

Information Support Systems for Small-Scale Industries in North East India: A Review

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Abstract: *Never in the history of the world, has communication between different parts of the world been so fast or so easy. Today the very nature of World Wide Web is modifying patterns of communication and creating new popular cyber culture. Since independence, the small-scale industries sector in India has been a major contributor to the country's Gross Domestic Products (GDP). This traditional sector in India is considered to have huge growth prospects within its wide range of products. With 40% share in total industrial output and 35% share in export, the SSI sector in India is acting as an engine of growth of the overall economy. The present study focuses on small-scaled industries (SSIs) in North East India. The eight states of North East India are perhaps the nation's best kept secret in terms of its untapped economic potential. It is also acknowledged that there are few in the country, which can equal the treasures house of resources the North East states possesses. The larger reserves of oil, gas, coal, minerals, a rich agro base, an extremely beautiful tapestry of tourist destinations and highly literate and skilled people make the North East unique in many ways. Hence, the present study is initiated to fulfill the following objectives: Analyze the information needs of small-scale industries (SSIs), review the research works conducted on small-scale industries in North East India, understand the problems and challenges face by SSIs in North East India, study and develop information support systems for SSIs in North East India, and finally come up with suggestions for further research areas.*

Keywords: Information Systems, Information Services, Small Scale Industries, North East India

1. Introduction

We are living in an incredible time, a time of technology and information explosion. Never in the history of the world, has communication between different parts of the world been so fast or so easy. The exchange of information in commerce and education has accelerated despondently. Today the very nature of world wide web is modifying patterns of communication and creating new popular cyber culture. It is also changing expectations of the delivery of information. **Bhattacharya, G (1997)** stated that information is one of the fundamental resources indispensable for development in all the vital spheres of the life civilized society. It is this realization which have been largely responsible for inspiring and encouraging, the approximately directed development initiatives at the national level all over the world. Information for a common man is anything that makes him identify and understand an entity in its totality and helps him to plan the further course of action.

Bhattacharya, R (1999) also stated that in the context of libraries, information is viewed as data processing, more as collection building, its processing, storage in a systematic order, for retrieving the information as and when required quickly to serve the users in a form, which is convenient and familiar to them. Having better access to information becomes vital for people across disciplines and professions. Collectively, the potential for an information society offers the opportunity for social change and development. The hurdles to the creation of a true information society are the same for any globally dynamic issue. *The businessheadlineIndia.com (1996)*, did a study which focuses on Small scale industries (SSI) in North East India. Here by small scale industries, it means the organizations or the activity which are limited to what it does and that involves less people in running the business. The growth of global small and medium scale market is a natural offshoot

of two phenomenon- the emergence of a knowledge-based economy and the ability of a broad audience to utilise the internet for communication and access. Small scale industries are an industrial undertaking in which the investment is fixed asset in plant and machinery whether held on ownership terms on lease or on hire and purchase that does not exceed Rs.10 million.

Since the time of independence, the small-scale industries sector in India has been a major contributor to the country's Gross Products (GDP). This traditional sector in India is considered to have huge growth prospects within its wide range of products. With 40% share in total industrial output and 35% share in export, the SSI sector in India is acting as an engine of growth of the overall economy. In an increasingly knowledge driven economy, emerging trends are key considerations in the day-to-day business decision. New products technologies and creative designs appear almost daily in the market and are the result of continuous human innovation and creativity. Small scale industries are often acknowledged as the driving force behind human's innovativeness. Their innovations and creative capacity, however, is not fully exploited as most SSIs professionals are not aware how these emerging technology trends can help and safeguard them.

