



A Study On The Role of Small-Scale Industries In Employment Generation In Thoothukudi District

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ABSTRACT

Small-scale industries play a significant role in promoting economic development by generating employment opportunities, encouraging entrepreneurship, and supporting local communities. In India, these industries contribute substantially to income generation and provide livelihood opportunities, especially in semi-urban and rural areas. Thoothukudi District has a diverse range of small-scale industries, including manufacturing, fisheries-related activities, food processing, and other service-based enterprises, which contribute to the local economy. This study focuses on the role of small-scale industries in employment generation in Thoothukudi District. It examines the contribution of these industries in creating job opportunities, improving income levels, and supporting the socio-economic development of workers and entrepreneurs. The study also identifies the challenges faced by small-scale industries, such as financial constraints, technological limitations, market competition, and availability of skilled labour. The research is based on primary and secondary data collected from small-scale industry owners, employees, government reports, and relevant publications. The findings of the study aim to highlight the importance of small-scale industries in reducing unemployment and promoting sustainable economic growth in Thoothukudi District. The study provides suggestions for strengthening small-scale industries through better financial support, skill development programmes, and government policies to enhance their employment-generating capacity.

Keywords: Small-scale industries; Employment generation; Entrepreneurship; Socio-economic development; Thoothukudi District.

Introduction

Small-scale industries are an important component of economic development, particularly in developing countries like India. These industries contribute significantly to employment generation, income creation, entrepreneurship development, and balanced regional growth. Unlike large-scale industries, small-scale industries require comparatively less capital investment and can provide employment opportunities to many people, making them an essential source of livelihood for many communities.

In India, small-scale industries have played a crucial role in reducing unemployment and promoting inclusive economic growth. They support local resources, encourage self-employment, and contribute to the production of goods and services. These industries also help in improving the standard of living of workers by providing regular income opportunities. The growth of small-scale industries is closely connected with the development of rural and semi-urban economies. Thoothukudi District has significant potential for small-scale industrial activities due to its coastal location, availability of natural resources, and growing commercial activities. The district has various small-scale industries such as food processing units, fishing-related industries, salt production, manufacturing units, handicrafts, and service enterprises. These industries provide employment opportunities to local people and contribute to the overall economic development of the region.

However, small-scale industries face several challenges, including limited access to finance, lack of modern technology, shortage of skilled labour, competition from large industries, and market-related difficulties. Addressing these challenges is necessary to improve their efficiency and expand their employment-generating capacity. This study aims to examine the role of small-scale industries in employment generation in Thoothukudi District. It focuses on their contribution to job creation, income improvement, and socio-economic development while identifying the problems faced by entrepreneurs and workers. The study also provides suggestions for strengthening small-scale industries and enhancing their role in promoting sustainable economic growth.

Statement of the Problem

Small-scale industries are considered one of the major sources of employment generation and economic development, especially in developing regions. They provide livelihood opportunities to many people and contribute to the growth of local economies. However, despite their importance, small-scale industries continue to face various challenges that

affect their growth and employment-generating capacity. In Thoothukudi District, small-scale industries provide employment opportunities in sectors such as manufacturing, fisheries-related activities, food processing, salt production, and other service activities. However, issues such as lack of adequate financial support, limited access to modern technology, shortage of skilled workers, increasing competition, and market difficulties create barriers to their expansion. The unemployment rate and need for sustainable livelihood opportunities make it important to understand the contribution of small-scale industries to employment generation in the district. A detailed study is required to analyse the extent to which these industries create employment, improve income levels, and support the socio-economic development of workers and entrepreneurs.

Review of Literature

Tamil Nadu Department of Economics and Statistics (2017–18)

The **Thoothukudi District Statistical Handbook (2017–18)** reported a steady increase in the number of registered small-scale industries, particularly in manufacturing, food processing, engineering, salt-based industries, and marine products. The report highlighted that these industries significantly contributed to employment generation, especially for rural youth and women, and supported balanced regional industrial development.

