

The author however takes a highly simplistic view in interpreting these data. His starting point is: what the statute provides in terms of participation and whether what the workers' representatives and the management representatives have stated are in line with the provisions of the statute. Thus he dismisses workers' feeling of deprivation of power and authority in forcing management to implement the decisions taken in JMC meetings as unjustified because the statute restricts the role of JMCs to information-sharing, consultation and administration. Similarly, he does not appear to approve (though he does not make it explicit) of the management stand that it is irrelevant to discuss company's financial position with the workers or that management should not consult workers on production and other important matters. However the author gives the impression that the workers' representatives and the management representatives have developed diverse view-points about participation because of their "lack of clarity of the intended meaning and purpose of the provisions" of the statute. As the author states: "much of the problems, doubts, confusions and mis-understanding between the two partners of the JMC has arisen out of a lack of proper awareness, knowledge and understanding of the actual scope and functions of the JMC in an enterprise. . . . the lack of clarity of the intended meaning and purpose of the provisions has weakened the functioning of the JMC to a great extent" (p. 108). He therefore suggests that both the management and the workers' representatives be trained so that they become aware of "the intended meaning and purpose of the provisions". He also suggests that there has to be "the involvement of the top management in getting the scheme stabilised" which is the "first and foremost requirement" for bringing about "an attitudinal change on the part of both labour and management". The author, however, does not spell out what should be done to bring about the much needed involvement of the top management. This is important because as the author emphasises, the present "apathy and, to some extent, the antipathy, of the top management towards the Joint Management Councils" will have to be "turned into that of empathy" (p. 109). Be that as it may, the author believes that top management involvement will "activate the Joint Management Councils and accelerate the

implementation of the recommendations of the councils. As an outcome, both the labour and the management would be encouraged to sustain the participative culture in the organization which constitutes the major plank for the success of the scheme" (p. 109).

The fact is that the different state-sponsored schemes of participation as tried out in the country since 1947 have failed. And one important reason for which this has happened is that management has in general been averse to any idea of sharing power with the workers in decision-making process even when this requires only marginal changes in the existing power structure in organisations (such as giving the workers the right to share information and consultation). As the survey reveals, the experience of Gujarat with regard to the scheme of JMC is also not very different from the general pattern observed elsewhere in the country. The author however would not accept this. In fact he believes that the "practice of workers' participation in management has been increasingly in evidence in Indian business and industry since the past couple of decades" (p. 1). And he is optimistic that "despite some of the shortcomings, the Joint Management Council as a scheme of participation, can be made effective and useful to achieve the desired objectives set forth in the statute" (p. 109).

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K. B. Suri (ed.), *Small Scale Enterprises in Industrial Development: The Indian Experience*, New Delhi: Sage Publications, 1988. Pages 348. Price: Hard Bound Rs. 195 and Paperback Rs. 95.

During March 1985 in New Delhi, The Institute of Economic Growth, Delhi and the World Bank jointly sponsored a conference on 'Small Scale Industry Development' to consider the positive and normative implications of the results of research, undertaken during the period 1978 to 1983, on small scale enterprises in India. The proceedings of this conference, with one additional selection, form the basis of this book. Its subtitle indi-

cates the editor's primary concern, namely, the place occupied by small scale enterprises in Indian industrial development.

Research on small enterprises is, admittedly, fraught with inherent difficulties. The target of interest, the small unit as administratively recognised, is found in many different socio-economic forms in which industrial production occurs. Official defining criteria are periodically altered. Small units and large units are often, and in many complex ways, functionally tied to one another in the tasks of production. Consequently, mechanistic comparisons of the operational and performance features of large and small industrial units can generate as many problems as they set out to resolve.

In this context, the collection edited by K. B. Suri is very welcome. Its originality lies less in the material dealt with, as several of the authors already have books and monographs on the central theme,<sup>1</sup> but in *organisation* and *explanation*. In his introduction, Suri attempts to relate the volume to current debates on the place of small enterprises in the evolving industrial and economic structure, and their role in societal transformation. Attention is invited, in particular, to: employment-creating and cost-saving characteristics of small manufacturing enterprises; performance correlates of unit-size; relevance of sectoral distinctions by size (small or large) and formal identity (unorganised or organised) at the level of enterprises engaged in the processing of specific products; and the precise distinguishing economic, sociological and institutional dimensions of small enterprises.

