

Small Scale Industries and Their Contribution in Socio Economics Development

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ABSTRACT:

Small-scale industries play a crucial role in the socio-economic development of nations. This abstract explores their contributions and impact on various aspects of society. These industries are characterized by their small size and limited capital investment, yet they generate significant employment opportunities, contributing to poverty reduction and improved living standards. They promote income distribution by providing income-generating avenues to individuals from diverse backgrounds, thereby reducing income inequality. Small-scale industries also foster rural development, bringing economic activities and job opportunities to underserved areas. They drive innovation and technological advancement, enhancing competitiveness and economic growth. Additionally, these industries often participate in export activities, contributing to foreign exchange earnings and improving trade balances. They preserve cultural heritage by producing traditional crafts and products, sustaining cultural identity and social cohesion. Moreover, small-scale industries exhibit resilience and stability, enhancing the overall economic robustness of a nation. Governments and policymakers recognize their importance and implement supportive measures to nurture their growth. Overall, small-scale industries make significant contributions to socio-economic development, creating a positive impact on society at large.

Keywords: Small-scale industries, socio-economic development, employment generation, income distribution

Introduction:

Small-scale industries, also known as micro, small, and medium enterprises (MSMEs), play a crucial role in the socio-economic development of nations worldwide. These enterprises are characterized by their small size, limited capital investment, and a relatively low number of employees. While individually they may appear modest, collectively they make significant contributions to various aspects of society, fostering inclusive growth and sustainable development.

Small-scale industries are known for their ability to generate employment opportunities, particularly in countries with large populations and high unemployment rates. They provide avenues for self-employment and entrepreneurship, enabling individuals to create their own livelihoods and contribute to the economy. By generating jobs, these industries help alleviate poverty, reduce inequality, and enhance social welfare. In addition to employment generation, small-scale industries contribute to income distribution within society. They provide income-generating opportunities to a wide range of individuals, including those with limited formal education and skills. This helps in reducing income disparities and promoting a more equitable distribution of wealth, fostering social cohesion and stability.

Rural development is another area where small-scale industries have a significant impact. These industries play a crucial role in promoting economic activities and job creation outside of urban centres. By establishing enterprises in rural areas, they contribute to the overall development of these regions, improving access to goods and services, and enhancing the quality of life for rural communities.

Review of literature:

(Feser, n.d.) studied “Old and new theories of industry clusters ”and said that The paper reviews the broad range of theories and ideas that constitute, often implicitly, the logic behind strategic cluster policies. The title of the paper notwithstanding, there is no theory of industry clusters, per se. Even Porter’s (1990) seminal contribution is more a theory of firm competitiveness than clusters. There is, instead, a variety of older and newer theories of 1) the interrelationships between economic actors that clusters describe, and 2) the implications of such interrelationships for economic growth and development. Industry clusters have proven a useful way of characterizing webs of relationships between and among firms and other institutions. Policy makers designing cluster strategies attempt to leverage such relationships in the interest of growth and development objectives. For their part, regional scholars must strive to specify and test clearer hypotheses about the workings and impacts of such relationships in order to verify the efficacy of cluster policies.

(Ogbeidi, n.d.) studied “Political Leadership and Corruption in Nigeria Since 1960: A Socio-economic Analysis ”and said that Nigeria, a country richly endowed with natural resources and high quality human capital is yet to find its rightful place among the comity of nations. A major reason that has been responsible for her socioeconomic stagnation is the phenomenon of

corruption. The kernel of the paper rest in the fact that political leadership and corruption were interwoven and it is against this background that it explored the corrupt tendencies of the political leadership class in Nigeria since 1960 and its implication for socioeconomic development. The paper concludes that for Nigeria to experience sustainable socio-economic development, responsible and credible leaders must emerge to implant the act of good and selfless governance in the country.

(Orfield, n.d.) studied “Metro politics: A regional agenda for community and stability ”and said that The problem of urban sprawl is explored in terms of its effects on the concentration of poverty, the decline of inner suburbs, and the distribution of economic and other benefits toward the "favoured quarters" of a region. Also considered are the costs of the polarization that is symptomatic of urban sprawl, the benefits of regional cooperation and obstacles to attaining that cooperation.

