

# Role of Non Government Sector in Upliftment of Small Scale Industries in Uttar Pradesh



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## Abstract

The organizations which are outside the direct control of government agencies or autonomous bodies and are engaged in providing financial and non-financial services to the community are called non-governmental organizations (NGOs). The NGOs have been a vital part of the historical legacy of development in India. The NGOs in India came to prominence after independence, especially after 1970's.

The most important factor for economic development of country is its industrialization. In the process of industrialization, emphasis is given to the three major groups of industry large-scale industries, small-scale industries and cottage industries. Small-scale industrial sector plays a dominant role in the economic development of both development and developing countries. In developing countries small-scale industries are especially important in context of employment opportunities, equitable distribution of national income, balanced regional growth and development of rural and semi urban areas.

"They 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.

Small-scale industries play a very vital role even in industrialized and advanced countries like the U.S.A., the U.K. Canada and West Germany and more particularly in Japan. This sector is considered to be an engine of growth, especially in a developing country like India due to their contribution to income generation, employment, GDP and export earnings.

Small industries are those industries whose capital is supplied by the proprietor or through means like partnership or from financing agencies setup for this purpose etc. Those industries generally use power driven machines and also employ modern methods of production, engage labor on wage, produce for expanded market. Their work pattern is on permanent basis. Such industries can be managed with little resources and in terms of returns provide much better results

**Keywords:** Small Scale Industries, Non Government Sector, Employment, Upliftment.

## Introduction

India has a long history of civil society based on the concepts of "daana" means giving and "seva" means service. Voluntary organizations were active in cultural promotion, education, health, and natural disaster relief early as the medieval period. During the second half of the 19<sup>th</sup> century, nationalist consciousness spread across India and self-help emerged as the primary focus of socio-political movements. The early examples of such attempts are Friend-in-Need Society (1858), Prathana Samaj (1864), Satya Shodhan Samaj (1873), Arya Samaj (1875), the National Council for Women in India (1875), the Indian National Conference (1887) etc. The Society's Registration Act (SRA) was approved in 1860 to confirm the legal status of the growing body of non-governmental organizations.

In India, it was the 1970s which saw rapid growth in the formation of formally registered NGOs and the process continues to this day. Most NGOs have created their respective thematic, social group and geographical priorities such as poverty alleviation, community health, education, housing, human rights, child rights, women's rights, natural resource management, water and sanitation; and to these ends they put to practice a wide range of

strategies and approaches. Primarily, their focus has been on the search for alternatives to development thinking and practice; achieved through participatory research, community capacity building and creation of demonstrable models. When we review some of the work done by NGOs over the past 3 decades, we find that they have contributed greatly to nation building. With the increasing role of the NGOs in development activities they are now attracting professionals from various other sectors, and capacities are being built in support areas such as financial management, resource mobilization, human resources, leadership development, governance procedures and practices and institutional development. At another level NGOs have been addressing the social service issues and empowerment related advocacy efforts have been increasing. The study conducted by a New Delhi based NGO concluded that every fifth NGO in India works on the issues of community and social service. The favorable disposition of the governments and the political will to involve NGOs is more pronounced in implementation of the welfare schemes addressing causes of women and children. Further, the industrial policies have influenced the formation and relations between the businesses and NGOs. The Confederation of Indian Industries (CII), a leading organization, has been raising the issues of corporate social responsibility. The emphasis of industrial policies on the promotion and development of small, cottage and village industries has also lead to the formation of agencies such as the Khadi and Village Industries Commission, Small Industries Associations.

G.R. Madan's (2005) proper on 'Voluntary Organizations and Development' dealt with social work done during ancient, medieval and modern India. Tracing the growth of welfare institutions he narrated the historical roots of social work being the foundation of India as a social state. He also described his own efforts aimed at reviewing Lok Seval Sangh (LSS) visualized by Matma Gandhi through his own organization known as Association of Voluntary Social Agencies and Workers, India (AVSAWI).