Due to advancement in science and technology, many new inventions which can be very beneficial to SSIs have taken place. However, this cannot be capitalised unless the professionals of SSI are well equipped with the latest information. The managers need up-to-date information for providing the right product to the customers. Hence, the manager has to have deeper understanding and knowledge of the industries of the end-users of both industrial and individual customers. In the light of the perspectives shared above, it may be mentioned that information has to play vital role in the overall development of small-scale industries (SSI). **Prasad (1983)**, in his study found that the small-scale

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industrial sector is an integral part of not only the industrial sector, but also of the country's economic structure as a whole. If small scale industries are properly developed, they can provide a large volume of employment, can raise income and standard of living of the people in lower income group and can bring about more prosperity and balanced economic development. Small scale industrial sector has vast potential in terms of creating employment and output, promotion of export, expansion of base for indigenous entrepreneurship and dispersal of industries and entrepreneurship skills in both rural as well as backward areas.

The eight states of North East India are perhaps the nation's best kept secret in terms of its untapped economic potential. There are few in the country, which can equal the treasures house of resources it possesses. The larger reserves of oil, gas, coal, minerals, a rich agro base, an extremely beautiful tapestry of tourist destinations and highly literate and skilled people make the North East unique in many ways. **Manheim LH (1997)** stated that the study of HOLTEC revealed that there is a vast scopes of investment present in this region. The study also includes information such as market attractiveness, raw materials, technology, plant location implementation schedule and financial indications. North East present a vast potential and pretty picture for the investors. Entrepreneurs with serious desires to develop new projects would find much to do here. **Biswajit Das (2014)**. The study reveals that micro enterprises of Assam growing faster than the small and medium enterprises in terms of registered units, value of production, employment and investment. Thus, to improve the position of MSMEs of Assam economy as well as in Indian economy, the comprehensive support of institutional agencies or government is considered to be very important.

Information is without any doubt essential input to the small-scale industries development programmes, whether in promoting entrepreneurship or in increasing the effectiveness of the performance of established industries. However, the information needs of the small-scale industries is little known and understood. Hence the study is initiated to fulfil the following objectives:

Objectives of the study

- Analyse the information needs of small-scale industries (SSIs)
- Review the research works conducted on small-scale industries in North East India.
- Understand the problems and challenges face by SSIS in North East India
- Study how information plays a vital role in managing small-scale industries
- Study the research gaps and come up with new findings
- Come up with recommendations for further research areas

2. Methodology

The study is based on secondary sources. The Secondary data are collected from various published sources such i.e., magazines, journals, books, and various other publications.

Moreover, some important information is also collected from relevant websites. The present study is descriptive in nature that focuses on small scale industries in North East India.

Need for information in industries

Information is regarded as a vital for all industries ranging from rural handicrafts to larger scale heavy manufacturing. Unlike the small-scale, the medium and large industries can effort to have their own information units. Even than they have to depend extensively on sectoral, national and international information centres for meeting their information needs. Of late many industrial associations have started establishing research and information units on cooperative basis.) in his study on 'The Ninties: Information themes in the industrial companies' examined the changing role of information provision in industrial companies. **Kumar P SG (2006)**, in his book "Fundamentals of information" states that information in industries is not only limited to production but covers all aspects of industrial activity, such as identification of products, markets and marketing, manufacturing technology, equipment and materials, standardization and standards, administration and planning and information at the government level.

Peter, KM, and Peter S (2006), in his study mentioned that small scale industries provide employment to many and plays an important role in the national socio-economic development and they require technical information to support this role. **Joshi, SC (1992)**, in his paper it discusses the likely future in the role of information as the key resources in the overall economic activity of a country. **Krebs S and Jeuther, w (1994)** discusses the information needs of managers and explained how they can make use of information technology and information system and the benefits to be derived from the use of this system. **Hoo, C (1994)** investigated the perception and the use of information sources by chief executives in environmental scanning. The study revealed that few executives personally used the company library and online services. Internal and personal sources of information are most important. **Andrik, J (1999)** discusses the increasing importance of providing modern information services for small scale and medium sized enterprises in Germany, with particular reference to patent information. In his study it points out in developing a market-oriented patent information centre for the central German economic area.

