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CHAPTER : I :: INTRODUCTION

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INTRODUCTION

The rapid growth of small scale industries over the last two decades has been one of the most significant features of Indian economy. The accent in India's national plans for the promotion of small scale industries springs mainly from the fact that it has large employment potential and ensures diffusion of economic power and better distribution of national income so essential to achieve the egalitarian objective of establishing a socialistic welfare state. As a result, policy makers have laid increasing emphasis on the development of small scale sector and recommended a number of concessions to encourage such units in the backward areas of the country. State and Central Governments, too, have given the maximum encouragement to the development of this sector to promote more employment and increase production.

At present more than 67 lakhs people are employed in 8 lakhs registered small units in the country ! It means small scale industrial sector is successful to a great extent in creating large scale employment for many unemployed and under employed people in our country. But in spite of this rapid growth, small units in the country have failed to raise the standard of living of the people employed. They pay very little attention or no attention to the labour problems. It is observed

1. Report on Currency and Finance Vol. I, P. 41 and Office of Development Commissioner (SSI)

that the worker is the most neglected factor in small scale industries. The working conditions are hardly satisfactory and no proper recruitment policy is followed. Inadequate Wages, non-payment of dearness allowance, lack of social security and welfare facilities and so on, have crippled the moral of most of the workers engaged in small units. These unsatisfactory conditions have given rise to number of labour problems like labour absenteeism, high labour turnover, late attendance and so on, in almost all the small units in the country.

Satara district is no exception. At present there are 1355 registered small industries in the district, employing nearly 15000 people.² But it is observed that conditions of labour in the small units are quite unsatisfactory. This class of workers apparently leads a life of adject poverty and continuous unsecurity. It has given rise to number of labour problems in small units in Satara district. Therefore, it was decided to study the labour problems and its conditions as existing in small industries in Satara district. The study of this aspect is topical as well as interesting to x-ray the widely published criticism against the small scale industries, that they pay very little attention to the labour problems.

OBJECTIVES OF STUDY :-

The major objectives of the study are :

1. To review the various aspects of labour problems such as

2. Statistics From District Industries Centre, Satara.

recruitment, training, working conditions, health and safety, fire and accidents, Wages, incentive schemes, trade unionism, and industrial disputes in small scale industries in Satara district,

2. To review the labour problems faced by the small scale industrialists in the Satara district and,
3. To suggest some remedial measures to improve the conditions of labour in small units and also for the effective solution of labour problems faced by the small scale industrialists in Satara district.

It is intended that the result of the study would provide guidelines to the small entrepreneurs to improve conditions of labour and also for the effective solution of their labour problems.

RESEARCH METHODOLOGY

A) SCOPE AND LIMITATIONS :-

1. SELECTION OF UNITS :-

61 registered small scale industries from Satara district are selected for the study. These units belong to mainly three centres i.e. Satara, Karad and Satara Road. The deliberate selection of these centres had been made with a view to have a broad spectrum representative samples from places which have varied commercial and industrial backgrounds. Next, majority of the registered and well established small units are located in these three centres only.

It can also be stated that with a view to make the Survey Work manageable by a single person within a period of one year only, it was decided to limit the study to a few selected centres.

2. SOURCES OF DATA COLLECTION :-

The data required for the study are collected from various sources as follows :-

- a) Records at District Industries Centre, Satara; M.I.D.C. Office, Satara; Bank of Maharashtra, Satara; District Statistical Office, Satara; and Census of India Reports (1971 and 1981) published by Government of India.
- b) Discussion with small scale industrialists, trade union leaders and some workers at random.
- c) Questionnaires prepared for small industrialists and trade union leaders.
- d) Spot observation.
- e) Library Source : Various books and journals on Small scale industries and labour problems.

3. SELECTION OF SAMPLE OF SMALL UNITS :-

Out of total number of 1355 registered small units in the district, 61 units were selected for the study. Only those units employing 5 or more workers and having capital investment of above Rs.1 lakh were selected for the study. The selected units relate to ten major industry groups which represent more than 75 per cent industrial activity in the district.

4. TOOLS AND TECHNIQUES OF DATA COLLECTION :-

Information necessary for dissertation study was collected from selected units with the help of combination of direct approach comprising interviews and questionnaire methods and observation techniques. Respondents were asked a series of questions, through a questionnaire, on a sample basis. Two such questionnaires were used. One for the small industrialists, which consisted of a series of questions pertaining to recruitment, wages, social and labour welfare facilities, conditions of work, incentive schemes, trade unionism, industrial disputes and also labour problems faced by them. Another questionnaire was used for trade union leaders in which questions pertaining to the activities of the trade unions and their views regarding various aspects of labour problems, were included, visits to the factories and personal discussion with the small entrepreneurs gave a clear picture of conditions of labour and labour problems faced by the small units. Though a separate questionnaire was not prepared for the workers, attempts were made to contact some of the workers in small units and had some informal discussion regarding wages paid to them, social and welfare facilities provided to them and so on.

B) ANALYSIS AND INTERPRETATION OF DATA :-

Information was collected from selected 61 small units, without resorting to any particular sampling technique. Qualitative and quantitative data on various aspects of labour

problems were compiled from various sources given above. The data thus collected was rearranged systematically. The scrutiny, varification and analysis of data were completed. Simple statistical methods were used while analysing data. The screened and analysed data, then was tabulated according to our requirements viz. recruitment, wages social security and labour welfare facilities, incentive schemes and so on. Merely collection of data, its analysis and tabulation do not serve any useful purpose without critical comments and drawing our own conclusions. As a result the tabulated data is critically analysed, interpreted and conclusions drawn.

C) PRESENTATION :-

The study is presented in six chapters.

Chapter I : This chapter deals with introduction, methodology, scope and limitations of the study.

Chapter II: This chapter deals with concepts and classification of **small scale** industries, a case for small scale industries and also the present position of SSI in India.

Chapter III: This chapter deals, in brief, with the industrial development of Satara District. It discusses the location and occupational patterns, development of infrastructure facilities, industrialisation and growth of small scale industries in Satara District.

Chapter IV: This chapter deals with the theoretical analysis of various aspects of labour problems. It describes the origin and nature of labour problems, socio-economic importance of labour problems and critical analysis of problems of labour relating to recruitment and selection, training and development, working conditions, hours of work, health and safety social security, wages, trade unionism and industrial disputes.

Chapter V : This chapter deals with classification of small scale industries in Satara district selected for study according to their capital investment, Status, employment and category of workers. It also reviews the labour problems and conditions prevailing in small units in satara district. Some labour problems faced by small industrialists in Satara district are also discussed in this chapter.

Chapter VI: In the concluding chapter findings of the study are noted and suggestions are made.