



## **Development and Promotion of Skill and Technology Based Small Scale Industries in Chhattisgarh**

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### ***Abstract***

In a State like Chhattisgarh, Small Scale Industries plays a significant role in economic development of the state as well as that of the country. These industries, by and large represent a stage in economic transition from traditional to modern technology after partition from Madhya Pradesh. The variation in transitional nature of this process is reflected in the diversity of these industries. Most of the small scale industries use simple skills and machinery. Besides playing economic role in the state as well as in the country, small scale industries, because of their unique economic and organizational characteristics are able to solve the problem of industrial development, problems of unemployment, unbalanced areas development, concentration of economic power and diversion of profits from traditional avenues of investment. In this backdrop, the present study attempts to get insights to review, in brief, the evolution of the concept of small scale industries in Chhattisgarh, the definition of small scale industry, the challenges faced by small scale industries due to lack of Skill in Chhattisgarh, and also the efforts made by Chhattisgarh Government in developing and promoting skill based small scale industries.

***Keywords*** :Small Scale Industry, Chhattisgarh, Economic Power, Development.

### ***Introduction***

The Small-Scale Industries (SSI) have a crucial role in a developing economy like India. They play a strategic role in the progress of the country. These industries by and large represent a stage in economic transition from traditional segments to modern segments. The traditional nature of this process is reflected in the diversities of these industries. Some small scale units employ simple skills and mechanism while many other units use modern and sophisticated technology. Now, our economy is facing a challenge of economic growth. It has to accelerate the productivity of many important areas like agriculture and industry by improving their techniques of production. SSIs



have been assigned to fulfill these expectations in more economic and diversified way. The definition of small scale industries has undergone changes over the years in terms of investment limits to boost up the development of this sector. In India, the first official criterion for small scale industry dates back to the second Five Year Plan when it was defined in terms of gross investment in land, building, plant and machinery and the strength of the labor force. On this criterion In 1955 Small Scale Industries Board defined small scale industry as “A unit employing less than 50 persons, if using power and less than 100 persons without the use of power and with capital assets not exceeding rupees five lakhs”

At present small scale industry (Micro, Small and Medium Manufacturing Enterprises) is defined as an industrial undertaking which is engaged in manufacturing, preservation, processing, mining and quarrying or assembling and in which the investment in fixed assets in plant and machinery whether held on ownership terms, on lease or on hire purchase does not exceed Rs. 5 crore 6subject to the condition that the unit is not owned, controlled or subsidiary of any other industrial undertakings.

### ***Historical Evolution of Small Scale Industries in Chhattisgarh***

Small Scale Industry is part and parcel of Chhattisgarh. It is a well-known fact that Chhattisgarh is such a state which is rich in resources i.e. in terms of forest, agriculture and mineral resources. If we talk about the evolution of small Scale industry in Chhattisgarh it is found that during second Five year plan headed by Prime Minister Jawaharlal Nehru with the declaration of Bhilai Steel plant in Chhattisgarh which is Asia’s No. 1 Steel Plant ,declaration of 31 Micro, Small & Medium Industries was taken Place. The Ancillary Industry which is a part of Small Scale industry this Ancillarization program in Chhattisgarh commenced from M/S. Bhilai Steel Plant as early as in 1978 and with the constant support of BSP management, constant persuasion by MSMEDI and necessary infrastructure provided by State Directorate of Industries, the number of ancillaries have risen up to 175 nos. and number of Micro, Small & medium Units supplying parts/Components have gone up to 792 nos. by 1999-2000.These units during 1999-2000 have supplied goods worth Rs. 85.45 crores to Bhilai Steel Plant.BSP also received the 1<sup>st</sup> prestigious award known as “SahayakUdyogMitraPuruskar” in the year 1996-97 constituted by State Govt. for promotion of



Ancillary Industries in the state. At present the State is having 61739 Regd. and 2410 Un-Regd. SSI Units as on 2001-2002 Census. Though there has been a significant increase in the number of Small Scale Industry, but Still a good potential exists for the development of the SSI's.

### ***Key Challenges***

➤ **Low enrolment in vocational studies at the higher secondary level**

Enrolment in vocational studies in the district is significantly low with only 1% of the total students enrolled at the higher secondary level.

➤ **Limited placement opportunities for students**

This may be attributed to lack of institutional infrastructure for continuous interaction with industry/ employers.

➤ **Need to update curriculum regularly with industry participation**

Scope to continuously update curriculum due to evolving industry needs with greater emphasis on technology-based skill modules.

➤ **Poor industry readiness of the vocationally trained students**

According to industry, students from ITI lack proper grooming, work ethic and soft skills required to satisfactorily perform the duties at the work place.

➤ **Limited Awareness of Skill Development Initiatives**

Insufficient access to information is a key issue expressed by youth surveyed.

➤ **Limited participation of private sector/industry in skill development space**

State requires an equal participation of industry to achieve target of training 12.5 mn workforce by 2022 as against the national target of 500 Million.

➤ **Limited opportunities/awareness for up skilling/continuous learning**

Limited options available for existing employees to continuously learn and upgrade their skills.

### **Remedial Measures taken by Chhattisgarh Government to Promote Skill and Technology in SSI's**

➤ **Chhattisgarh State Skill Development Authority (CSSDA)**

Provided task of implementing provisions of the Chhattisgarh Right of Youth to Skill Development Act. Also assigned as Certification Authority for all kind of skill development

training in state. It targets to train 12.5 mn workforces for Skill Development / Enhancement & Certification in state by year 2022 as against National Target of 500 mn.

