

Impact Of Small Scale Industries In J & K With Special Reference Of District Budgam

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Abstract: This brief survey examines the impact of small scale industries in Jammu and Kashmir's Budgam district. The small scale industries have a vital role in expanding employment opportunities and of rural communities. The industries can employ a greater number of workers and its raw material grows abundantly in Jammu and Kashmir. With relatively little capital, rural communities can develop this business and provide their own employment opportunities. This paper extracts the concern that the success of small scale industries in Budgam cannot be separated from the fact that the artisans have a special expertise in combining local materials with modern designs. The cooperation between local artisans and exporters from foreign countries have succeeded in expanding the marketing of small scale products. Undoubtedly the small scale industrial sector has enormous potential, and is a crucial aspect of an economy. However, for the sector to fully realize its potential in a state like J & K there is need to basic infrastructural, financial, marketing, raw material and other facilities.

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Introduction

Industrialization is a key to economic development of a country. This is true for a developing economy like India where the industrialization produces avenues for absorbing the excess manpower and also ensures availability of mass consumption goods for a vast population. The process of industrialization helps in harnessing and transforming the raw resources into useful consumer products and effective means and tools of production and in the development of infrastructure.

Budgam has presently developed and increased potential in small scale industries. In this region are found 4615 small scale industries that can employ workers amounting to approximately 10000 people. Though small scale industries in Budgam region represent a growing export to international markets. Research finding show that small scale exports increased 5-8 % on average per year in March 2016. And there is an indication that the average price per unit of small scale products in Budgam increase 32% in the last 10 years.

The success of small scale industries in Budgam cannot be separated from the fact that the artisans have a special expertise in combining local materials with modern designs. The cooperation between local artisans and exporters from foreign countries has succeeded in expanding the marketing of small scale products.

Small Scale Industrial sector plays a very important role in both developed and developing countries. Their importance is reflected by the sheer number of establishments, generation of employments,

contributing to the GDP, embarking on innovations, stimulating of other economic activities etc. SSIs which account for about 45 percent of the manufacturing output and form the backbone of industrial development in India now are not export competitive. Boosting the contribution of SSIs in total exports of India is vital to India's future beconomic growth, which can be promoted in the following manner.

Research Methodology

In the research work, researchers have followed the scientific method of study. The study is based on the analysis and interpretation of the data collected. This study involves various steps. First, a conceptual study of the subject was carried out, afterwards a review of literature was undertaken to identify what parameters to consider with respect to Small scale industries in J & K. At the next stage relevant data were collected. At this stage, it is logical to discuss what data are and how these are collected. Data are some relevant facts and figures in raw but in derivable form. The data collection phase is considerably developed in contemporary research. There are two sources of data: Primary data and Secondary data. Lastly a population and sampling procedure was established and methods of data collection and analysis are determined.

Literature Review

To analyze any problem, it is necessary to understand the research work done in the past related to different parameters, their interrelationship,

inferences drawn and the methods used to analyze their relationships etc. The review of research work already done related the problem in hand will provide support to the findings of the present study.

Soundrapandian M. (2002) analyzed that the liberalization in small scale industries has found that the SSI provide an opportunity to achieve a national goal of growth with equity and growth with efficiency. Regional development could be desirable for attaining balanced development and for raising the standard of living and investment habits of rural mas Valasamma Antony (2003) pointed out that the multifarious kind of schemes and programmes are available to assist sick SSI units. But the fact remains that most of these schemes are not working out as per planning and are therefore unable to achieve the objectives. The reason for this rests largely on the fact that the Government and RBI rules and regulations are time consuming and cumbersome thereby giving rise to corruption and delay in sanction.

Karmakar and Banerjee (2004) explained the Agro-based industries have been providing the missing link between the agricultural and industrial sectors. Agro- based industries relate to food processing, vegetable oil production, horticulture products, dairy and livestock products and consumer goods. Conventionally, agro- based industries often considered as enterprises that process agricultural raw materials.

Objectives of the Study

The main objectives of present study are:

1. **To have deeper information of SSI in J & K;**
2. **To study the impact of these SSI units in District Budgam**
3. **To study the registered and unregistered SSI Units in District Budgam**
4. **To improve standard of living of the people.**

Small Scale Industries in J & K

The industrial sector plays a significant role in economic development and employment after services sector. The remarkable achievement made in the growth rate in the couple of years in India is mainly due to services and industrial sector. During severe economic meltdown in America and Western Europe, resulting in withering away of the gigantic financial institutions based in the USA and other European countries, made world to realize the economic and industrial progress of India and its future role in ameliorating the economic depression.

