Institutional Support to Small and Medium Enterprises:
Its Role in India's Export Competitiveness and Industrialisation

CONTENTS

Dedication i
Preface ii
Abbreviations and Acronyms v

CHAPTER 1: INTRODUCTION AND RESEARCH METHODOLOGY 1
  1.1 The Context 1
  1.2 The Period 3
  1.3 Research Issues and Methodology 4
  1.4 Conceptual Framework for Analysis 9
  1.5 Collective Support Systems 14
  1.6 Selection of Sub-Sectors 15
  1.7 Sampling of SMEs 18
  1.8 Questionnaire Development and Interview Procedures 20
  1.9 Characteristics of Sample Enterprises 21
  1.10 Characteristics of Entrepreneurs 28
  1.11 Organisation of the Study 29

ANNEX-I TO CHAPTER 1:
Circular Systematic Sampling by Random Start 31

CHAPTER 2: SME SUPPORT PROGRAMMES AND SME EXPORTS:
  A Survey of the Literature 35
  2.1 Scope of SME Support Programmes 35
  2.2 Features of India's Export Competitiveness 47
  2.3 Small-scale Industry in India 53

ANNEX-I TO CHAPTER 2:
Statistics on Small Scale Industries in India 78

CHAPTER 3: CHARACTERISTICS OF THE SELECTED SUB-SECTORS
  3.1 Automobile Components (AC) 86
  3.2 Leather Footwear and Components (FC) 103
  3.3 Gems & Jewellery (G&J) 125
  3.4 Readymade Garments (RMG) 140
  3.5 Computer Software (CS) 163

CHAPTER 4: MARKETING ACTIVITIES AND SUPPORT SYSTEMS 179
  4.0 Introduction 179
  4.1 Collective Sources of Marketing Support (CMS) 184
  4.2 Hypotheses on the Variations in the Use of Different Sources of
    Marketing Support 188
  4.3 Exports and the Relative Importance of Different Channels 191
  4.4 Auto Components (AC) 201
  4.5 Leather Footwear and Components (FC or Footcomp) 209
  4.6 Gems and Jewellery (G&J or Jewellery) 215
  4.7 Readymade Garments (RMG or Garments) 221
4.8 Computer Software (CS or Software) 227
4.9 The Use and non-Use of Marketing Support Across Sectors 232
4.10 Cross-Country Comparison 239

ANNEX-I TO CHAPTER 4:
Infrastructure For Marketing Support 257

CHAPTER 5: TECHNICAL SUPPORT SYSTEMS AND THEIR USE 271
5.1 Introduction 271
5.2 The Evolution of Technical Support Systems 276
5.3 Two Hypotheses on the Use of Technical Support 280
5.4 Introduction of New Products 281
5.5 Sources of Technical Support for Innovation 285
5.6 Collective Technology Support Agencies and Their Use 289
5.7 Conclusions on Technical Support Systems 296
5.8 Cross-Country Comparison 301

ANNEX-I TO CHAPTER 5:
Technical Support Infrastructure in India 309

CHAPTER 6: FINANCIAL SUPPORT SYSTEMS AND THEIR USE 328
6.1 Introduction 328
6.2 India’s Financial Support Systems and Their Evolution 339
6.3 Hypotheses About the Use of Different Sources of PFS and CFS 344
6.4 SME Activities to Reduce Their Financial Needs 345
6.5 Use and Usefulness of Financial Support by Sample SMEs 347
6.6 Variations in Use by Firms with Different Characteristics 352
6.7 Failure to Use Financial Support and Its Consequences 356
6.8 Conclusions 359
6.9 Directed Credit: A Cross-Country Comparison 360

ANNEX-I TO CHAPTER 6:
Financial Support Infrastructure in India 383

CHAPTER 7: SUMMARY AND CONCLUSIONS 410
Section-I: A Summary of Previous Chapters 410
7.1 Summary 410
7.2 Extensive SME Support Programmes and Their Awareness 421
7.3 Use and Usefulness of Support Systems 423
7.4 Problems Associated with Support Systems 426
Section-II: The Governance of Support Institutions 427
Section-III: Policy Implications 434

REFERENCES 443

QUESTIONNAIRE 457