Maria Queen Annes, D. & Sornaganesh, V. (2019)

In their study, **"A Study on the Impact of Industrialisation in Thoothukudi,"** the authors examined the contribution of industries to the district's economic development. They found that industrial growth in sectors such as chemicals, shipping, seafood processing, salt production, and power generation created substantial direct and indirect employment opportunities. The study concluded that industrialisation improved income levels and living standards while identifying environmental issues as a major concern.

Mishra, A. & Shukla, R. (2019)

Their study, **"Role and Challenges of MSMEs in Employment Generation for Inclusive Economic Growth in India,"** emphasised that MSMEs are among the largest employment generators after agriculture. The authors observed that MSMEs promote entrepreneurship, reduce regional income disparities, and provide employment with relatively low capital investment. They also identified challenges such as inadequate finance, technological limitations, and marketing constraints.

Muralidharan, T., Paul, B., & Basole, A. (2021)

The report **"Creating Udyog Sahayak Enterprises Network (USENET) for Employment Generation and Scale-up in the MSME Sector"** highlighted that micro and small enterprises have the greatest potential to create employment in India because they are labour-intensive and widely distributed. The authors recommended stronger institutional support, financial inclusion, business advisory services, and digital assistance to improve employment generation through MSMEs.

Kalita & Das (2021)

In the study **"Can Unemployment be Answered by Micro Small and Medium Enterprises? Evidences from Assam,"** the authors analysed the employment contribution of MSMEs in a developing region. They concluded that MSMEs play a vital role in reducing unemployment, particularly by creating opportunities for women and local workers. The study suggested that government support and enterprise expansion are essential for sustaining employment growth. Although conducted in Assam, its findings are relevant to MSME-based employment studies across India.

Objectives of the Study

1. To study the growth and development of small-scale industries in Thoothukudi District.
2. To examine the contribution of small-scale industries in generating employment opportunities.
3. To analyze the socio-economic conditions of employees working in small-scale industries.
4. To study the impact of small-scale industries on income generation and livelihood improvement.
5. To identify the major problems and challenges faced by small-scale industries in Thoothukudi District.
6. To examine the factors influencing employment opportunities in small-scale industries.
7. To study the role of government schemes and policies in promoting small-scale industries.

Scope of the Study

The present study focuses on the role of small-scale industries in employment generation in Thoothukudi District. Small-scale industries are an important sector that contributes to economic development by creating employment opportunities, promoting entrepreneurship, and improving the livelihood of local people. The study covers various aspects of small-scale industries, including their growth, contribution to employment creation, income generation, and socio-economic development of workers. It examines the employment opportunities provided by small-scale industrial units and the factors influencing job creation in the district. The study also attempts to identify the major problems faced by small-scale industries, such as financial constraints, lack of skilled labour, technological limitations, and marketing difficulties. It evaluates the role of government policies and support programmes in promoting the development of these industries. The findings of the study will help small-scale industry owners, employees, policymakers, and researchers understand the

importance of these industries in reducing unemployment and promoting regional economic growth. The study is limited to selected small-scale industries operating in Thoothukudi District and provides suggestions for improving their employment-generating potential.

Sources of Data

The present study is based on both **primary data** and **secondary data** collected from various sources to analyze the role of small-scale industries in employment generation in Thoothukudi District.

1. Primary Data

Primary data is collected directly from small-scale industry owners, employees, and workers in Thoothukudi District. The data is gathered through:

- Structured questionnaires and interview schedules.
- Personal interviews with entrepreneurs and employees of selected small-scale industries.
- Field visits to understand the employment conditions, income levels, and challenges faced by workers.

2. Secondary Data

Secondary data is collected from various published and unpublished sources, including:

- Government publications and reports.
- Ministry of Micro, Small & Medium Enterprises (MSME) reports.
- District Statistical Handbook of Thoothukudi District.
- Reports from the Government of Tamil Nadu.
- Books, journals, research articles, and academic publications related to small-scale industries and employment generation.
- Websites of government departments and organizations.

Data Analysis

The collected data from the respondents of selected small-scale industries in Thoothukudi District is analyzed and interpreted using suitable statistical tools. Data analysis helps to understand the contribution of small-scale industries towards employment generation, income improvement, and the socio-economic development of workers. The primary data collected through questionnaires and interviews are classified, tabulated, and analyzed based on various factors such as age, gender, educational qualification, employment status, income level, work experience, type of industry, and problems faced by workers and entrepreneurs.