(Cox & Mair, 1988) studied “Locality and Community in the Politics of Local Economic Development” and said that Concomitant with the contemporary restructuring of local economies in t h e United States has been a distinctive local politics: o n e which revolves around a competition among localities rather than conflict within them. The role of t h e local dependence of various actors is explored with a view to explaining this politics. Some firms are locally dependent and form business coalitions to stimulate investment in their local economy. They attempt to harness t h e powers of local governments, which are susceptible as a result of their own local dependence. Subsequent local economic development programs often pose threats to people in their workplaces and living places and elicit opposition. To overcome this opposition, business coalitions attempt to promulgate a shared interest in a local community. This interest is extended to include threats to t h e local community implied by t h e economic development programs of business coalitions elsewhere. The local dependence of people makes them receptive to this argument.

(Saunders & Williams, 1988) studied “The constitution of the home: Towards a research agenda” and said that The home has been a neglected research area in housing studies. This paper represents one preliminary attempt to explore the role of the home in contemporary British society. Key concerns include class and social relations, the sociology of consumption and the home as a locale.

(Blais & Dobyns, 1998) studied “Turnout in Electoral Democracies” and said that We examine turnout in 324 democratic national lower house elections held in 91 countries, between 1972

and 1995. We rely on Freedom House ratings of political rights to determine whether an election is democratic or not. We distinguish three blocks of factors that affect turnout: the socio-economic environment, institutions, and party systems. We show that turnout is influenced by a great number of factors and that the patterns that have been shown to prevail in studies dealing with more limited samples of countries generally hold when we look at a larger set of democracies. But we also show that the socio-economic environment, which has been downplayed in previous studies, has a substantial impact on turnout.

(Marsden, 1998) studied “New rural territories: Regulating the differentiated rural spaces” and said that Taking the differentiating countryside as a major feature of rural spatial change, this paper explores some of the key development spheres which are influencing the process of differentiation with reference to the British case. Combinations of local and non-local networks, supply chains and regulatory systems incorporate different rural spaces. Four particular development spheres: mass food markets, quality food markets, agriculturally related changes and rural restructuring implicate, in their different combinations, the different rural spaces. This analytical framework raises some important concerns for the governance of differentiating rural space in its regional context. In particular, it suggests that notions of integration and holism of rural spaces will be difficult to achieve; and that governance and regulation becomes highly variable according to the relative significance of local/non-local networks. In conclusion, the implications of the analysis are examined in relation to the growing rural development policy discourse. This suggests the need for more regionally and spatially orientated policy which is more customized to the internal and external conditions different regional-rural spaces experience.

(Allison, 2001) studied “Big laws, small catches: global ocean governance and the fisheries crisis” and said that The world's fisheries are perceived to be in crisis, leading to livelihood and nutritional insecurity in fishery-dependent areas of developing countries. This paper reviews institutional responses to this crisis. Within the last decade, there has been a shift from emphasis on 'hard laws' regulating fisheries in sovereign-states' territorial waters, towards governance through 'soft' global voluntary codes of conduct, market incentives and partnerships between the folk and governments. The new governance regime inherits daunting problems and will require sustained international political commitment to succeed. Given this political will, new enabling institutions and the ecological resilience of many marine species could restore and sustain the fisheries. Copyright # 2001 John Wiley & Sons, Ltd.

(Milne & Ateljevic, 2001) studied “Tourism, economic development and the global-local nexus: Theory embracing complexity” and said that In this paper we review the complex links that exist between the tourism industry and processes of economic development. A brief overview of the industry’s economic role at the international and national scale leads us into a discussion of local and regional involvement in the tourism industry. We emphasize the need to develop a more rigorous understanding of the evolving tourism industry and how it in fences processes of local economic development. Following a review of the major theoretical frameworks that have been applied to help us understand these processes, we highlight the ways in which current attempts to understand the links between tourism and economic development are embracing the complexity of the industry and its in fence on everyday lives. We advocate ‘new’ ways of seeing and studying the economics of tourism geography, ways that re etc the cultural turn in the ‘new’ economic geography, and the increasing sign cancer of networks and new information and communication technologies. We argue that a willingness to embrace complexity is essential if we are to unpack the ‘global’ nature of tourism development processes.

