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Title of the Thesis: Impact of Liberalization on Small Scale Industry in NCT, Delhi
(A study of selected units in Delhi)

ABSTRACT

In the Indian economy Small-Scale Enterprises occupy a place of strategic importance due to its considerable contribution to employment, production and exports. Due to economic liberalization, Small Sector is rounded with an intense competitive environment. Liberalization has resulted into free access to more capital flows, technology, cheaper imports and larger export markets. It has affected all industries in general and Small Enterprise Sector in particular. Because of the tendency of merger, amalgamation and absorption of the MNCs, some Medium and Small Scale Industries has been taken over by them and this has posed a permanent threat to this sector to grow and survive. In the light of above, this study made an attempt to discuss the potential threats which Small Enterprises are likely to face in the changing scenario of liberalization. The purpose of the study was to explore various factors to find out the impact of liberalization on this sector and to locate out the key areas where tough work is necessary by these industries to put India on a map of global competition. The present study attempted to examine the opportunities and threats posed by liberalization and to bring out suggestions which could help this sector to compete, grow and remove constraints.

Major Findings of the present study includes:

- Raw material and accessories, storage, packing, transport and distribution were considered the major problems of small scale industries. Inadequate infrastructural facilities creates the problem of acute shortage of basic raw materials, especially those which are scarce and need to be imported from distant places, needed by small enterprises.
- Small scale enterprises face shortage of power supply, due to which they are unable to make full utilization of plant capacity.
- During the recent decades, the world has moved from the state of stagnant technologies to the speedily changing technologies. However, small enterprises keep on using outmoded technology leading to poor quality, cost

ineffectiveness and unable to withstand competition from large units and imported goods.

- Suitable and well timed accessibility of sufficient finance is another importance concern which decides the survival and growth of small firms but the major problem is inadequacy of credit either in the form of lack of working capital or delay in disbursement of credit.
- Marketing has been recognized as a major problem area of small scale sector. Lack of standardization, absence of trade name, absence of proper contact with wider market, knowledge and techniques of marketing are the main constraints in the marketing techniques of small scale industries. They cannot afford to spend much on advertising, packaging, sales, promotion, marketing research, etc
- The study found that most small firms undertake R&D to keep up with or overcome competition- the concept of 'innovation' being nearly non-existent.
- Globalization has posed immense challenges as well as opportunities to small enterprises. International business is no longer limited to giant multinational enterprises. Many small firms are also moving beyond their domestic boundaries. But it requires such a sight that can see major drivers of globalization. But most of the small enterprises have compact strategic vision that they are unable to watch technology, information, key markets, Product development, investment and various other related factors
- It was found that scanty management skills are one of the reasons for the malfunctioning of these industries. It has been noticed that these units are characterized by stumpy use of installed capacity, problem of specialized training and guidance, problem of trained and experienced management, less advance and innovative actions in these units, lack of knowledge and understanding of global trade laws. They lack in basic business management which is crucial to run a unit.