Role of Promotional Agencies

Jammu and Kashmir State Industrial Development Corporation Limited (SIDCO)

Jammu and Kashmir State Industrial Development Corporation Limited (SIDCO) is the nodal agency for promotion and development of medium and large- scale industries in the state. The corporation has been entrusted with various assignments for the development of industries in the state. It is responsible for the development of infrastructural facilities of small, medium and large scale industrial projects, identification of technically feasible and financially sound projects for the state, conducting seminars/ workshops/ industrial exhibitions within and outside the state for the promotion of industries, and assisting quick clearance of the envisaged projects by various regulatory authorities. SIDCO has also been acting as a nodal agency for the Ministry of Food Processing Industries, Government of India and operating as the virtual office of Agricultural and Processed Food Products Export Development Authority (APEDA), Ministry of Commerce, in the state. It has also been assigned the responsibility of providing grant of financial assistance to industrial projects having investment up to Rs. 450 lakh and participation in the equity of selected joint or assisted projects. SIDCO has developed a number of industrial estates in Jammu and Kashmir.

Directorate of Industries and Commerce (DIC)

The Directorate of Industries and Commerce performs various functions to promote industrialization in the state. The directorate is the implementing agency for various policies and programmes meant for the development of industries. It provides incentives (under the package of incentives announced by the government both state and central) and marketing assistance to existing as well as new industrial units in the state, organizes and participates in exhibition and fairs, seminars, workshops and awareness campaigns to promote industrial development in the state. DIC facilitates interface between industrial associations and agencies engaged in industrial development and financial institutions and banks. The directorate has also developed industrial estates with facilities to set up industrial units. Along with promotional functions, DIC maintains statistical information regarding industrial development in the state.

Industrial Infrastructure

Infrastructure development serves as an engine for industrial development and calls for continuous attention of the Government. Planning and development of Industrial Estates/Infrastructure in the

perspective of industrial growth is the major function of the Directorates of Industries and Commerce. The department of Industries and Commerce has 79 existing Industrial estates in the State under the control of Directorates of Industries and Commerce and

SIDCO/SICOP. These Industrial Estates are spread over an area of 37503 Kanals of land at the ending March, 2016. Profile of these Industrial estates is as under in table.

Table 1. Managing agency

Managing agency	No. of Industrial Estates	Area (kanals)	No. of Units Setup
Directorates of industries and commerce	42	2630	1123
J & K SIDCO	20	27228	1380
J & K SICOP	17	7645	1214
Total	79	37503	3717

Source: Directorate of Economics and statistics planning and development department J & K.

Table 2: Existing Status of Industrial Areas in the District Budgam

S. No.	Name of Ind. Area	Land acquired (In kanals)	Land developed (In hectare)	Prevailing Rate Per Sqm (In Rs.)	No of Plots	No of allotted Plots	No of Vacant Plots	No. of Units in Production
1.	Industrial Estate Barzulla	102	05	10000	12	12	-	66
2.	Industrial Estate Rangreth	1159	58	2000	126	126	-	96
3.	Industrial Estate Ompora	1008	50.4	1000	-	-	-	-
	Total	2269	113.4	-	138	138		162

Source: - DIC, Budgam

Table 3: Shows the number of SSI units registered and employment.

Year	No. of units	Incremental change	Growth rate	No. of employment	Incremental change	Growth rate
1973-1974	2203	-	-	8812	-	-
1977-1978	3498	1295	58.78	17252	-	-
1980-1981	4828	1330	140.94	42992	25740	149.20
1985-1986	18520	13692	119.74	84821	41829	97.29
1989-1990	28168	9648	52.09	123472	38651	45.57
1990-1991	29963	1795	6.37	131164	7692	6.23
1991-1992	32250	2287	7.63	141791	10627	8.18
1992-1993	33445	1195	3.71	146143	4352	3.07
1993-1994	34548	1103	3.30	150628	4485	3.07
1994-1995	35592	1044	2.93	154692	4064	2.70
1995-1996	36821	1229	3.45	159617	4925	3.22
1996-1997	38029	1208	3.28	165064	5447	3.38
1997-1998	39436	1407	3.70	171962	6898	4.18
1998-1999	40267	831	2.10	178004	6042	3.51
1999-2000	41950	1683	4.17	183698	5694	3.20
2000-2001	42808	858	2.04	187399	3701	2.01
2001-2002	43689	881	2.05	193285	5886	3.14
2002-2003	44707	1018	2.33	197578	4293	2.56
2003-2004	45672	971	2.17	203428	5850	2.96
2004-2005	46818	1146	2.50	209322	5894	2.89
2005-2006	48224	1404	3.00	219127	9805	4.68
2006-2007	49426	1202	2.49	225963	6836	3.11
2007-2008	50472	1046	2.12	230552	4859	2.03
2008-2009	51443	971	1.92	235918	5366	2.32
2009-2010	52631	1188	2.30	243411	7493	3.00

Source: - Digest of Statistics, Directorate of Economics and Statistics.