NGOs are difficult to define and classify, and the term 'NGO' is not used consistently. As a result, there are many different classifications in use. The most common use a framework that includes orientation and level of operation. An NGO's orientation refers to the type of activities it takes on. These activities might include human rights, environmental, or development work. An NGO's level of operation indicates the scale at which an organization works, such as local, international or national. "Confronting the Classification Problem: Toward Taxonomy of NGOs" One of the earliest mentions of the acronym "NGO" was in 1945, when the UN was created. The UN, which is an inter-governmental organization, made it possible for certain approved specialized international non-state agencies - or non-governmental organizations - to be awarded observer status at its assemblies and some of its meetings. Later the term became used more widely. Today, according to the UN, any kind of private organization that is independent from government control can be termed an "NGO",

provided it is not-profit, non-criminal and not simply an opposition political party.

#### **Aim of the Study**

Main aims of study they are-

1. To know the contribution of NGO's in upliftment of SSI.
2. To analyze the work pattern of NGO's.
3. To know the structure of NGO's.
4. To the importance of NGO's in economy.

#### **Nature of NGOs**

NGOs are directed towards improving the socio-economic situations of people with whom they work. Bhoose (2003)<sup>10</sup> presented the following important characteristics of NGOs:

#### **Voluntary**

NGOs are formed voluntarily and are built upon the commitment of a few persons.

#### **Legal Status**

NGOs are registered with the Government under the Societies Act, Trust Act, etc. They are also registered under Foreign Contribution Regulation Act (FORA) with the ministry of Home Affairs, Government of India. This is required to be entitled to obtain funds from abroad.

#### **Independent**

NGOs are independent in planning and implementation of their programmes.

#### **Flexible**

NGOs are flexible in interventions. They are not hound by red-tapism and bureaucratic obstacles.

#### **Quicker in Decision Making**

NGOs take quick decisions in response to the needs of the community. As decisions are taken quickly, their services are delivered timely to the people.

#### **High Motivation**

The members and the staff are endowed with high motivation and inspiration to work for the cause of the people. They strive tirelessly to achieve their purpose for the benefit of the target groups.

#### **Freedom in Work**

NGO workers enjoy freedom in their field work, in organizing the community and carrying out the development schemes.

#### **Catalytic**

NGOs facilitate the communities towards social action but they do not dilute and distort themselves in the process of intervention.

#### **People-Centered**

NGOs facilitate people's participation. They plan things with the people and implement the same through the people. Thus they learn the best from the people and replicate the same with other groups.

#### **Non-Government support system**

Besides the Central Government and the State Government agencies, there are some Non-Governmental agencies that are also supporting the cause of small scale industries in the country. These agencies include Non-Government organizations and industry associations. They provide a common platform to voice SSI needs and initiate co-operative efforts. Government policies have stressed the increasing role of these associations and NGO's in

setting up common facilities and other cooperative ventures in technology, marketing and other support systems. Some of these major associations are as follows:

#### **India SME Technology Services Ltd**

India SME Technology Services Ltd. (ISTSL) provides a platform where micro, small and medium enterprises can tap opportunities at the global level for acquisition of new and emerging technology or establish business collaboration.

#### **Indian Council of Small Industries (ICSI)**

It was established in 1979 to help tiny, cottage and small industries and artisans of rural areas. Membership of ICSI constitutes about 1500 associations of the decentralized sector. Its main functions are information dissemination, entrepreneurship development, consultancy and managerial support, training and research.

#### **Laghu Udyog Bharti (LUB)**

It was founded in 1995 to promote and safeguard the interest of tiny and small scale industries. It has been given representation on the national and the state level government bodies responsible for the development of SSIs. It is also responsible for undertaking entrepreneurial training, providing support for technology up gradation and marketing services.

#### **World Association of Small and Medium Enterprises (WASME)**

The World Association for Small and Medium Enterprises was founded in 1981. WASME is a professionally managed global non-governmental organization serving micro, small and medium-sized enterprises (SME) worldwide.

WASME aims to be a strategic resource by providing access to SMEs to know-how and best practices, through training, technology transfer and other business development services. WASME encourages SMEs linkage among SMEs and Governments, institutions and initiates formation of business alliances.

