

## PREFACE

Small Scale Industries (SSIs) are a vibrant and important sector of the Indian economy. Today, Small scale Industries forms the backbone of a developing nation. Small Scale industries occupy a significant position in the planned industrialization of any economy. Small business has played a very crucial role in transforming the Indian economy from a backward agrarian economy to its present stature. While globalization has put us on the map of superpower countries, Small Scale Industries have empowered the common man to walk with the same stride as the big-wigs. For India to be a superpower, it must make efforts to strengthen each and every thread of its economic fabric to make the flag of its success fly high.

Most of the small scale industries have a low capital intensity and high potential for employment generation. Further, small scale units bring forth indigenous entrepreneurship and savings lying dormant, particularly in semi urban and rural areas and bring in foreign exchange into the country. The Small Scale Sector is the natural habitat of entrepreneurs. Small Scale Industries help the economy in promoting balanced development of industries across all the regions of the economy. This industry helps the various sections of the society to bring forth their skills required for entrepreneurship. Most entrepreneurs start small units and then nurture their units into large industries. The Small Scale Industrial Sector provides an opportunity for them to groom their skills and talents, to experiment, to innovate and transform their ideas into goods and services needed by the society. The development of these industries creates jobs in developing countries where the problem of unemployment and underemployment is high. The small scale sector has acquired a prominent place in the socio-

economic development of the country during the past four and a half decades. It has contributed to the overall growth of the gross domestic product as well as in terms of employment generation and export. Performance of the small scale sector, which forms a part of total industrial sector, therefore, has direct impact on the growth of the national economy. There has been a steady increase in the number of Small Scale units, their production, employment and exports over the years.

Small Scale industries have been receiving impetus in the development strategy of the government of India. Therefore the economic performance of small enterprises has always remained the urgent need of policy makers. It makes significant contributions to exports and employment. In an environment of sustained high economic growth, economic reforms and opening of the Indian economy, the role and importance of this sector will be even more significant in the future. The economy of Madhya Pradesh is mainly agrarian and it is rich in mineral and forest reserves. This makes easily availability of raw material required for the growth of any industry. Indore is the most developing district in Madhya Pradesh. There are numerous Small scale industries in Indore. This study focuses on the various problems and future prospects of Small scale industries in Indore.