Table 1 Demographic Profile of Respondents

S.No	Demographic Variable	Category	No. of Respondents	Percentage (%)
1	Gender	Male	32	64
		Female	18	36
		Total	50	100
2	Age	Below 25 years	10	20
		25–35 years	18	36
		36–45 years	14	28
		Above 45 years	8	16
		Total	50	100
3	Educational Qualification	Below Higher Secondary	12	24
		Higher Secondary	16	32
		Diploma	10	20
		Graduation and above	12	24
		Total	50	100
4	Work Experience	Below 2 years	12	24
		2–5 years	18	36
		6–10 years	12	24
		Above 10 years	8	16
		Total	50	100
5	Monthly Income	Below ₹10,000	10	20
		₹10,000–₹20,000	22	44

S.No	Demographic Variable	Category	No. of Respondents	Percentage (%)
		₹20,001–₹30,000	12	24
		Above ₹30,000	6	12
	Total		50	100

Source: Primary Data (Survey)

Interpretation:

The above table presents the demographic profile of 50 respondents selected from small-scale industries in Thoothukudi District. Most respondents are male (64%), belong to the age group of 25–35 years (36%), have higher secondary education (32%), possess 2–5 years of work experience (36%), and earn a monthly income between ₹10,000 and ₹20,000 (44%). This indicates that small-scale industries provide employment opportunities mainly to the working-age population with diverse educational backgrounds.

Table 2 Type of Small-Scale Industry of Respondents

Type of Industry	No. of Respondents	Percentage (%)
Manufacturing	15	30
Food Processing	10	20
Fisheries-related Activities	12	24
Salt Production	8	16
Service-based Industries	5	10
Total	50	100

Interpretation:

The table shows that manufacturing industries account for the highest share (30%) among the selected respondents, followed by fisheries-related activities (24%). This indicates the importance of small-scale industries in providing employment opportunities across different sectors.

Table 3 Employment Status of Respondents

Employment Type	No. of Respondents	Percentage (%)
Permanent Employment	20	40
Temporary Employment	18	36
Self-employed	8	16
Part-time Employment	4	8
Total	50	100

Interpretation:

The table reveals that 40% of respondents are engaged in permanent employment, indicating that small-scale industries provide stable job opportunities for local people.

Table 4 Number of Employees Working in Selected Industries

Number of Employees	No. of Industries	Percentage (%)
Below 10 employees	18	36
10–25 employees	20	40
26–50 employees	8	16
Above 50 employees	4	8
Total	50	100

Interpretation:

The table indicates that most small-scale industries (40%) employ between 10 and 25 workers, showing their contribution towards employment generation at the local level.

Table 5 Reason for Joining Small-Scale Industries

Reason	No. of Respondents	Percentage (%)
Employment Opportunity	22	44

Reason	No. of Respondents	Percentage (%)
Income Generation	15	30
Skill Development	8	16
Nearness to Home	5	10
Total	50	100

Interpretation:

Most respondents (44%) joined small-scale industries due to employment opportunities, followed by income generation (30%). This highlights the role of these industries in providing livelihood support.

Table 6 Problems Faced by Small-Scale Industries

Problems	No. of Respondents	Percentage (%)
Lack of Finance	16	32
Raw Material Problems	10	20
Labour Shortage	8	16
Market Competition	12	24
Technology Constraints	4	8
Total	50	100

Interpretation:

The table shows that lack of finance (32%) is the major problem faced by small-scale industries, followed by market competition (24%). Financial support and improved infrastructure are necessary for the growth of these industries.

T-TEST ANALYSIS

Hypothesis

Null Hypothesis (H_0):

There is no significant impact of small-scale industries on employment generation in Thoothukudi District.

Alternative Hypothesis (H_1):

There is a significant impact of small-scale industries on employment generation in Thoothukudi District.

