ABSTRACT

The most important factor for the economic development of a country is its industrialization. In the process of industrialization, emphasis is given to large-scale industries, medium-sale industries, small-scale industries and micro enterprises. In developing countries, micro and small enterprises are important in the context of employment opportunities, equitable distribution of national income, balanced regional growth and development of rural and semi-urban areas. Silver anklets made in Salem are sold across India and has a sizeable export market. Salem Silver anklets are made from high quality of raw material which ensures durability at its user end. These products are available in market at most economical rates. Making of silver ornaments and artifacts by hand work is an important cottage industry in Salem. Silver anklets made in Salem are popular throughout the country. There are 1200 micro and small silverware manufacturing units in Salem district. Nearly 12500 employees are working in silverware manufacturing units. The production value is estimated to be Rs.900 crores in the year 2015. However, the silverware manufacturing units face more problems. With this background, the researchers have made a novel attempt to study the problems and prospects of silverware manufacturing units in Salem district. In the present study, by adopting simple random sampling, 100 silverware manufacturing units were selected out of the 1200 units. As an essential part of the study, the primary data were collected from 100 owners of the silverware manufacturing units with the help of well designed interview schedule. The study reveals that unattractive market, power cut, lack of financial assistance, inadequate subsidies and concessions, cumbersome formalities and maladministration, problems in marketing of products under capacity utilization, inadequate working capital and dependence on private parties for raw materials are the problems of silverware manufacturing units in Salem district. Effective implementation of the suggestions could lead to the growth of the silverware manufacturing units and eventually result in creation of employment as well as poverty reduction.

Keywords: Silverware Units; Micro and Small Industries; Cottage Industries; Industrialisation

INTRODUCTION

The most important factor for the economic development of a country is its industrialization. In the process of industrialization, emphasis is given to large-scale industries, medium-sale industries, small-scale industries and micro enterprises. In developing countries, micro and small enterprises are important in the context of employment opportunities, equitable distribution of national income, balanced regional growth and development of rural and semi-urban areas. Micro and small enterprises provide immediate large-scale employment, offer a method of ensuring a more equitable distribution of the national income and facilitate effective mobilization of resources of capital and skill which might otherwise remain unutilized. The micro enterprises are considered an engine of growth, especially in a developing country like India due to their contribution to income generation.
employment, gross domestic product and so on. The development of micro and small enterprises has been an important plank of India's industrial policy. They enable the process of modernization as well as entrepreneurship to spread to more regions and layer of society. In India too, the micro enterprises play a momentous role in the overall economic development of a country, where millions of people are unemployed or underemployed. The micro enterprise sector solves many problems viz. poverty and unemployment through providing immediate large-scale employment, with lower investments, and proves to be a second largest manpower employer, after agriculture. Micro and small enterprises not only help in providing employment opportunities to millions of people across the country, especially to the village artisans and rural people, but also check the problem of economic concentration in the hands of a few. They create a sound entrepreneurial base in the economy by developing and nurturing the talents, skills, etc. of micro and small entrepreneurs. Thus, this sector has been given a priority status by both the Central and the State Governments.

STATEMENT OF THE PROBLEM

As a district, Salem has its significance in various aspects. Silver anklets made in Salem are sold across India and has a sizeable export market. Salem Silver anklets are made from high quality of raw material which ensures durability at its user end. These products are available in market at most economical rates. Making of silver ornaments and artifacts by hand work is an important cottage industry in Salem. Silver anklets made in Salem are popular throughout the country. There are 1200 micro and small silverware manufacturing units in Salem district. Nearly 12500 employees are working in silverware manufacturing units. The production value is estimated to be Rs.900 crores in the year 2015. However, the silverware manufacturing units face more problems. Many small units have complained of inadequate availability of such facilities. These units get the facility from outside. It escalates the cost of production in small silverware manufacturing units. Further, power cut is a major hindrance to the normal functioning of many silverware manufacturing units. Silverware manufacturing units depend on the urban co-operative bank for finance. But, there is a lukewarm support from urban co-operative bank to the development of silverware manufacturing units. When the government extends many subsidies and concessions to small scale manufacturing units, it is strange that many silverware manufacturing units are facing difficulties in obtaining such concessions. Silverware manufacturing units complained of cumbersome formalities and maladministration. Besides, there are serious shortcomings in the marketing of silverware products like defective marketing system, inadequate market information, competition, lack of adequate orders, excessive government rules, delayed payment from customers, indifference to product advertisement, etc. All these result in poor marketing and unremunerative prices. The average capacity utilized by silverware manufacturing units in Salem district is relatively lower. The common problems pertaining to production are inadequate working capital, delayed payment from customers and irregular power supply. Many silverware manufacturing units suffer from lack of knowledgeable personnel. A large majority of the units depend on private parties for the supply of raw-materials. With this background, the researchers have made a novel attempt to study the problems and prospects of silverware manufacturing units in Salem district.