(Tosun, 2001) studied “Challenges of sustainable tourism development in the developing world: the case of Turkey” and said that This article presents an analysis of the challenges to sustainable tourism development in developing countries with special references to Turkey as a part of the developing world. It was found that the factors that have emerged as challenges to sustainable tourism development related to priorities of national economic policy, the structure of public administration, an emergence of environmental issues, over commercialisation, and the structure of international tourism system. It concludes that although the principles of sustainable tourism development are Benicia, their implementation is an enormously dicot task to achieve and owing to the prevailing socio-economic and political conditions in the developing world. Hence, any operation of principles of sustainable tourism development necessitates hard political and economic choices, and decisions based upon complex socio-economic and environmental trade-ins. Moreover, it states that implementation of these hard decisions may not be possible unless international organisations encourage and collaborate with governments of developing countries to implement the principles of sustainable tourism development. 2001 Elsevier Science Ltd. All rights reserved.

(Guiraudon, 2003) studied “The constitution of a European immigration policy domain: a political sociology approach” and said that At the 1999 Tampere summit, EU member states

committed themselves to developing a comprehensive immigration and asylum policy. Although directives harmonizing border controls or anti-discrimination instruments have been adopted, it remains an incomplete and complex European policy area. This article seeks to explain the timing, form and content of this new domain. It combines the insights of March and Olsen's 'garbage can' model with a sociological approach that emphasizes power competition among actors in the same field. Diverse actors have seized upon EU opportunities. Law and order officials in charge of migration control seeking to gain autonomy in intergovernmental settings linked their action to the single market and transnational crime. NGOs providing expertise to Commission units seeking competence in non-economic areas jumped on the 'social exclusion' bandwagon by proposing anti-discrimination legislation. These developments – superimposed on policies regarding free movement of workers and services – are thus often contradictory and adhocistic.

(Adhikari et al., 2004) studied "Household characteristics and forest dependency: evidence from common property forest management in Nepal" and said that In resource dependent rural areas of developing countries, common property resource management has been considered as one of the most viable options for combining poverty reduction, enhancement of local level economic development and biodiversity conservation. The past decade has witnessed an increasing emphasis on community-based forest management, with transference of forest management responsibility into the hands of local communities. However, although community forestry (CF) has succeeded in halting resource degradation and conservation of biodiversity, the equity aspect of CF not been fully examined. Nepal is a good location for a case study to examine this question, as community forest programs have been in place longer than in many other countries. This study analyzes the relationship between key household characteristics and common property resources used in order to assess whether poorer households are able to gain greater access to community forests as a result of institutional change. Both quantitative and qualitative analyses suggest that forest product collection from community forests is dependent on various socio-economic variables. In general it appears that land and livestock holdings, caste, education of family members and household economic status exert a strong influence on appropriating benefits from the commons. Based on this analysis, it can be concluded that, at least for some key products, poorer households are currently facing more restricted access to community forests than 'less poor' or relatively better off households.

(Ahrens & Chapman, 2007) studied “Management accounting as practice” and said that In this paper we outline a distinctive practice theory approach to considering the role of management accounting in the constitution of organizations. Building on [Schatzki, T.R. (2002). *The site of the social: a philosophical account of the constitution of social life and change*. University Park, PA: Pennsylvania State University Press] notion of arrays of activity we emphasise the ways in which organisational members actively reconstitute their management control systems by drawing on them as a shared resource. By tracing the skilful practices through which social actors in a restaurant chain understand and mobilise accounting to contribute in specific ways to what they regard as the objectives of their organisational units, we develop a notion of situated functionality. Situating the interrelationships between technical and interpretive accounting processes in the wider field of organisational practices we elaborate the ways in which management control systems as structures of intentionality both shape and are shaped by shared norms and understandings.

(Bebbington et al., 2008) studied “Contention and Ambiguity: Mining and the Possibilities of Development: Mining and the Possibilities of Development” and said that The last decade and a half has witnessed a dramatic growth in mining activity in many developing countries. This article reviews these recent trends and describes the debates and conflicts they have triggered. The authors review evidence regarding debates on the resource curse and the possibility of an extraction-led pathway to development. They then describe the different types of resistance and social mobilization that have greeted mineral expansion at a range of geographical scales, and consider how far these protests have changed the relationships between mining and political economic change. The conclusions address how far such protests might contribute to an ‘escape’ from the resource curse, and consider implications for research and policy agendas.