#### **Federation of Indian Chambers of Commerce and Industry (FICCI)**

The FICCI was established in 1927 as the national agency through which the chambers of commerce and trade association in India could crystallize their views on current economic problems. It serves as the coordinating agency for the commercial and industrial interests as represented by various chambers of commerce and trade associations. The Federation maintains very close relations with the Union Government and is also represented on over 65 advisory committees appointed by the Government and other leading organizations.

#### **Associated Chambers of Commerce and Industry of India (ASSOCHAM)**

Assocham is another apex organization like FICCI to which some of the older chambers of commerce are affiliated. It was founded in December 1920. It seeks to make the businessmen's voice heard and to ensure that their views are taken into account in the molding of the

nation's economic life. It also undertakes persuasive activities directed at the administrative departments and to the law makers with a view to acquainting themselves with the view point of the members.

#### **Confederation of Indian Industry (CII)**

It was created in 1992 by changing the name of Confederation of Engineering Industry. It is responsible for advisory, consultative and representative services to industry and the Government. It has been given representation on major policy formulating bodies, related with the industry. It also works like a nodal agency for international industrial cooperation.

#### **Rural Small Business Development Centre (RSBDC)**

It is the first of its kind set up by the world association for small and medium enterprises and is sponsored by NABARD. It works for the benefit of socially and economically disadvantaged individuals and groups. It aims at providing management and technical support to current and prospective micro and small entrepreneurs in rural areas.

Thus the above mentioned organizations have been set up and are steadily working towards the development of small industries. The entrepreneurs would indeed be benefited, provided they benefit from the services provided by these organizations. The assistance provided ranges from setting up of the business unit, financing, training, procuring of raw materials, purchase of plant and machinery, marketing of their products, selling, and exporting their products. It is seen that the Government of India and the Government of Karnataka are indeed setting up these agencies to help the entrepreneurs, to motivate them in setting up more units which will not only help them but also help the economy. They want to create more of job providers than job seekers. The entrepreneurs should make use of the facilities provided by the Governmental organizations and agencies in order to grow economically and become more competitive globally.

#### **Conclusion**

NGO'S have played an important role from time to time to promote and support the development and expansion of small scale industries. In fact, the history of non-government organizations have been very ancient. Yet in the modern history of the twentieth century, development of non governmental organization is considered. These NGO'S have always contributed in each area and departments. Such as child & women's welfare, diagnosis of the exploitation of child labor, provide health related (redcross) and to provide assistance for the development of small scale industries.

In this way these organization have made significant contribution in the every sector of the economy. These non governmental organizations have been given special important in many area by the government since the beginning of the plan period which is the head of rural and child and women's development. More work has been done

on rural and women development through these NGO.S at the state and all India level. In various programs run by the government for rural development, these NGO'S were given important responsibilities for the implementing programs. Many national, international and regional level non governmental organizations have been working for the development and expansion of the small scale industries. Some of these key combinations are:- India MSE Technology services LTD, Indian council of Small industries, Laghu Udyog Bharti (LUB), Federation of association of small industries of India, World association of small and medium enterprises(WASME), Associated chambers of commerce and industry of India(ASSOCHAM), And at the regional level some ngo's are:-Shamrik Bharti, Aroh Foundation, Uttar Pradesh grameen vikas sansthan(UPBGVS),Vigyan prodyogiki evm gramodyog prasar sameeti,DPG sansthan etc are employed. These NGO'S working primarily at the regional level have mainly Sdone more works on rural development, women's empowerment and child development. On the other hand, efforts were made to promote cottage industries through self-help groups. By providing skill development and training to unemployed, these NGO'S played an important role in this field but in the context of small scale industries, the vacuum was seen in those efforts which were found in other areas. For the development of the small scale industries the state government has done a lot of important work in each areas but the effort made by NGO'S on the regional level for development and expansion of small scale industries do not seem to be adequate. It requires more detail now because in the right

sense, the task of reducing poverty and unemployment can be done by nurturing the development of small scale industries.

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