Moore, N (1999) in his study looks at the likely future shifts of economic structures in advanced economies as the information age replaces the industrial era and regionalism gather ace. He looked at the possible contribution of library and information services to economic development and social and physical regenerating in UK regions. **Sushma (1981)** investigated the information needs of backward area entrepreneurs and relation of the nature of information requirements to the entrepreneurial characteristics and the sources of information. A survey was conducted in two backward area of Haryana. The study revealed that entrepreneurs required almost similar types of information irrespective of their age, education, family background and experience. **Edmond Diana (1983)** in his contribution on information provision for manufacturing industry needs and

responses discussed the information needs of industry and the role of public libraries in providing that information.

Information Sources and Services:

Kelamn Bryan (1984) in his paper information and industry did a survey of western Australian Industrial information need reported a result of a sample of 605 firms from a population of business community comprising small and large organizations. The study revealed that 18% of the respondents acknowledged the use of university and college library as very important source for information provision where 67% considered trade suppliers to be important source and also frequently used sources. **Brown Horace D (1984)** studies the need for information services of the chemists in the pharmaceutical industry. The study found that the main need for information services is on issue of substance, methods used for characterizations, its reactions etc. **Musib, SK (1991)** reported on findings of a survey on information needs and services of the cottage industries. The main focus of the study was to have deeper understanding on the information needs and information sources used by professionals in the cottage industries of wooden and bamboo products in rural areas. **Rathore, RS (1998)** in his paper presented data pertaining to library collection, computer hardware, software, library staffs, database etc. The study strongly recommends about library networking and the benefits of the users through the establishment of information networking centres, which would help in resource sharing.

3. Problems and Challenges

Barman, K and Das, B (2013) did a study on micro enterprises in Kamrup district of Assam. A survey was conducted at 21 units in three villages to understand the issues and challenges faced by the micro enterprises. It is found that steel and grill making, brass metal industries and bakery industries are functioning well in respect of investment, employment of labour and use of technology. It was also revealed that marketing of products and non-availability of funds is the main problems of entrepreneurs in the state. **Singla S. K et al (1983)** conducted a study to understand the impact of the effort of the State Government in the development and growth of village industries in Punjab Khadi and Village Industries (PKVI) Board. For the purpose of this study, a total no of seven industries were selected out of the list of village industries approved by KVIC. The study revealed that the impact was more focused on gur and khandsari, fibre and leather industries in terms of production, whereas in the case of employment, highly significant regression coefficients were observed for neo soap, gur and khandsari and fibre industries. The study concludes that PKVIB has significantly helped the development and growth of these industries in the State.

Biswajit Das (2014), stated in his paper that Assam is advancing day by day regarding the development of MSMEs. These sectors though important for overall growth in the economy of Assam are faced with numerous problems which have resulted in their retarded growth. Assam's backwardness in industrial field may be attributed to a number of complex and inherent problems like lack of institutional support, lack of adequate finance, inadequate

and irregular supply of raw materials, technological obsolescence, lack of infrastructural facilities, lack of marketing knowledge and lack of motivation to entrepreneurship. **Dhar and Lydall (1961)** made their study on the data collected from Census of Indian Manufactures, 1956 and the study prepared by the Perspective Planning Division of the Planning Commission in respect of capital, labor and output relations in various industries. They concluded that the issue of choice between large and small industries for the purpose of an employment-oriented industrialization strategy is largely irrelevant, and it should aim at making the best use of scarce resources, instead of aiming at creating employment for the sake of employment

Desai (1983) conducted a study and revealed that most of the small-scale industries are operating under certain handicaps like shortage of raw materials, low levels of technical knowledge and counselling, poor infrastructure, inadequate capital and credit facilities, improper distribution system, lack of facilities for market analysis, research and development. They are also weak in marketing their products beyond their localities especially in international markets. Vivekanand Pandey (2013) in his study on problems faced by the industrial sector in this area are different from other parts of India. The study says that the SSI sector in this region suffers from a number of innate constraints like financial, social, political, infrastructural and entrepreneurial. Although the rate of growth in terms of number of units registered in this region has been higher than all India growth rate, the status of SSIs can be expressed as unhealthy in terms of size, bank finance, market access, entrepreneurial excellence, etc. The development of SSIs in this region is lagging far behind as compared to the other regions especially western and southern part of the country. B. Nagaraja (2013) Majority of the MSMEs were unregistered, informal and unorganized enterprises. – They were located in non-conforming urban areas. – Majority of MSMEs suffered from low technologybase, which resulted in low productivity and poor quality of products.

