



Original Article

Development of Small-Scale Industries in Solapur District

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Abstract

The growth of small-scale industries (SSIs) plays a critical role in generating employment, ensuring balanced regional development, and strengthening the local economy. This study examines the evolution, current status, and future prospects of SSIs in Solapur, a district renowned for its textile, beedi, and manufacturing industries. The research is based on secondary data collected from government publications, industry surveys, and reports of regional trade associations. The findings highlight the major factors influencing SSI development in Solapur, including government policies, availability of skilled labour, raw material accessibility, and infrastructural support. Despite their contribution to employment and income generation, small industries face challenges such as inadequate finance, outdated technology, and stiff competition from large-scale industries. The study concludes with recommendations for improving the competitiveness of SSIs through modernization, improved credit access, entrepreneurship training, and effective policy implementation. Strengthening the SSI sector can significantly accelerate Solapur's socio-economic development and long-term industrial growth.

Keywords: SSI, Employment, Financial support, Industrial growth

Introduction

Small-scale industries (SSIs) hold strategic importance in regional economic development by promoting employment, entrepreneurship, and income generation. Solapur—one of Maharashtra's major industrial districts—has witnessed considerable growth in its SSI sector over the past few decades. The district is particularly known for its textile, beedi, and agro-based industries, which have sustained thousands of households. The growth of SSIs in Solapur has been influenced by several factors such as the availability of raw materials, a skilled and semi-skilled workforce, transportation facilities, and supportive government policies. Cooperative societies and industrial estates have further encouraged entrepreneurship. Thus, the development of SSIs in Solapur represents a blend of traditional craftsmanship and modern industrial practices, contributing significantly to the region's socio-economic progress.

Meaning: Development of Small-Scale Industries in Solapur

The term "Development of Small-Scale Industries in Solapur" refers to the growth, expansion, and improvement of small

businesses operating in the Solapur district of Maharashtra. It includes:

- The establishment, growth, and success of small industries.
- Their contribution to employment, income generation, and optimal utilization of local resources.
- The role of government policies, financial support, and entrepreneurship in promoting industrial development.

The topic covers the evolution, challenges, and achievements of local industries such as textiles, beedi manufacturing, garments, engineering units, and cottage industries, along with their contribution to Solapur's economic and industrial progress.

Objectives

1. To study the growth and development of small-scale industries in Solapur.
2. To identify the challenges faced by small-scale industries in Solapur.

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3. To suggest measures for the growth and development of small-scale industries in Solapur.

Types of Small-Scale Industries in Solapur

1. Textile and Garment Industries

- Solapur is renowned for handloom, power loom, and hosiery units.
- Key products include Solapur chaddars, towels, bedsheets, and garments.
- These industries are major employment generators.

2. Beedi Manufacturing

- One of the oldest SSI sectors.
- Provides large-scale home-based employment, especially to women.

3. Food Processing Industries

- Includes oil mills, flour mills, bakery units, papad-making, pickles, and dairy products.
- These industries ensure value addition to agricultural produce.

4. Engineering and Metal Industries

- Comprise fabrication units, workshops, and machinery parts manufacturers.
- Support agricultural and textile machinery repair and production.

5. Chemical and Plastic Industries

- Production of soaps, detergents, paints, candles, and plastic goods.
- Cater to regional markets.

6. Leather and Footwear Industries

- Manufacture leather goods, footwear, belts, and bags.
- Have domestic and export potential.

7. Handicrafts and Cottage Industries

- Include wooden crafts, embroidery, handmade toys, and home décor items.
- Mainly run by rural artisans and SHGs.

8. Service-Based SSIs

- Printing presses, repair centers, tailoring shops, and packaging units.
- Provide extensive employment in urban and semi-urban areas.

9. Comparison Between Small and Large Industries in Solapur

1) Small-Scale Industries (SSIs)

Growth Drivers:

- Availability of local resources.
- Government schemes (Mudra Loans, MSME subsidies).
- Traditional skills in handloom and beedi making.

Key Contributions:

- Employment for rural and urban youth.
- Utilization of local resources.
- Promotion of entrepreneurship and innovation.
- Export contribution through textiles.

2) Large Industries

Examples:

- Textile mills and powerloom clusters
- Sugar factories in rural Solapur
- Cement plants
- Engineering and energy-related units

Key Contributions:

- Mass employment creation
- Technology adoption and workforce skill improvement
- Regional infrastructure development
- Increased industrial investment

Combined Impact

Together, SSIs and large industries:

- Strengthen Solapur's industrial base
- Generate employment for thousands

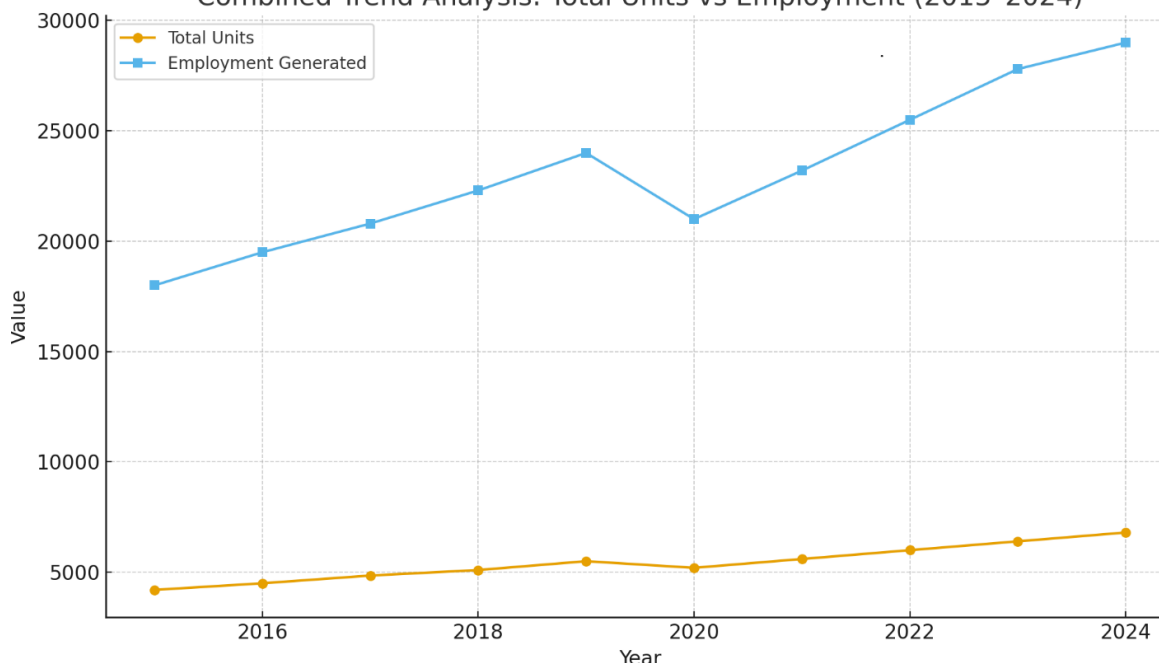
- Promote innovation and balanced regional development

Table 1:
Year-wise Units and Employment (2015–2024)

Year	Total Units	Change from Previous Year	% Growth	Employment	Change	% Growth
2015	4200	—	—	18,000	—	—
2016	4500	+300	+7.14%	19,500	+1,500	+8.33%
2017	4850	+350	+7.78%	20,800	+1,300	+6.67%
2018	5100	+250	+5.15%	22,300	+1,500	+7.21%
2019	5500	+400	+7.84%	24,000	+1,700	+7.62%
2020	5200	–300	–5.45%	21,000	–3,000	–12.50%
2021	5600	+400	+7.69%	23,200	+2,200	+10.47%
2022	6000	+400	+7.14%	25,500	+2,300	+9.91%
2023	6400	+400	+6.67%	27,800	+2,300	+9.02%
2024	6800	+400	+6.25%	29,000	+1,200	+4.32%

The year-wise statistical analysis of small-scale industries in Solapur from 2015 to 2024 demonstrates a steady and resilient growth trajectory, with notable fluctuations corresponding to broader economic events. The number of industrial units increased from 4,200 in 2015 to 6,800 in 2024, reflecting an overall growth of 61.9 percent. Similarly, employment generation expanded from 18,000 to 29,000 during the same period, marking a cumulative growth of 61.1 percent. The period from 2015 to 2019 recorded consistent annual growth in both units and employment, with average year-on-year increases of approximately 7.23 percent and 7.46 percent respectively, supported by favorable government policies, availability of local resources, and strong market demand. However, the year 2020 showed a sharp decline, with industrial units falling by 5.45 percent and employment decreasing by 12.50 percent, highlighting the severe impact of COVID-19 disruptions on MSME productivity, supply chains, and labor availability. The sector rebounded strongly from 2021 onward, achieving an average annual growth rate of nearly 7 percent in units and 9 percent in employment between 2021 and 2023. This recovery can be attributed to increased government support through MSME schemes, formal credit channels, digital adoption, and a revival in textile, engineering, and food processing clusters. By 2024, the growth rate stabilized, although employment growth (4.32 percent) lagged behind the increase in industrial units (6.25 percent), suggesting a shift towards mechanization and improved productivity. Overall, the decade-long statistical trend confirms that Solapur's small-scale industrial sector has not only expanded but also demonstrated strong resilience, adaptability, and potential for sustained future growth.

Combined Trend Analysis: Total Units vs Employment (2015–2024)



10. Advantages of SSIs in Solapur

1. Employment generation for rural and urban populations.
2. Utilization of locally available raw materials.
3. Encouragement of entrepreneurship and self-employment.
4. Low investment requirement for startups.
5. Contribution to rural development and reduced migration.
6. Support to large industries through supply chains.
7. Preservation of traditional craftsmanship.
8. Balanced regional industrial development.
9. Export potential of textile and garment products.

11. Disadvantages of SSIs in Solapur

1. Limited access to capital.
2. Use of outdated machinery leading to low productivity.
3. Difficulty in marketing and branding.
4. Shortage of skilled labour in rural areas.
5. Irregular raw material supply.
6. Poor management due to lack of training.
7. Limited access to credit due to banking formalities.
8. Competition from mechanized large industries.
9. Inadequate infrastructure (roads, power, transport).

12. Findings

The study reveals that SSIs in Solapur face the following challenges:

1. **Financial Constraints:** Difficulty in accessing credit due to lack of collateral.
2. **Marketing Challenges:** Limited branding and market linkages restrict sales.
3. **Infrastructure Issues:** Power shortages and poor roads reduce productivity.
4. **Skill Gap:** Limited training centers affect skill development.

13. Suggestions

1. **Financial Support:** Easier loan facilities, lower interest rates, and dedicated MSME financing.
2. **Marketing Assistance:** Government-supported exhibitions, e-commerce training, and branding support.
3. **Infrastructure Development:** Improvement of power supply, transport networks, and industrial cluster facilities.
4. **Skill Development:** Training programs through ITIs, MSME institutes, and industry collaboration.

Conclusion

The development of small-scale industries in Solapur requires coordinated efforts from government agencies, industrial associations, and entrepreneurs. SSIs have immense potential to drive economic growth, generate employment, and promote regional development. With improved access to finance, modern technology, marketing support, and upgraded infrastructure, Solapur's SSI sector can emerge as a robust contributor to Maharashtra's industrial economy.

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Conflicts of interest

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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