

AN EXAMINATION OF THE SMALL SCALE INDUSTRIES
IN RELATION TO EMPLOYMENT, COMMUNITY DEVELOPMENT

AND
DEVELOPMENT POTENTIAL

A CASE STUDY OF TWO INDUSTRIES

1. LIGHT ENGINEERING INDUSTRY

2. LEATHER PRODUCT INDUSTRY

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A DISSERTATION PRESENTED

TO THE

DEPARTMENT OF THE TOWN AND COUNTRY PLANNING

KATUBEDDA CAMPUS, UNIVERSITY OF SRI LANKA.



University of Moratuwa, Sri Lanka.

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SYNOPSIS

This is an examination of small scale industrial sector in relation to employment, community development and development^{Potential.} All these section are connected to the physical planning sector from various aspects. In order to explicit our research study in this connection had divided the whole stream of findings into seven chapters.

In the first chapter our attempt was to prove that the definition of small scale industries is very controversial and therefore what is important is the production and other factor which could be benefited by^{the} community. Thus here we have strongly emphasised that a new definition is rather essential for industries in order to eliminate the disparities prevalent in industries. As a result of this we have proposed a new concept for industries which is termed as the "RING ORGANISATION OF INDUSTRIES".

Second chapter deals on the historial perspective of the state industrial policy adoptations and the place which has been given for small scale industrial sector. This historical policy on implementation

has been divided into five periods as the time of Sinhalese Kings, the period of Colonial Rule, the period from 1948 - 1960, then the period from 1960 - 1970 and the post 1970 period etc. Here we have found that the importance of small scale industries in relation to the socio economic problem was realised only after 1970. Also we have strongly criticized these policies, which have been formulated in absence of physical planning aspects. Further it has visualized that the activities of various agencies and institutions connected to small scale industries are overlapping.

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Therefore, after taking all these shortcomings related to industrial policies into our serious consideration we have proposed a new small scale industries policy to be implemented in Sri Lanka. Finally this procedure had linked to the community development by two, agencies such as Ministry of Planning and Department of Town and Country Planning which helps to develop the infrastructure development.

In the third chapter we have discussed the state policy on industrial locations and the unsuccessful attempt on dispersion of small scale industries. We have proved that the state has not proper policy in the location of industries.

In order to overcome this problem as well as other problems such as industrial definitions and disparities we have built up a concept of "RING ORGANISATION OF INDUSTRIES". This is to eliminate the scattered location of small scale industries through a method of collectivisation. This is a strategy which is proposed to be implemented in Sri Lanka. What we have emphasised here is that there is no need to divide industries according to scales, also the so called small scale sector is in a position to have mass scale production.

This is a concept based on mass production through large number of collectively organised small scale industrial units.

This is the most suitable method of location in order to solve the economic social and technological and physical problems in relation to the small scale industry sector. This locational concept industries will enable to have an effective physical planning system as it has deeply involved in infrastructure development.

Chapter four explains findings of our course study in relation to two small scale industries Light Engineering and Leather Product Industries which are located in the urban sector. This research study divided into four sectors such as, location, process, linkage of the industry and the employment etc. These practical findings will feed back into

the chapter to investigate how suitability over findings are fitting all to these factors.

Chapter five deals in the future potential of the two industries. This has been examined under four sections, such as Market sources, technological feasibility and economic viability. According to this we have found that these two industries are having a greater potentiality for future development.

Chapter Six investigate how for the small scale industrial sector could be a stimulant for employment and for the community development. This discussion carries in two stages. One is the National Level and the other is the Local Level with reference to the Colombo City as it is the most notable area with a large poor community and also as we have carried our case study in the M.C. areas.

At the National Level we find that some economic development activities are taking place is without a physical planning dimension and on the other hand in the Colombo City's infrastructure development activities are operating in isolation of socio economic development.

Hence we have strongly argued that Infrastructure development activities should be carried out in relation to socio economic activities. Further we stressed that community development is entirely depending on these two activities. Here we have proposed to implement a pilot project under our concept of "RING ORGANISATION OF INDUSTRIES" in the Bloemendhal - Mahawatte area

where the open space is available for such purposes.

The final chapter give a summary of some of the proposals and recommendations have been made by us. Here we have emphasised that Ring Organisation of Industries should be applied, state policy should be revised and our policy proposals should be considered which gives a prominent place for IDB, as a Co-ordinator. Location of Industry^{ies} has to be considered only by means of a feasibility study survey two physical planning enactments that is Town and Country Planning and Housing and Town Improvement Ordinance has to be revised and closest has to be included in relation to industrial location, to restructuring the Panchikawatte area by applying the FIRST HIEARACHIAL LOCATIONAL ORDER in the concept of RING ORGANISATION OF INDUSTRIES, to develop the water transport with source area and to investigate the economic viability of linking Panchikawatte area with the resource areas by means of electrified railway system and recommendation made to consider the location of industries in relation to settlement planning and community development, Industrial Bank for small scale industries, protection for small scale industries from imported products, small scale industrial activities to be operated through co-operative movement, exploitation of market sources for Light Engineering and Leather Products, and the elimination of bueauracritic activities and corruption for the future expansion of the small scale sector etc.

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