This brings several benefits. It helps to focus on problems and methodology of assessing the relative efficiency of the modern small scale industry in India in the context of the 'supply side' promotion of small firms discussed by I.M.D. Little, and of bank-financed SSI development dealt with by Bishwanath Goldar. An informed consideration of the issue of co-existence of two sectors is made possible by four field studies which examine conditions for the co-existence of small and large enterprises in the Agra leather-shoe manufacturing industry (Waardenburg), sugar-processing (de Haan), the Calcutta electric fan industry (Nirmala Banerjee), and the processing of laundry soap (Suri). The papers of Dipak

Mazumdar, V. S. Patvardhan and S. R. Hashim, placed in the rubric of 'Factor and Product Markets and Linkages', reveal that conclusions may diverge markedly on the merits of public financial assistance to small enterprises, and on the appropriateness of locational clustering of small enterprises or their locational dispersal, to illustrate some areas of differing interpretations.

In addition to the coherence achieved for the present collection by its analytically-defined organisation and hypothesis-testing aims, is the cumulative picture it offers of the state of research findings on small enterprises in India and the questions that still need to be addressed.

The political relevance of the findings of individual studies is, of course, undeniable. We wish that these might have received explicit attention in the overview or in a concluding statement. Instead, 'Government Policy', with three papers (those of J. C. Sandesara, Arun Ghosh and Dipak Mazumdar) appear as a separate section in the end. Thus, the hiatus between empirical claims of sections II, III and IV, and ideological contentions about the rationale for small enterprises in Indian industrialisation, remains with the reader till the end. All three policy articles focus on the contradictory and conflicting tendencies in government policies and programmes. Ghosh identifies some of the problems that persist, underscoring that "nearly a quarter of the new units registered every year fall by the wayside, and do not survive, if annual figures of registration of new units and ex-post figures, after a few years, of the number of units in existence are any guide"<sup>2</sup>.

The main question remains: what difference does it make whether the state intervenes on behalf of the powered small enterprise sector or it does not? Answers to this question, stated as 'all' or 'none at all', would both miss the point in the current conjuncture in which "some three-quarters of the total employment in industry today is in the traditional village industries and other handicrafts (including handloom weaving)".<sup>3</sup> They need to be sought in the criteria and methods of decision-making on state policies and in the organisation of economic power. At least in

the context of one major policy area—textile policy—Mazumdar asserts that no current data on costs of cloth production in mills was used. "Decisions were taken in an atmosphere of complete lack of information"<sup>4</sup>, inducing unintended and disproportionate effect of the policy on the powerloom sector.

Availability of reliable data and information is the common requirement for the practitioner and research worker on small enterprises. By including papers of G. Ramachandran and M. R. Saluja on the existing data base on small scale industries and unorganised manufacturing industry, as well as an analytical study of size-structure of Indian manufacturing industry by K. Sundaram and S. D. Tendulkar, the editor provides the reader convenient access to specialist appraisal of the state of data being offered by various official agencies.

The volume also contains a useful bibliography of recent literature containing research

results of analytical interest and policy relevance.

#### NOTES AND REFERENCES

1. See, for example, Nirmala Banerjee, "Is Small Beautiful?", in A. K. Bagchi and N. Banerjee (eds.), *Change and Choice in Indian Industry*, Calcutta: Bagchi & Co., 1981; Arun Ghosh, 'Efficiency and Productivity of Indian manufacturing Industry', *Economic and Political Weekly*, August 1984, pp. 1397-1423; I.M.D. Little, 'Small Manufacturing Enterprises in Developing Countries', *The World Bank Economic Review*, Vol. 1, No. 2, 1987; and J. C. Sandesara, *Efficiency of Incentives for Small Industry*, Bombay: Industrial Development Bank of India, 1982.
2. Arun Ghosh, 'Government Policies Concerning Small Scale Industries—An Appraisal' in the volume under review, p. 318.
3. *Op. cit.*, p. 319-320.
4. Dipak Mazumdar, 'Indian Textile Policy', *op. cit.*, p. 330.

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