In addition to above Industrial Estates, 7833 Kanals of land is being acquired for setting up of ten new Industrial Estates as well as to expand the existing Industrial estates in various districts of the State.

To promote industrialization in the remote and backward areas of the State, the Industries and Commerce Department is developing Industrial Estates in the rural and industrially backward areas which are at various stages of development/implementation.

Handicrafts

Handicraft activities occupy an important position in the economic structure of J & K State. Being environment friendly, these activities are best suited to the state as they are more labor intensive and less capital intensive in nature, therefore having scope for employment generation at a large scale. The Kashmir handicraft products have earned worldwide fame for their attractive designs, functional utility and high quality craftsmanship. In absence of other manufacturing industries in the state, handicrafts remained a key economic activity from time immemorial. The artistic imagination and craftsmanship of the Artisans reflected through a wide range of products, has delighted the connoisseurs world over for centuries. Crafts like Shawls, Crewel, Namdha, Chain Stitch, Wood Carving, Papier Machie, Costume Jewellery, Kani Shawls and the Carpets hold a significant share in the overall production and export of the State. Silken carpets in particular constitute a speciality having no parallel in quality and design at national level and, therefore, occupy an important position in the international market. The handicraft sector of the state has great contribution towards foreign exchange earnings to the state and country in particular.

As on 31.01.2015 there were 2830 handicrafts societies registered with a membership of 15987. The department provides Managerial subsidy on tapering basis @100% first year, 66%, 2nd year; and 33%, 3rd year to the pass out trainees which is paid for formation of cooperative societies. During the year 2014-15, 63 societies have been formed with a membership of 589 by the end of Dec. 2015.

The department also promotes sale of handicraft goods by organizing expos/exhibition/craft bazaars within and outside the state. It also organizes exhibition at international level annually. During the year 2014-15, the department has organized 5 craft bazaars/exhibitions within & outside the state by the end of Dec. 2015.

Another important area of activity is skill development. Around 8500 persons are trained annually through 553 training Centre's in the state.

During 2014-15, 9212 persons were trained in various crafts like sozni, staple, crewel, papier machie, phool kari, Zari, chain stitching etc. About 9500 persons have been enrolled for training during 2014-15 and training is going on in this Centre's.

Conclusion

The small scale industries have a vital role in expanding employment opportunities and increasing the income of rural communities. The industries can employ a greater number of workers and its raw material grows abundantly in Jammu and Kashmir. With relatively little capital, rural communities can develop this business and provide their own employment opportunities.

This research is based on the role of small scale industries of Jammu and Kashmir's Budgam district. This district constitutes the domestic and international tourist destinations that open marketing opportunities. The development of tourism in Jammu and Kashmir with special reference to Budgam has a direct effect on the growth of the small industrial sector.

Budgam has presently developed and increasing potential in small scale industries. In this region are found 4615 small scale industries that can employ workers amounting to approximately 10000 people. Though small scale industries in Budgam region represent a growing export to international markets. Research finding shows that the small scale exports increased 5-8% on average per year in March 2016. There is need to basic infrastructural, financial and marketing, raw material and other facilities. As a special category state with unique features and a strategic location, the speedy industrial development of J & K needs an integrated approach. The top priority of the government should be to create a secure environment by improving the law and order situation in the state. State finance should also receive proper attention in order to ensure better fiscal management. A sound policy should be devised to exploit the potential in the sectors of strength. The development of potential SSIs with sound policy and good governance can lead the state of Jammu and Kashmir to a faster development path.

Thus the study supports the anti-poverty impacts of small business development research findings. Besides, that unemployment rate has a strong counter-cyclical impact on economic growth and cyclical effect on the incidence of poverty. Government Transfer programs are positively related with the incidence of poverty, which may be because they act as disincentive to work or not high enough to put the recipient above the poverty line. This indicates that strong macroeconomic performance is a key factor for poverty alleviation.

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