➤ **Chhattisgarh Right of Youth to Skill Development Act**

Provides for right to opportunities for skill development to every person between the age of 15 to 45 years residing in the State of Chhattisgarh, in any vocation of his/her choice consistent with eligibility and aptitude.

➤ **MukhyaMantriKaushalVikasYojna (MMKVY)**

State government scheme under CSSDA which requires for convergence of all the central/state government skill development initiatives undertaken by different departments under CSSDA through a prescribed budgetary provision.

➤ **State Government Initiatives For Skill Development**

Name of the Department	Scheme
Technical Education	Other vocational training programmes for short duration
Agriculture	<ul style="list-style-type: none"> <li>• Training schemes organized under NABARD</li> <li>• Training schemes under RashtriyaKrishiVikasYojna</li> </ul>
Forest	Training programmes for joint forest security committees
Apparel	<ul style="list-style-type: none"> <li>• Apparel Training &amp; Design Centres by AEPC at Raipur, Bilaspur&amp;Bhilai are functioning.</li> <li>• ATDC at Rajnandgaon&amp;Durg is in progress.</li> <li>• ATDC at Jashpur&amp;Balodabazar are also in pipeline.</li> <li>• Apparel Park in Raipur is in progress.</li> <li>• More than 800 Candidates have been trained &amp; ensured their placement.</li> </ul>
Chhattisgarh Nirman Academy (CNA)	The state has created Chhattisgarh Nirman Academy (CNA) in line with the National Construction Academy, Hyderabad in an effort to cater to the training needs in Construction Sector. Under this, more than 1000 Candidates have been trained & ensured their placement.



Handicraft	Chhattisgarh Handicrafts Development Board provides training in various fields of handicraft with an objective of providing employment to traditional/non-traditional artisans, labor, unemployed youth etc.
Establishment of Private Sectors as Skill & Entrepreneurship Development Centres by registering as VTPs	Targets to develop private players as Skill & Entrepreneurship Development Centers by registering as VTPs. As per CSSDA, it aims to develop 1000 centres as SEDCs with primary focus on: oConstruction Sector oAutomobile Sector oHealth Sector oAgriculture Sector oAll Major, Medium Industries

### Recommendations

- **Improve Industry participation in State-** Govt. may initiate formation of State-level Industry -Vocational Education Council (SIVVEC) in collaboration with existing industry bodies which would act as an interface between Industry and the Vocational Training Institutes.
- **Entrepreneurship Development-**Arrange greater no. of programs like Industrial Motivation Camps, Entrepreneurship Development Programmes Entrepreneurship Skill Development programmes etc. in priority sectors across districts.
- **Skilling and Multi Skilling Initiatives in Rural/ Traditional Sector-**Organize major production areas of handloom & handicrafts, apparel etc. into production clusters/ meta clusters & provide with handholding services to individual clusters in terms of financial assistance & marketing services
- **Improve Awareness on Skill Development programs.** Regional DET offices & employment exchanges should collaborate & arrange awareness campaigns in districts with focus on providing information on VTP/ Skill development institutes in district along with the courses offered, registration process, course requirements, future job opportunities etc.



It should be followed by at least 1 annual job fair in the district organized in collaboration with industry.

- **Promote Training in Priority sectors**-NSDC can promote private training initiatives in following sectors identified based on future manpower requirements:
  - Agriculture
  - Manufacturing (mineral/metal based)
  - Building and Construction
  - Mining and Quarrying
  - Trade (Wholesale + Retail)
  - Banking, Financial Services and Insurance (BFSI)
  - Communication
  - Manufacturing (Food Processing)
  - Transportation & logistics/ warehousing/ packaging
- **Up Skilling**-Approx. 17% existing workers in State require re-skilling/up-skilling in current industry structure. Apart from priority sectors highlighted above, the existing workers would also require re-skilling/up-skilling in sectors such as tourism, hospitality & travel, education, healthcare and activities allied to agriculture. Collaboration with the Sector Skill Councils
- **Focus on Soft Skill**-NSDC may encourage its training partners to provide 'bridge courses' like spoken English, basic communication skills, personality development, soft skills & basic IT skills apart from the regular courses offered by them as these are considered to be very important by the youth.
- **Establish Training Centre through Public Private Partnership**-The industry may also complement existing vocational education system in state by establishing 'Centers of Excellences' in state in collaboration with industry bodies like CII-Chhattisgarh & PHD Chamber of Commerce.
- **Undertake Vocational Training as a part of CSR**-Encourage vocational training as part of CSR in the high growth sectors identified in priority districts.



- **Sector Skill Council Collaboration-**To collaborate with industry associations and SSCs to develop skill assessment tools for existing employees to ascertain their skill gaps & training needs.
- **Re-Skilling and Up-Skilling of Employees-**Approximately 17% existing workers in Chhattisgarh require re-skilling/up-skilling in the current industry structure. The industry players will need to ascertain the skill gaps & training needs of their existing employees, and train them to improve upon their productivity.

## **Conclusion**

Every industrial and business organization has to take up the responsibility to meet the challenges posed by globalization. Not only the big business, but even a small business enterprise in India has to take up the responsibility to meet the standards, qualities, technological up gradation, skills technical know-how needed in the global market. Forty years ago, economist Ernst Friedrich Schumacher published in Britain his book 'Small is Beautiful' in which he argued in favour of human-scale, decentralized and appropriate technologies which small businesses could harness effectively. It means that even a small scale unit operating anywhere in India has to fulfill the standards set by the global giants which operate in India. This is not only in respect of a unit that produces final products but even the one which functions as ancillary or artisan.

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