

STATE SMALL INDUSTRIES CORPORATIONS IN INDIA: A COMPARATIVE FACTUAL REVIEW*

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INTRODUCTORY : The momentous role of small-scale industries in the Indian economy need not be over emphasized. The Industrial Policy Resolution of 1948 rightly enunciated the need for "development of the cottage and small-scale industries under the states". The All India Small Scale Industries Board, which was set up in November 1954 to perform rational thinking about ways and means to develop the small industries, eradicated the old fallacy that "to assist industries was futile". To get over the initial difficulties of non-availability of raw materials, inadequacy of technical assistance, non-supply of machinery and equipment and lack of proper facilities of marketing, the Board suggested the setting-up of a small-industries corporation in each state. The fresh Industrial Policy Resolution of 1956, laid due emphasis on the national necessity of the small-scale industries. This highlighted the pragmatism in the recommendation of the Board. Since then State Small Industries Corporations have been set up in a number of states. In this note an attempt has been made to give a factual description of these corporations that have already been set up, on the basis of available data. The impact of these corporations on the state economies could not, however, be investigated for want of suitable data. It is also perhaps rather a little too early to undertake such a study.

Evolution and functions : It will not be out of place to mention that the term "Corporation" has been used in its literal sense. Statutorily, they are companies formed and registered under the Indian Companies Act, 1956. The use of the term "Corporation", probably, has its origin in the fact that the Ford Foundations' International Planning Team of April 1954, a precursor to the All India Small Scale Industries Board, had most of the experts from a country

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