4. Findings and Discussions

Small scale and cottage industries are without any doubt essential for the country's development of economy in the country. Hence, identifying and acknowledging its role becomes important so that both the central and state government will take active steps to develop, promote and foster their growth. The present study focuses on SSIs in North East India came up with a revelation that there is complete lacking of information support systems in the region regarding the information needs and services of the small-scale industries or even for the larger industries.

Some of the major findings concerning the challenges face by small-scale industries are as follows:

- Lack of institutional support
- Lack of proper information support systems
- Lack of adequate finance
- Inadequate and irregular supply of raw materials
- Technological obsolescence
- Lack of infrastructural facilities

- Lack of marketing knowledge
- Lack of motivation to entrepreneurship
- Shortage of raw materials
- Low levels of technical knowledge and counselling
- Poor infrastructure
- Inadequate capital and credit facilities
- Improper distribution system
- Lack of facilities for market analysis
- Research and development

It is well acknowledged fact that if small scale industries are properly developed, they can provide a large volume of employment, can raise income and standard of living of the people in lower income group and can bring about more prosperity and balanced economic development. It is also universally accepted that the small-scale industrial sector has vast potential in terms of creating employment and output, promotion of export, expansion of base for indigenous entrepreneurship and dispersal of industries and entrepreneurship skills in both rural as well as backward areas. If the condition of the potential state or country's economy is kept under such circumstances, one can well imagine how we may move forward. The study also revealed that the development of SSIs in the North East is lagging far behind as compared to the other regions especially western and southern part of the country.

The review of the present study indicates that the eight states of North East India are perhaps the nation's best kept secret in terms of its untapped economic potential. In fact, there are few in the country, which can equal the treasures house of resources it possesses. The larger reserves of oil, gas, coal, minerals, a rich agro base, an extremely beautiful tapestry of tourist destinations and highly literate and skilled people make the North East unique in many ways. Besides, the North East also present a vast potential and pretty picture for the investors. However, in order to tap these potentials, there is an urgent need to improve the present condition of small-scale industries across the North East states to enhance the economy of the region and also the country. Hence, there is a need for comprehensive support to these industries from the Government. In order to tap these potentials, the state must seriously look into the issues and address them so that its potential be capitalised to its great extent.

If we analyse the challenges carefully, it can be also observed that most of the challenges mentioned above can be solved if the region can establish proper information centre for providing modern information services to small scale and medium sized enterprises. Hence, it strongly recommends a setting up of information networking centres in the region, which would dedicate its service for providing information services to the small-scale industries in the North East India.

5. Recommendations

Some of the recommendations that has emerged from the present study are as follows:

- There is an urgent need for establishing an information centre fully dedicated to small-scale industries. For this

further research needs to be conducted so that proper implementation is taken place.

- The Government should empower the people and launch impactful entrepreneurship development programmes across the North East states, especially at rural regions. Further research can be conducted on this area for launching an impactful entrepreneurship development programmes.
- The infrastructure facilities should provide support in the form of industrial facilities, power and water, common service facilities, transportation network, marketing linkage, etc. for SSIs
- There is an urgent need for development of entrepreneurship as Government cannot provide employment to all
- The Government should also develop a comprehensive support system of institutional agencies
- There should be adequate supply of credits, raw materials, marketing facilities, infrastructure facilities, technological support, exemption from tax and motivation of new generation of entrepreneurs are also very important.
- Like any other professional enterprise, the SSI also should have proper information support system so that maximum capitalisation takes place.

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