

EXECUTIVE SUMMARY

A study entitled “ R&D in SSI of M.P.” has been conducted for a period of three years from the year 1996 to 99 at the instance of National Science & Technology Management Information Systems (NSTMIS) Division, DST, Govt. of India, by M.P.Consultancy Organisation (MPCON). The study was undertaken to assess the research and development activities being undertaken by small scale industries of Madhya Pradesh. The study is very significant because it is a well structured, well planned and methodic attempt for the first time in India to determine the use of S&T amongst SSIs. The SSIs play an important and significant role in India’s economy. Their major attribute is to provide large scale employment opportunities at relatively low capital cost and encourage small entrepreneurs to set up state of art projects. SSIs also provide an ever-growing entrepreneurial base in different states of India. They encompass a very large geographical area, which cover tribal and rural populations. In these areas, natural resources, both living and non-living are located. These SSIs also help in equitable distribution of wealth, national income and encourage development of ancillary sectors. The SSIs have also emerged as a dynamic and vibrant sector. They have consistently achieved and maintained higher rate of growth as compared to overall industrial growth of the country. This is an inherent, inbuilt quality, which has manifested itself at the national level, inspite of lower financial allocation, comparatively poorer infrastructure and practical absence of organised marketing system. SSIs have also played a significant role in generating employment and production through tribal people in backward rural areas, where most of the poor people live below the poverty line who urgently need S&T help for improving their skills to become self employed based on utilisation of local resources. This sector of people needs to become knowledge workers so that, by increasing their productivity and output they can ensure nutritional and food security for people of the region.

SSIs AT NATIONAL LEVEL

1. **AT THE NATIONAL LEVEL** Currently SSI sector contributes 40% of the gross turnover in the manufacturing sector, 45% export of manufactured goods and about 45% of India’s exports This is also the major employment sector next to agriculture. There are 3.2 million registered SSI units in India, which account for 95% or the total industrial population of the country.

2. **NEW OPPORTUNITIES, THREATS AND CHALLENGES** Under the new economic policy, WTO, and IPR agreements, Indian markets are flooded with consumer goods, food, health and nutrition products and Indian SSIs are facing severe competition with reference to quality, standardisation of products, costing, packaging and delivery systems.

At Global level all these components have evolved long term application of S&T to make market oriented products, which have consumer demand and acceptance. Therefore, now SSIs in India are facing serious competition and threats of existence and closing down. They must change their production line and start making contemporary and state of art products of excellent quality at economically reasonable price. In order to achieve their

goals, it is essential that ongoing R&D, use S&T to develop knowledge based system, get rid of obsolete technology and practices and use modern equipments and machinery to economically produce quality products, which can meet the consumer demand and have excellence. Therefore, this study is externally valuable for developing consumer-oriented projects in areas, which have a ready market.

3. **NEED TO STRENGTHEN R&D SUPPORT** The study clearly brings out that smaller industries are continuously facing the threat of market obsolescence. There is an utmost need for product development and make sincere efforts to use R&D. Therefore this sector needs greater support of DST. This support will bring about a quantum change in use of R&D. It will also remove the misconception that only large industries spend on R&D. It may also be mentioned that most of these small industries used R&d but even then sector is not aware about the existence of NSTMIS and the R&D assistance available from DSIR, DST & other science departments. This is a weak link and needs special support during tenth plan. This assistance is particularly essential to meet the market challenges due to implication of new economic policy and W.T.O.