OBJECTIVES OF THE STUDY

The study has the following objectives:

1. To find out the factors influencing the business owners to start-up silverware manufacturing units in Salem district.
2. To examine the problems of the silverware manufacturing units in Salem district.
3. To study the impact of silverware manufacturing units on the socio-economic conditions of business owners in Salem District.
4. To suggest suitable measures for the prospects of silverware manufacturing units in Salem district based on the findings of the study.
HYPOTHESES

H01: There is no significant relationship among the acceptance levels of the business owners belonging to different demographic profiles towards problems of the silverware manufacturing units in Salem district.

H02: There is no significant relationship among the acceptance levels of the silverware manufacturing units belonging to different enterprise characteristics towards problems they face in Salem district.

H03: There is no significant relationship among the acceptance levels of the business owners belonging to different socio-economic profiles towards impact of the silverware manufacturing units in Salem district.

RESEARCH DESIGN

The present study is empirical in character based on survey method. To enhance the quality of data, the researchers have employed multiple data sources for the study: primary and secondary data. The research process was started by collecting secondary data about silverware manufacturing units. A total number of 1200 micro and small silverware manufacturing units were found to be functioning in the Salem district as on 31.09.2014. In the present study, by adopting simple random sampling 100 silverware manufacturing units were selected out of the 1200 units. As an essential part of the study, the primary data were collected from 100 owners of the silverware manufacturing units with the help of well designed interview schedule for a period of 3 months from October 2014 to December 2014. Taking into consideration the objectives of the study, a schedule was prepared after a perusal of available literature and thorough consultation with the experts of related fields. Pre-testing of schedule was done during September 2014, involving 15 respondents to know the relevance of the questions. In the light of pre-testing, necessary changes were incorporated in the questions and their sequences. Secondary data were collected from published sources. The data collected for the purpose of the study were edited, quantified, categorized and tabulated in logical order. In analyzing data, statistical tools such as student t test, analysis of one-way variance, analysis of co-efficient of variation and percentage analysis have been employed.

FINDINGS

1. The overall influence of all the fifteen factors is considered ‘strongly agree’ in motivating them to operate silverware manufacturing units by 23 per cent of the respondents, as ‘agree’ by 21per cent of the respondents, ‘neither agree nor disagree’ by 32 per cent of the respondents, as ‘disagree’ by 8 per cent of the respondents and as ‘strongly disagree’ by 16 per cent of the respondents. The average acceptance score reveals that desire for independence is the most important factor (3.38) for the respondents to own and operate silverware manufacturing units, followed by dissatisfaction with the job (3.36). With regard to locus of control, the respondents assign least acceptance (3.12).

2. There is no significant relationship among the acceptance levels of the respondents belonging to different genders, educational status groups and years of experience towards problems of the silverware manufacturing units. There is a significant relationship among the acceptance levels of the respondents of different age groups towards problems of the silverware manufacturing units.

3. Male respondents, respondents in the age group 36-45 years, respondents belonging to H.Sc qualification and respondents having experience above 15 years have higher acceptance level towards problems of the silver-ware manufacturing units.

