

## **INDIA'S SMALL INDUSTRY DEVELOPMENT STRATEGY IN THE 90S: A Review**

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### **ABSTRACT**

India's small industry policy has undergone significant changes since independence in 1947. Broadly, India's small industry policy can be divided into two phases. Phase I ranges from 1947 up to 1991, the phase in which the emphasis was more on protected growth. As a result, quantitative growth gained importance and quality and efficiency suffered. Phase II starts from 1991: the phase in which the policy emphasis has been shifting from protection towards enhancement of competitiveness. This shift is welcome considering the global developments relating to small industry sector. However, much more needs to be done to enable the policy to make a significant impact in terms of enhancing competitiveness. Among others, efficient institutional support and effective R & D network would be indispensable if Indian small industry has to reach international standards. This paper probes India's changing small industry development strategy in the 90s as compared to the past and outlines a few more measures to make the small industry policy effective and result-oriented.