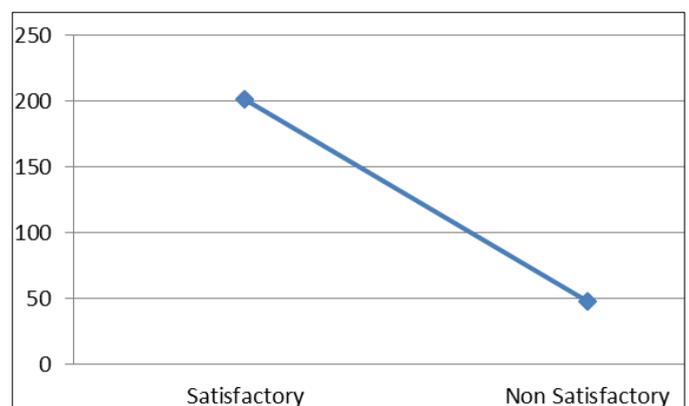


Fig 3: Distribution of respondents' satisfactory about salary

Table 7 revels that distribution of respondents' on the basis of satisfactory about salary among them 202respondents are expressing the satisfactory i.e. 80.80 percent when comparing to the Non Satisfactory are 48 respondents i.e. 19.20 percent. On the basis only few respondents are not satisfactory in the small scale industry maximum are

satisfied but industry should take some initiatives measures to ensuring the all respondent to satisfactory.

**Table 8:** Distribution of respondents' bonus for every year

Sl. No.	Bonus	Frequency	Percentage
1	Yes	196	78.40
2	No	54	21.60
3	Total	250	100.00

Source: Field survey 2020

Table no.8 describes that the distribution of respondent's opinion about the bonus for the every year. it is informed that more than 78 percent of the respondents are having good opinion i.e.196 are the bonus provision getting from the industry and only few 21.60 percent of them are not getting any bonus fringe benefit from the industry. So as per the opinion of the respondents of the industry, researcher is suggested to take necessary action to providing fringe benefit to all the respondents in the particular industries.

**Table 9:** Distribution of respondents' opinion about welfare facility of first aid

Sl. No.	Particulars	Frequency	Percentage
1	Yes	235	94.00
2	No	15	6.00
3	Total	250	100.00

Source: Field survey 2020

Table no 9 It probes that the respondents' about opinion about welfare facility of first aid in the study area. Out of 250 respondents they opinioned positively and say's yes 235 respondents. Whereas remaining 15 Respondents' they are

negatively opinion about welfare facility of first aid i.e, 15 respondents. This accounts 94 percent, 6 percent respectively.

**Table 10:** Significant association test

Sl. No.	Type of hypotheses	Statement of hypotheses	Chi - square test			Result
			Chi value	df	p-value	
1	H <sub>0</sub>	There is no significant association between the category of the respondents and skilled and unskilled labourers in the study area.	13.636,	3	0.0034	Rejected
	H <sub>1</sub>	There is a significant association between the category of the respondents and skilled and unskilled labourers in the study				Accepted
Table 2: Significant association test						
2	H <sub>0</sub>	There is no significant association between the respondents' and employment status	16.858,	9	0.0510	Rejected
	H <sub>1</sub>	There is a significant association between the respondents' and employment status				Accepted

Source: Compiled from field survey

Note: H<sub>0</sub>: Null hypothesis, H<sub>1</sub>: Alternative hypothesis

Table No.1 shows that the significant association between the category of the respondents and skilled and unskilled labourers in the study area. The chi square value 13.636, df 3 at the 5 percent of the significant level. The chi value is more than the table value hence null hypothesis has been rejected and alternative hypothesis accepted. It reveals the significant association between the category of the respondents and skilled and unskilled labourers in the study area.

Table-2 in the above table reveals the chi value 16.858, (df 9) at significance level of 5 percent. The table value is less than chi square value it means the null hypothesis has rejected and alternative has been accepted. It also shows that significant association between the respondents' and employment status

### Conclusion

The small scale sector has a distinct advantage of low investment with a high potential for employment generation. It is also expected to bring about the dispersal of industries in rural and semi-urban areas with the concomitant advantage of equitable distribution of national income. Empirical evidence indicates that small scale industry can be an important vehicle for meeting the growth and equity objections of developing economies. Small scale industries have a unique role to play in the industrial development of

the country. Small scale industries are one of the most cost-effective ways in creating employment spreading industry. It tries to make them more self-sufficient and capable labours can achieve target and can fulfil their own as well as their family needs. The researcher has elaborated this chapter in order to focus on the contribution made by small scale industries in the development of Indian economy as well as in the development of labours.

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