4. There is consistency among the acceptance levels of the male respondents, respondents in the age group 36-45 years, respondents who have degree qualification and respondents who have 11-15 years of experience towards problems of the silverware manufacturing units.
5. There is no significant relationship among the acceptance levels of the silverware manufacturing units belonging to varied years of existence, amount of investments and annual sales groups towards problems of the silverware manufacturing units.

6. Silverware manufacturing units have existence 3 and 4 years, enterprises having investment Rs.1000001-1500000 and enterprises having annual sales above Rs.400000 have higher acceptance level towards problems of the silverware manufacturing units.

7. There exists consistency in the acceptance level of the enterprises having existence 5 and 6 years, enterprises having an amount of investment Rs.1500001-2000000 and enterprises having annual sales Rs.300001-400000 towards problems of the silverware manufacturing units.

8. No significant relationship is found among the acceptance levels of the respondents belonging to different genders, age groups, educational status groups and years of experience towards socio-economic impact of the silverware manufacturing units in Salem district.

9. Male respondents, respondents in the age group upto 35 years, respondents belonging to postgraduation and above qualifications and respondents having business experience upto 5 years have higher acceptance level towards socio-economic impact of the silverware manufacturing units.

10. There is consistency among the acceptance levels of the female respondents, respondents in the age group above 55 years, respondents who have degree qualification and respondents who have business experience above 15 years towards socio-economic impact of the silverware manufacturing units.

11. Unattractive market, power cut, lack of financial assistance, inadequate subsidies and concessions, cumbersome formalities and maladministration and problems in marketing of products are the problems of the silverware manufacturing units ranging from 30 per cent to 45 per cent. Under capacity utilization, inadequate working capital and dependence on private parties for raw materials are the problems of silverware manufacturing units ranging from 46% to 62% in Salem district.

SUGGESTIONS

1. Small silverware manufacturing units should establish a common generator. Facility of a common generator should be made available to all these units who become members of the organization. The government should provide capital subsidy required for the purchase of the generator. This would wipe out from the problem of power-cut and consequent loss of production.

2. A co-operative bank can be established for financing silverware industry exclusively. The bank shall consist of all the small units as members and shall mobilize capital from them. The bank would advance loans to silverware manufacturing units at lower rate of interest.

3. The government shall simplify the formalities and streamline the administrative machinery and make it entrepreneur friendly. This step would enable the silverware manufacturing units in availing such benefits without any difficulty.

4. There shall be a separate marketing agency. The agency shall be on co-operative lines. It shall procure products from small units and market on their behalf with more resources at its command the agency would be able to obtain for its members the benefits of common advertisement, direct marketing etc. It would result in remunerative prices for the products of small units.

5. To ensure uninterrupted production and to augment the volume of production, adequate facilities of finance, power and raw materials should be made available by the government.
since production depends upon the facilities of adequate finance, power, marketing, raw materials and labourers.

6. A training scheme should be supplemented to improve the knowledge and skill of the workers of silverware manufacturing units. This would work towards motivating them for higher productivity. Further, it would reduce absenteeism and turnover among workmen which would ultimately contribute towards better work culture and efficiency.

7. The silverware manufacturing units should start a common organization for procurement and supply of silver. This organization should take steps to acquire the raw-materials in bulk at cheaper rate and supply them to the silverware manufacturing units. Moreover, raw material depots should be opened to cater to the demand from silverware manufacturing units.

CONCLUSION

Micro and small enterprises contribute a colossal percentage to gross domestic product in ensuring economic growth, employment, income stability and poverty reduction in most developing countries like India. However, most of these enterprises are now collapsing as a result of not performing creditably well. It is in line with this that this study identifies the problems of the silverware manufacturing units and come out with ways and means, which will establish and sustain the vibrancy for silverware manufacturing units so that they can play the expected vital roles as the engine of growth in the economic development. In regards to various problems, unattractive market, power cut, lack of financial assistance, inadequate subsidies and concessions, cumbersome formalities and maladministration, problems in marketing of products under capacity utilization, inadequate working capital and dependence on private parties for raw materials are the problems of silverware manufacturing units in Salem district. Effective implementation of the suggestions could lead to the growth of the silverware manufacturing units and eventually result in creation of employment as well as poverty reduction.

REFERENCES


