



Self-Employment Performance for Development of Indian Small Industries

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Abstract:

We examine the spatial-temporal dynamics of self-employment in Indian using geo additive models and pseudo panel techniques. We take a look at the claim of Adigun and Owen (1999) that people invest in skilled human capital and not in entrepreneurial human capital as an economy develops. The results recommend that in non-agriculture, education decreases the chance of people selecting self-employment over time; but, it's an opposite result in agriculture. While will increase in land possessed increase the chance of self-employment alternative in agriculture, people with tiny land holdings are a lot of seemingly to transition into self-employment in non-agriculture. Belonging to a backward category contains a negative result on self-employment alternative in each sector; but the result has multiplied in non-agriculture and remained stable in agriculture. The geo additive models recommend that the propensity to be freelance has slashed across most spatial units, though there are few pockets wherever self-employment is rising once more.

Keywords: NSIC, SSIDCs, NABARD, SIDBI, DICs, GDP, SISIs

Introduction:

The self-employment program provides a mean for Swedish unemployed to flee unemployment by putting in place their own business. To be eligible for such grant it's needed that the employee is registered as laid-off and therefore the Labour Market approve the projected business arrange. The self-employment program (hereafter the SEMP program) may be compared to subsidizing workers' initial spell of employment (SUBE programs), wherever in theory the programs take issue solely within the employer.

In the 1990's, the proportion of unemployed workers who receive self-employment grants has exaggerated drastically. The increase reflects possibly modification within the labour market policy instead of a shift within the preferences among the laid-off employees.

For example, before 1993, the self-employment program was another that was thought-about solely when having participated in different programs. In 1993 the self-employment program was given priority, a policy change that is likely to have raised the participation rate.

The objectives of the paper are:

1. To understand meaning of self-employment.
2. To study the importance of self-employment.
3. To study the different types of small businesses.
4. To study the various institutional supports provided to small business in India.

Types of Small Business in India:

In India there are differing kinds of small business. They may be classified on the idea investment in fixed capital in plant and machinery or on the idea of nature or place of operation. Following are some of the main types of small business.

- **Small-scale Industries:** A small-scale industrial unit is one within which mounted capital investment in plant and machinery does not exceed Rs. One crore. In case of certain export promotion units this investment ceiling can be raised up to Rs. 5 crores.
- **Tiny Industries:** A business unit whose total fixed capital investment in plant and machinery does not exceed Rs. 25 lakhs are called a tiny industry.
- **Ancillary Industrial Undertakings:** When a small-scale industry supplies not less than 50% of its production to a different business, it is called as ancillary industrial undertaking. The fixed capital investment limit of Rs. One crore also applies to it. If Associate in Nursing appurtenant unit is in hand by another business unit, it loses its status of small business.
- **Village Industries:** A unit that's settled in rural area and whose mounted capital investment in plant and machinery doesn't exceed Rs. 50, 000 per journeyman trained worker or worker is termed as village business.
- **Cottage Industries:** These are small manufacturing units producing simple products involving some specific art or skill like handicrafts, filigree etc. They use simple equipment's with indigenous technology for production. Cottage industries are carried on wholly or primarily with the help of members of the family either on a full or part-time

basis. These units are not defined by the ceiling of capital of investment.

- **Micro Business Enterprises:** The fixed capital investment of in plant and machinery of these enterprises does not exceed rupees one lakhs.
- **Small-scale Service and Business (Industry related) Enterprises (SSSBE):** In these businesses the investment limit in fixed assets of plant and machinery doesn't exceed Rs. 10 lakhs. The main business enterprises included under this category are – Advertising agency, marketing consultancy, Typing Centre, Photo copying Centre (Xeroxing), Industrial testing laboratory, Auto repair and garages, laundry and dry cleaning, tailoring, STD/ISD booths, beauty parlour, crèches, etc.

Institution Support to Self Employed Small Business:

To start and run a business enterprise one needs various resources and facilities. These may be in the form of technical, financial, marketing or training support. Such support is provided by the Government by establishing different institutions from time to time. Following are some intuitions and their role in providing support.

- **National Small Industries Corporation Ltd. (NSIC):**

The National Small Industries Corporation Ltd. (NSIC) was found out within the year 1955 to push aid and foster the growth of small industries in Karnataka. It provides wide range of promotional services to small-scale industries. It also provides machinery to small-scale industries under hire purchase schemes. It helps in export marketing of the products of small-scale industries. It also helps in development and up gradation of technology and implementation of modernization program of small-scale industries.

- **State Small Industries Development Corporations (SSIDCs):**

The State Small Industries Development Corporations (SSIDCs) are set up in various states of our country to cater to the developmental needs of small, tiny and village industries. Their main functions include procurement and distribution of scarce raw materials, supply of machinery on hire purchase basis, and providing marketing facilities for the products of small-scale industries.

- **National Bank for Agriculture and Rural Development (NABARD):**

The National Bank for Agriculture and Rural Development (NABARD) was set up in 1982 as an apex institution for financing agricultural and rural sectors. It provides financial assistance through Regional Rural banks and cooperative banks to agriculture, small-scale, cottage and village industries, handicrafts and other allied activities in rural areas.

- **Small Industries Development Bank of Karnataka (SIDBI):**

The Small Industries Development Bank of province (SIDBI) was found out in 1990 as a principal financial institution for promotion, financing and development of small-scale industrial enterprises. It acts as an apex institution for all banks providing credit facility to small-scale industries in our country.

- **Small Industries Service Institutions (SISIs):**

The Small Industries Service Institutions (SISIs) are set up to provide consultancy and training to small enterprises. These institutions render technical support service and conduct entrepreneurship development programmers. They also provide trade and market information to small-scale industries.

- **District Industries Centers (DICs):**

For promotion of small industries in our countries District Industries Centers (DICs) are found out at district level. They conduct industrial

potential survey keeping in view the availability of resources. The main function includes implementation of various schemes of central and state governments. They appraise the worthiness of various proposals of the entrepreneurs to establish new units, guide them in choosing suitable machinery, equipment and raw materials.

- **Importance of Self-Employment:**

With growing unemployment and lack of adequate job opportunities, self-employment has become very significant. Its importance can be described as follows.

- **Advantage of small business:**

Small-scale business has several advantages over large-scale business. It is simply started, and needs little amount of capital investment. The self-employment involving activities on a small-scale is a good alternative to large scale business which has brought various evils like environmental pollution, development of slums, exploitation of workers, and so on.

- **Preference over wage employment:**

In self-employment there is no limit of earnings as is that the case with wage employment. In self-employment one will use one's talent for own profit. The decisions can be taken quickly and conveniently. All these factors act as sturdy motivators for self-employment to be preferred over wage employment.

- **Promotion of individualized services:**

Self-employment may also take the form of providing individualized services like tailoring, repair work, dispensing of medicines etc. Such services are helpful in providing better consumer satisfaction. These is simply started and travel by people.

- **Reducing the problem of unemployment:**

Self-employment provides opportunities of gainful occupation to those who otherwise remain unemployed. Thus, it reduces the problem of unemployment.

- **A boon to under-privileged in respect of higher education:**

Everyone may not be able to pursue higher education after Secondary or Senior Secondary examination due to one or the other reason. Such persons can start their career as self-employed in occupations that do not require higher education.

Conclusions:

This paper has used alternatives methods to analyze the interplay of entrepreneurship and the Cycle. Also focus on meaning of 'self-employment and importance of self-employment. Also study the different types of small businesses. The entrepreneurship policies in terms of

effectiveness depending on its objectives to make the development of small business with the support of self Employed.

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