

**GOVERNMENT OF INDIA  
SMALL SCALE INDUSTRIES  
LOK SABHA**

UNSTARRED QUESTION NO:4413

ANSWERED ON:08.05.2007

IMPACT OF LIBERALISATION ON SMALL SCALE INDUSTRIES

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**Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:**

- (a) whether the production is getting affected due to Inspector Raj in small and cottage industries;
- (b) if so, whether the review is being made about the progress of liberalisation process;
- (c) if so, the percentage of production of these industries affected due to Inspector Raj during the last three years;
- (d) whether any survey has been conducted to assess the impact of Inspector Raj on small and cottage industries;
- (e) if so, the outcome thereof; and
- (f) the efforts being made by the Government to remove the problems of these industries?

**Answer**

THE MINISTER OF THE STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGRO & RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

(a)to(e) : Although there is no quantifiable/empirical information to suggest the specific impact of each constraint faced by the micro and small enterprises, it is an established fact that among other concerns like the non availability of timely and adequate credit and technological obsolescence, the adverse impact of maintenance of several registers, filing of returns and multiple inspections by authorized inspectors under various labour laws are viewed as impediments to growth by micro and small enterprises.

(f) : The Government has put in place a slew of measures to remove the problems faced by micro and small enterprises which include, inter alia, assistance for technological upgradation, comprehensive need based development of clusters, accessing markets, improved infrastructure, better availability of credit, facilities for training and capacity building of entrepreneurs, etc.