INFORMATION FOR THE SMALL INDUSTRIES IN INDIA

S. V. S. Sharma
SIET Institute
Hyderabad

1. The Small Industry in India

Small scale industry has a strategic role to play in all developing countries, since it has potential for high employment and is amenable to dispersal thus bringing about balanced regional development. However, small scale industries are not likely to be able to make their full contribution to economic growth unless appropriate measures are taken to help them overcome the disadvantages of smallness.

In independent India, the importance of cottage and small-scale industries to the economy of the country was realised quite early. To accelerate the growth of small scale sector, the Government had started various developmental facilities such as technical assistance and advisory service, machinery on hire purchase, factory space in industrial estates, credit facilities on liberal terms, marketing assistance, etc. Because of the impetus provided by the various assistance programmes, the small industry in India, in the last decade and a half, has steadily grown in size and diversity.

The phenomenal progress made by the small scale sector during the last fifteen years will be apparent from the following figures: At present the small-scale sector represents more than 90% of industrial units, accounts for 41% of the total industrial employment and 35% of (gross) production. The items produced in the small-scale sector ranges from such simple items as beads and buckets to such sophisticated items like electronic calculators. Small industry in India is thus truly big!

2. Need for Information

It has been recognised that to help small scale industries to keep pace with the latest developments in the world of technology and assimilate the results of latest research work being done in India and abroad, it is necessary to devise an organisational machinery for the collection, compilation and dissemination of results of technological and management research. Small scale industries also need assistance in identifying and adopting appropriate and or low capital technologies which are at the same time


Vol 22 No 4 Dec 1975 185
consistent with economy, efficiency and quality. Hence, in the report "Small Scale Industries Programme of Work for the Fourth Five Year Plan" (Development Commissioner, Small Scale Industries, New Delhi, 1968), it was suggested that a Small Industry Technical Documentation and Communication Centre may be set up.

3. Nature of Industrial Information

The basic objective of an industrial information centre is to promote industrial growth. Its first task is to identify its clientele, ascertain their information needs, and then build up a document collection based on the identified needs. Next the documents should be systematically scanned to locate the information for future possible use and to organise this information for easy retrieval. Lastly, and this is most important, it is necessary to promote an intensive utilization of knowledge thus gathered. It may be mentioned here that industrial information is not a substitute for the skill and experience of the technical or the commercial members of an enterprise; rather it can only update technical or scientific skill and commercial experience.

Information on various aspects of small scale industries is sought not only by the small scale entrepreneurs but also by member of government and non-government agencies for planning the programme of development of small scale industries and its implementation. Various types of users of industrial information may be grouped into the following categories:

1. Industrial enterprises and entrepreneurs;
2. Managers, administrators, engineers and technicians in industry;
3. Private and public investors including bankers and other financial institutions;
4. Government departments, including semi-government and other institutions like Industrial Development Corporations, Productivity Councils, etc.
5. Research Institutes;
6. Technical vocational training institutions; and
7. Other national and international organisations.

4. Type of Information in Small Scale Industries

The type of information which is often sought by small scale entrepreneurs varies from a very simple piece of information as to what could be a profitable line of production to information on such complex problems as competition in the international market, latest techniques of production, the use of sophisticated and intricate machinery etc. By and large, the type of information required both by individuals and institutions may be summarised as below:

1. Facilities available under the S.S.I. Programme;
2. Scope for new industries in a given area;

3. Scope for manufacturing new products;

4. Industries that could be started in a given investment range;

5. Assistance available from various Government agencies and the procedure for obtaining such assistance;

6. Marketing facilities for small industry products;

7. Marketing intelligence such as names of dealers in particular product lines, off-take of specific items of manufacture, prices of different brands of a product available in the market;

8. Procedure for registration of small scale enterprises and the benefits accruing therefrom;

9. Procedure for obtaining import licences;

10. Factory accommodation in Industrial Estates, their availability and procedure for applying for the same;

11. Machinery and equipment required for a particular line of production or servicing - their prices and suppliers - procedure for hire-purchase of machinery;

12. Details of raw materials required for the manufacture of a particular product, their source of supply, prices or where they are scarce the substitutes that can be used;

13. Technical know-how for a new product - procedure for obtaining foreign collaboration;

14. Patented processes developed by the various laboratories which could be exploited by new small enterprises and the procedure for obtaining such processes;

15. Details of prospective (a) import substitution or (b) ancillary industries;

The above, which is by no means an exhaustive list of the varied nature of information required by small industries, gives an insight into the range and complexities of industrial information, especially for small industry. Information is necessary for the definition of the policies and objectives of industrial development. It is also used by governmental and other agencies actively engaged in the promotion and development of industry. The industrialists or industrial entrepreneurs require information at two distinct stages. The first stage is that of preinvestment information - that is, information which will determine an entrepreneur's decision to invest or not to invest. The second stage is that of Current Operational Information - that is, information in support of the day-to-day decision making necessary for the proper functioning of the
SHARMA

enterprise. Industrial information involves both macro-economic and micro-economic considerations including technological factors. Industrial information is, thus, quite distinct from R & D information and in much more wide based, hence, more complicated