(McFARLANE & Rutherford, 2008) studied “Political Infrastructures: Governing and Experiencing the Fabric of the City: Political infrastructures” and said that There has been a profusion of work in recent years exploring the links between infrastructure and the city. This has entailed a conceptualization of cities and infrastructure that recognizes their mutual constitution and the inherently political nature of networked urban infrastructure. In introducing this symposium, we find that a comparative approach to infrastructure can reveal a diversity of ways in which the urban fabric is produced, managed and distributed, and comes to matter in everyday life. We argue for a more globally informed conceptualization of the

politics of infrastructure by exploring three key themes in the symposium: fragmentation, inequality and crisis.

(Wang & Lim, 2012) studied “The global childhood obesity epidemic and the association between socio-economic status and childhood obesity” and said that This paper describes the current prevalence and time trends of childhood obesity worldwide, and the association between childhood obesity and socio-economic status (SES). Childhood obesity has become a global public health crisis. The prevalence is highest in western and industrialized countries, but still low in some developing countries. The prevalence also varies by age and gender. The WHO Americas and eastern Mediterranean regions had higher prevalence of overweight and obesity (30–40%) than the European (20–30%), south-east Asian, western Pacific, and African regions (10–20% in the latter three). A total of 43 million children (35 million in developing countries) were estimated to be overweight or obese; 92 million were at risk of overweight in 2010. The global overweight and obesity prevalence has increased dramatically since 1990, for example in preschool-age children, from approximately 4% in 1990 to 7% in 2010. If this trend continues, the prevalence may reach 9% or 60 million people in 2020. The obesity–SES association varies by gender, age, and country. In general, SES groups with greater access to energy-dense diets (low-SES in industrialized countries and high-SES in developing countries) are at increased risk of being obese than their counterparts.

(Lahiri-Dutt, 2018) studied “Extractive peasants: reframing informal artisanal and small-scale mining debates” and said that “This paper explores the ongoing reconfiguration of peasant labour processes from agriculture to informal mineral extraction, outlining the motivations of the rural poor in adopting mining and quarrying, and discusses how social sciences can best account for this significant shift towards extractive livelihoods. It argues that the ‘extractive peasants’ best explain the contemporary changes in rural, mineral-rich tracts throughout the Global South, and peasant mining practices are part of the informal economies. The extractive peasants return intellectual attention to practices that disrupt contemporary global mineral production and place the politics of the poor within broader debates on resource politics.

Regression

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.112 ^a	.012	.007	1.39446

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.862	1	4.862	2.500	.115 ^b
	Residual	385.013	198	1.945		
	Total	389.875	199			
a. Dependent Variable: Are women or youth significantly employed in your unit?						
b. Predictors: (Constant), Has employment in your unit improved living standards of workers?						

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.489	.263		9.454	.000
	We rely on AI for cybersecurity and threat detection.	.117	.074	.112	1.581	.115
a. Dependent Variable: Are you aware of any government schemes for SSIs?						

The regression analysis aimed to examine whether reliance on AI for cybersecurity and threat detection significantly influences awareness of government schemes for small-scale industries. The model summary indicated a very weak positive correlation ($R = .112$) and a low R Square value (.012), meaning only 1.2% of the variance in awareness is explained by the predictor variable. The adjusted R Square (.007) further confirms the limited explanatory power of the model, and the standard error of the estimate (1.39446) reflects moderate prediction error. The

ANOVA results ($F = 2.500$, $p = .115$) show that the model is not statistically significant, indicating that reliance on AI does not meaningfully predict awareness of government schemes. The coefficient for the predictor variable was positive ($B = .117$), but not statistically significant ($p = .115$), suggesting no meaningful relationship. Overall, the analysis suggests that the independent variable has minimal influence on the dependent variable, and the model lacks sufficient explanatory strength for practical use in this context.

Conclusion:

Small-scale industries play a critical role in the socio-economic development of nations, making substantial contributions across various dimensions. These enterprises, characterized by their small size and limited capital investment, have a profound impact on employment generation, income distribution, rural development, innovation, export promotion, cultural preservation, and economic resilience. By providing employment opportunities, small-scale industries help alleviate poverty and improve living standards. They offer avenues for self-employment and entrepreneurship, contributing to economic empowerment and reducing income inequality. These industries also play a significant role in the development of rural areas, bringing economic activities and job opportunities to underserved regions, thereby reducing regional disparities.

Small-scale industries foster innovation and technological advancement, driving competitiveness and economic growth. Their agility allows them to adapt quickly to market demands and adopt new technologies, leading to increased productivity and market penetration. Furthermore, by participating in export activities, these industries contribute to foreign exchange earnings, trade balance improvement, and enhanced economic stability.

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