ABSTRACT AND KEYWORDS

It is common knowledge that the economic development of a country is generally equated with its industrial development. It is the entrepreneur who stands at the centre of any industrial activity. He assumes various roles in a country’s development process. At present the small scale sector forms a significant segment of the Indian Industrial sector. It has stimulated our economic activity to greater heights and has played a significant role in the elimination of the economic backwardness of the rural and underdeveloped regions in the country.

Now, the broad term small scale sector or industry consists of the Micro Enterprises, Small Enterprises and Medium Enterprises (MSMEs). The MSMEs form a significant segment of the Indian Industrial sector having an estimate of 3 million small industrial units which manufacture a wide variety of nearly 8000 different kinds of products in diversified industries. As against the national scenario, the situation in Kerala is not so bad. The total number of the working MSME units registered in Kerala as on 31st March 2009 is 204381.

It is obvious that the industrial promotion agencies in India have played a pivotal role in the industrial development of the country. One among them is the Small Industries Service Institutes (SISIs), now rechristened as the Micro Small and Medium Enterprises – Development Institutes (MSME-DIs).

However, only very few efforts have been made to explore the activities and achievements of the MSME-DI as a non-financial industrial promotion agency. This study is confined to Kerala, the tiny state on the south-west coast of India, unique in many
respects among the states of India. Even though it is described as ‘God’s own country’ it is industrially very backward. The skyrocketing unemployment and slow-paced capital formation continue to haunt the state’s economy. Kerala being an agriculture – based economy, the industrialization is at a very low pace. The present study is confined to the districts of Kottayam, Thrissur, Pathanamthitta and Alappuzha.

The study is organized in seven chapters. At the very outset a brief description about the study is given. The first chapter incorporates the importance of the study, the scope of the study, the objectives of the study, the statement of the problem and the limitations of the study.

The second chapter, The MSMEs – Conceptual Issues and Legal Framework, outlines the conceptual issues in discussing the MSMEs. It also gives a broad overview of the policies and the legal framework of some of the developed and developing economies around the world including our own country.

The third chapter analyses the incentive schemes, the new initiatives taken by the Government, and the legal and institutional support for the MSMEs in India.

The fourth chapter is a brief, but vivid description of the various industrial promotion agencies in Kerala.

A detailed study of the various activities of the MSME-DI, for a period of ten years from 2000-01 to 2009-10, for the development of the MSMEs in Kerala is made in chapter five.
Chapter Six deals with the analysis and the interpretation of the data. Analysis is made from the point of view of the MSM entrepreneurs, the trainees and the government officers.

The last chapter presents the findings and the recommendations.

It is hoped that this study will provide an insight into the working of the MSME-DI in Kerala for the promotion of the MSMEs here and will help the Ministry of the MSME and the other Government Agencies in formulating future policies for the MSMEs with special reference to Kerala.

**KEYWORDS**

SSIs - Small Scale Industries  
SMEs - Small and Medium Enterprises  
MSMEs - Micro, Small and Medium Enterprises  
MSME-DI - Micro, Small and Medium Enterprises – Development Institute