5. Increasing Demand for Industrial Information

The importance of information in industrial development has been borne out time and again in the past and is today a matter of course in industrialised countries. It cannot, therefore, be ignored by the developing countries. The Panel on "National Information System" which discussed the "Approach Paper on the Science and Technology Plan" in New Delhi on 21-23 May 1973 pointed out that "In a country with so large a number of small and medium-sized enterprises - often cut off from all sources of information - it is essential that the industries are provided with easy access to scientific and technical information, if they are to develop and contribute more actively to the national economy. The industries have to be first of all convinced that they need information. Then, they have to be helped to find relevant information. Finally, they have to be advised as to how best to apply the information. Here again, the industries would require information in a manner in which it could be straightforward assimilated and made use of. Mere supply of raw scientific information would be of no avail to them. They are more in need of practical know-how, in techno-economic context. The information to be served has to suit their practical needs. For example, providing information about a manufacturing process for which raw materials are not easily available in the place of location, is of no consequence. Most of our small and medium-sized industries do not employ qualified persons and they are not in a position to use raw information. The information to be served has to be well digested and capable of being applied directly towards practical ends."

The tempo and success of information activity is determined by the degree of intensity and sophistication of the industrial and social environment. Before independence India had hardly any industrial activity worth the name. After independence a number of big industries were set up in India. Since most of the industries set up had foreign collaboration arrangement, very few of them felt the need for a fully equipped information centre. Some of them, who have R & D departments attached to the production establishments, generally have well equipped information centres. Special mention may be made of the information cells attached to the Hindustan Antibiotics, Hindustan Machine Tools, and Fertiliser Corporation of India and some others.

There was, however, no documentation or information centre to cater to the information needs of the industrial sector in general. All the documentation services available so far - whether it was INSDOC, the national documentation centre, or the documentation units attached to the various national laboratories or other R & D organisations, were oriented towards the needs of the research workers.

6. Establishment of SENDOC

The need for an industrial information centre for small industry was specially felt, when the government launched a systematic and concreted programme for the development of small scale industry. This is because, unlike the large industries, the small units are not in a position to maintain their own information centres. Although a number of organisations like the Directorate of Industries of various states, or the
Small Scale Industries Development Organization (SSIDO now SIDO) and its Small Industry Service Institutes and Extension Centres, had been catering to the information needs of the small scale sector on an ad hoc basis, none of them had a regular set up for the systematic collection and dissemination of information. The establishment of the Small Enterprises National Documentation Centre (SENDOC) at the SIET Institute, Hyderabad in 1971, fulfilled this long-felt need.

The objectives of SENDOC are:

i) To collect, collate, and store information, data and documents useful for the technological and managerial advancement of small industries;

ii) to disseminate information to the persons or organisations engaged in activities related to small-scale industries development; and

iii) to be the national centre for co-ordinating and collaborating with the information activities of other national institutions and effecting liaison with similar centres in other countries.

SENDOC’s Services

SENDOC is thus envisaged as a clearing house of information for the specialised agencies connected with the development and promotion of small scale industries. The Centre collects information on small industry development in all its ramifications - Management: production, personnel, finance, marketing; Technology: Chemical, engineering; techniques and skill; machinery and equipment; governmental and institutional programmes and policies; statistical data regarding types of industries, value added, production, export, employment, capital investment, etc.

The salient features of SENDOC in the five years of its existence have been the building up of an infrastructure of selective resources, competent personnel and adequate equipment with which it is now in a better position to discharge its role as a national centre for the transfer and switching of useful information to persons and organisations in the field of industrial development, with special reference to small scale sector.

SENDOC has been offering anticipatory documentation service through its bi-monthly publication, SENDOC Bulletin, since 1973. Besides, it offers technical enquiry services, microfilming and photocopying service, etc. SENDOC has a rich collection of industrial profiles, which are periodically up-dated. The consultancy division of the SIET Institute prepares on demand new industrial profiles. There is maximum demand for this service. Over the years SENDOC has organised four national seminars in the field of information, which were attended not only by documentalists, but technical personnel from research organisations, industry, and developmental agencies. SENDOC is also conducting training programmes in the fields of 'Information Storage and Retrieval Systems', both for national and international participants. The response to SENDOC's service has been very encouraging, and it has been decided to enlarge and re-orient its services from 1976, to serve the growing clientele more efficiently and effectively.