Table One Sample t-Test on Employment Generation

S.No	Employment Benefit Score
1	4
2	5
3	4
4	3
5	5
6	4
7	4
8	5
9	3
10	4

(Sample data from 50 respondents using a 5-point scale)

Test Statistics

Particulars	Value
Sample Size (n)	50
Mean Score	4.12
Test Value (μ)	3
Standard Deviation	0.82

Particulars	Value
Calculated t-value	9.67
Degree of Freedom (df)	49
Table Value at 5% Level	2.01

Calculation: $t = \frac{\bar{x} - \mu}{s/\sqrt{n}}$

Where:

- $\bar{x}$ = Sample mean = 4.12
- μ = Test value = 3
- s = Standard deviation = 0.82
- n = Sample size = 50

Calculated t-value = **9.67**

Result:

Since the calculated t-value (9.67) is greater than the table value (2.01) at the 5% significance level, the null hypothesis is rejected.

Findings

1. The study found that small-scale industries provide significant employment opportunities to the local population and contribute to reducing unemployment in Thoothukudi District.
2. Most of the respondents were male (64%), indicating that men constitute a larger share of employment in selected small-scale industries.
3. Most of the respondents (36%) belonged to the age group of 25–35 years, showing that small-scale industries mainly provide employment opportunities to the young working population.
4. The study revealed that respondents with higher secondary education formed the largest group (32%), indicating that small-scale industries provide employment opportunities for people with moderate educational qualifications.
5. Most workers (36%) had 2–5 years of work experience, which shows that small-scale industries provide relatively stable employment opportunities.
6. Many respondents (44%) earned a monthly income between ₹10,000 and ₹20,000, indicating that small-scale industries contribute to regular income generation and livelihood support.
7. Manufacturing industries were found to provide the highest employment opportunities (30%), followed by fisheries-related activities (24%) among the selected industries.
8. The study revealed that 40% of respondents were engaged in permanent employment, showing that small-scale industries provide job stability to workers.
9. Employment opportunity was the major reason for joining small-scale industries, with 44% of respondents choosing these industries for livelihood support.
10. The study identified lack of finance (32%) as the major problem faced by small-scale industries, followed by market competition (24%) and raw material issues (20%).
11. The t-test analysis showed that small-scale industries have a significant impact on employment generation in Thoothukudi District, as the calculated t-value was higher than the table value.
12. The study found that government support, financial assistance, skill development programmes, and technological improvement are essential for enhancing the growth and employment capacity of small-scale industries.

Suggestions

- Government and financial institutions should provide easy access to loans, subsidies, and credit facilities to small-scale industries to overcome financial constraints and support business expansion.
- Regular training programmes should be conducted to improve the technical skills and productivity of workers. Skill development initiatives can help increase employment opportunities and enhance the quality of work.
- Small-scale industries should be encouraged to adopt modern technologies and improved production methods to increase efficiency and compete effectively in the market.
- Government agencies should provide marketing assistance, exhibition opportunities, and digital marketing support to help small-scale industries expand their market reach.
- Adequate infrastructure facilities such as transportation, electricity, storage facilities, and industrial spaces should be improved to support the growth of small-scale industries.

Conclusion

The present study titled “A Study on the Role of Small-Scale Industries in Employment Generation in Thoothukudi District” highlights the significant contribution of small-scale industries towards employment creation and economic development. Small-scale industries act as an important source of livelihood by providing job opportunities, promoting entrepreneurship, and improving the income conditions of local communities. The study reveals that small-scale industries provide employment opportunities to people with different educational qualifications and skill levels. Industries such as manufacturing, fisheries-related activities, food processing, salt production, and service-

based enterprises contribute significantly to the economic activities of Thoothukudi District. These industries help in reducing unemployment and supporting the socio-economic development of workers. The findings indicate that small-scale industries face several challenges, including lack of finance, limited access to modern technology, shortage of skilled labour, and market competition. Addressing these issues through effective government policies, financial support, skill development programmes, and infrastructure improvement can enhance the growth and sustainability of these industries. The statistical analysis also confirms that small-scale industries have a significant role in employment generation. Strengthening small-scale industries will not only increase employment opportunities but also promote balanced regional development.

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