EXECUTIVE SUMMARY

Indian economy is in transition from an era of import substitution to that of global competition. With the change in business environment this research study is an effort to find out whether our present policies help MSME sector to face the challenges posed by liberalization, privatization and globalization. This study is also an attempt to see if our policies and its implementation agencies are having desired efficiency and efficacy for this critical sector of our economy. An attempt is also made to see if some new policy interventions are required to face the present day competition. Three hypotheses have been set up as follows.

Hypothesis 1: A predominant proportion of small scale industry support system goes grossly underutilized.

Hypothesis 2: Capacity to avail and utilize those facilities is positively correlated with the size of the firm.

Hypothesis 3: Marketing and implementation of small scale industry promotional schemes has significant correlation with their utilization at the unit level.

I have divided the study in to six different Chapters. The first Chapter puts the problems of MSME in its perspective and gives summary of the research methodology. Chapter two is devoted to the literature review. The present status of small scale industry is analysed in Chapter Three. In Chapter four the detailed description of institutional support systems and mechanisms is provided. Chapter five is giving the analysis of data and the result of deductive studies. In practical sense the date is useful if it can help in analysing the problems and help in arriving at some possible solutions.
Chapter six is hence devoted to policy implications, research gaps and conclusions. This study concludes that the government efforts should be redirected to improve collective efficiency of the industry rather than trying to help individual units. Once the efficiency of factor markets is globally competitive, internal competition will bring in better efficiencies. This in turn will improve rate of our economic growth. This study also suggests separation of micro units from small and medium enterprises for administrative purposes.