

OBJECTIVE OF THE THESIS:

The accent in India's national plans for the promotion of small-scale industry springs mainly from the fact that it has large employment potential and ensures diffusion of economic power and better distribution of national income so essential to achieve the egalitarian objectives of establishing a welfare state. The small-scale industrial sector occupies a key position in the industrial structure of the country as well as of the state of West Bengal. On the other hand, North Bengal, having many agro and forest resources and growing unemployed population offers vast prospect for small industries.

One of the major handicaps in developing the new small-scale units and transforming the existing ones from traditional to modern lines of manufacture is the shortage of finance. In the absence of this powerful grease, a number of well conceived schemes confine their existence only on paper and seldom find an opportunity to flourish. The shortage of this lubricant forces entrepreneurs to use second hand machines, inferior methods of production and ineffective techniques of marketing. This problem, in fact, is so severe and extensive that every problem, whether of inadequacy of raw material or shortage of power, labour or marketing, turns in its ultimate analysis a problem of finance.

The object of the present study, therefore, is to analyse the nature of financing and the role of various agencies in

meeting the vital need of finance of the small-scale industrial sector in North Bengal. The study is topical as well as interesting, to understand the widely publicised role of financial institutions in extending credit to small-scale units and to highlight the problems faced by entrepreneurs.

The small-scale industrial sector constitutes units of heterogeneous character in regard to the lines of manufacture and capital investment. Its scope, on the basis of capital investment, ranges between the units established with a few hundred rupees to those having an investment of several lakhs. The smaller units in the small-scale sector seem to have received scant attention in relation to the large ones.

The whole study has been divided into six chapters besides the last one entitled "Summary and conclusions".

The first chapter highlights in brief the socio-economic background of North Bengal and the importance of small-scale industries in the region. The second and third chapters focus attention on the nature and problems of financing small-scale units since the middle of seventies. Analysis has been made in these chapters on the basis of empirical data obtained from different sources. The roles of State Government, banks and other agencies in financing the small-scale sector including various assistance programmes have been analysed in chapter four. The fifth chapter examines the prospect for resource and demand based industries in different districts of

North Bengal. In the Sixth chapter, a micro - level study of some selected small-scale units has been made. Methodology of the study has been outlined.

On the basis of all the foregoing chapters summary and conclusions has been drawn.

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