ABSTRACT

Small and Medium Enterprises have been receiving impetus in the development strategy of the Government of India. The Nehruvian Philosophy of industrialization has given importance and realized the importance of small and medium enterprises for the national development. The under developed and developing countries are generally dominated by agrarian economy and characterized by underemployment and rising unemployment. The industrialization in these economies is expected to serve dual purpose of creating avenues for the absorption of excess labour and diversification of occupation. SMEs must extend the necessary support and compliment the beneficial effects of Industrialization. The aim of this research is to study the growth of small-scale industries in India since 1999 and assess the prospects and problems of SMEs in Chennai and Tiruvallur district.

The data is collected for the study by means of a well-framed questionnaire, which consists of three parts. The sample chosen for the study covers the SSI units in Guindy and Ambathur industrial estates in Chennai and Tiruvallur district respectively. Totally 402 owners of SMEs are selected on proportionate random sampling method – 247 and 250 from Guindy and Ambathur industrial estate.

The sources of data are primary as well as secondary. The data collected from the proprietors of SSI survey constitute primary and information gathered through books, journals, magazines, reports, dailies consists of secondary data. The data collected from both the sources are scrutinized, edited and tabulated. The data are analysed using SPSS (statistical package for social sciences) computer packages. The research ascertained that problems and prospects of SMEs lean upon the motivation and opportunities. Industrial sector in India stretches from the highly organized sector compromising of large and medium and some modern small scale industries to some unorganized sector consisting of traditional industries like village and small industries. While the performance traditional segment of village small industries has been unsatisfactory in terms of production and productivity. Its modern segment is gaining importance because it serves as the training ground for entrepreneurs.