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<http://www.humanitics.org/>**RESEARCH ARTICLE****Vol. II, Issue II, August 2019****Title- IMPACT OF GLOBALIZATION ON THE PERFORMANCE OF
SMALL-SCALE INDUSTRIES IN INDIA****Mr. Sandip Bhimrao Sable**Assistant Professor in Economics,
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Baramati. Dist.-Pune. Maharashtra.[Email-sbsable@gmail.com](mailto:sbsable@gmail.com)**Abstract:**

After attaining independence in 1947 India adopted mixed economic planning to realize economic development. Beside the LSS the thrust was on SSI sector due to its small size, indigenous technology, employment intensity and its suitability for country with limited techno-economic structure. SSI is widely known as a strong instrument for socio-economic growth and balanced sartorial development. Globalization signifies a process of internationalization plus liberalization, in which the planet has become a little village thanks to the concept of globalization. The competition has become intense in every field. The important thrust to the globalization process was provided by the new policy introduced by the government of India in July 1991 at the behest of the IMF and International Bank for Reconstruction and Development. The SSI sector forms a dominant part of Indian industry and contributing to a big proportion of production, exports, and employment. Therefore, this study analyzes the impact of globalization on Indian Small-Scale Industries. the most theme of the paper is to gauge the performance of SSI, before and after liberalization and compare them with average annual growth rates, to understand the impact of Globalization on the performance of SSI. The amount of the study is 1973- 2017 and supported secondary information.

Keywords: Globalization, Economy, Small Scale Industries (SSI), Post Liberalization, Entrepreneurial Development, Production, Export and Employment.

Introduction:

Globalization is the process of international integration arising from the interchange of world views, products, ideas, and other aspects of culture (Rajalakshmi). The word globalization therefore, has four parameters i.e. Reduction of trade barriers to allow free flow of products and services among nation-states, Creation of environment during which free flow of capital can happen among nation-stated, Creation of background, permitting open flow of technology, From the intention of view of developing nations,

creation of environment during which free movement of labor can happen in a number of countries of the planet (m, 2004). The competition has become intense in every field. Nations fight with game decides to sustain their economy, by introducing new policies and announcing incentives to support mainly their economic- indicators. After the planet economy was hospitable attack, the Indian economy has initiate to consider the event of small industrial base, which had contributed positively to the India's GDP; India's GDP growth is best than other developing countries with the developed small industrial sector. To impart more vitality and growth to small scale sector, a separate policy statement has been announced for little, tiny, and medium industries.

Review of Literature:

Various studies are conducted from time to time in several states of India on different aspects of small-scale industries. the foremost of the studies are associated with financial aspect, growth of small-scale industries, entrepreneurship in SSIs, WTO regime and little scale industries and associated with small industry and globalization. A review of imported studies is presented below:

Mathew, M.C. (2004) highlighted the rationale for panic altogether India census report on small-scale industries. The study observed that the vibrancy and dynamical of the world anticipated under an era of deregulation and de-reservation remaining largely unrealized. The study stated that the country needs a robust small and medium enterprises policy.

Rajyalakshmi, N. (2004); the production attentiveness with SSI units in Visakhapatnam district of Andhra Pradesh at micro level and explored small scale entrepreneurs, how they calculated productivity in their units (Kansal, 2007). The study found that Chemical units were more capital intensive and it had been low in food and agro units. Productivity awareness wasn't noticed within the SSI units.

Subrahmanyabala, M.H. (2004); explained the impact of globalization and domestic reforms on SSI sector. The study stated that tiny industry had suffered in terms of growth of units, employment, output, and exports. The instigator suggested that the core target must be turned to technology development and increase of monetary infrastructure to form Indian small industry internationally competitive and contribute to value and employment (subramanyabala, 2004).

Rathod, C. B. (2007) described the importance of small-scale industrial sector and the contribution of Indian small-scale entrepreneurs in world economy (B, 2007). The study analyzed that SSI sector in India has been exhibiting a striking export performance; export had grown up to integer from the last ten years. The study found that a serious portion of our exports would need to fix to the new era of boundary less economy.

Objective of the Study:

The objectives of the study are as follows:

1. To review the expansion and development of small-scale industries during the pre and post globalization period in India.
2. To research the opportunities and threats of small-scale industries in India during the globalization period.
3. To review the impact of globalization on small scale industries in terms of rate of growth of the utilization.

Research question:

What is the impact of globalization on performance of SSI in reference to no. of units, production, employment, and export?

Methodology:

The present study is descriptive in nature. This study is predicated upon the secondary data analysis by referring annual reports of SSI issues by Ministry of small-scale industries and RBI. The info for the study was gathered from the secondary sources like journals, articles published online and offline. The study covers a period from 1975 to 2016- 17.

Performance of Small-Scale Industries in India: Pre and Post Globalization:

The small-scale industries play a big role in boosting the general economic process of an economy. the tiny scale industries set- up by the entrepreneurs in several states and Union Territories of India have contributed to the increased shares in overall production, fixed investment, exports, employment, and capacity Utilization of SSI Units, etc. The importance of SSI sector in providing large scale employment is of paramount importance (M. Chandraiah, 2013). The policy framework right from the primary plan has highlighted the necessity for the event of SSI sector keeping in sight its strategic importance within the overall economic development of India. The impact of business liberalization and deregulatory policies on the development of SSIs has been captured by computing and subsequently comparing the increase rates between pre and post globalization period. During this section, the general performance of SSI sector has been examined thorough on the idea of the various parameters like number of units, production, employment, and exports.

Findings of Research:

1. In 1990-91, the growth of number of units is just too much improved. It's increase from 6.43 to 273.08 percent. The units are increased from 1.82 million to 6 .79 million in numbers.
2. The expansion rate of production is decreased at a high rate in 1990-91; it showed the negative trend of growth and reached at -40.44 percent rate of growth of production. Due to open market outer country sold their product easily in our country at fewer prices which reduce the demand of country products then that production had also affected.
3. Within the very first year of globalization the expansion rate of employment has been increased which showed that after globalization employment opportunities were increased thanks to open market and liberalization of building units in India by the outsiders which generate employment for our country.
4. The worth of exports has increased after the globalization means Indian SSI sector more consider sell their products in out of country to earn more and more income.
5. In 2005-06, the worth of exports is just too much increased and therefore the rate of growth of exports is highest in 199-92 thanks to subsequent change in Indian economy.
6. Overall, the impact of globalization on the expansion of small-scale sector is negative which a significant matter is for planners.
7. This sector contributes V-E Day of the country GDP, 45 what kind of the manufactured output and 40 you look after its total exports of the country.
8. The world provides employment nearly to 60 million persons, in over 26 million units throughout the country.

9. The utilization in MSMEs units increased from 249.33 lakh in 2001-02 to 732.7 lakh in 2010-11.
10. The exports have increased from Rs.71244 crore to Rs.202017 crore during an equivalent period

Recommendations:

Based on this study's analysis and results, the subsequent recommendations may contribute to increasing the role of development of SSI within the Indian economy.

1. Establishing government centers altogether districts in India to supply the needed services and facilities to SSI to extend their role within the economic development of the Indian economy.
2. Establishing strong relations between small and enormous firms. One among the main objectives of this scheme would be, to supply reliable information by large-scale industries to the tiny scale industries about new methods of selling and the way to participate within the international market.
3. The financial infrastructure is needs and an adequate inflow of credit to the world should be ensured, taking into consideration the growing investment demands including the wants of technological transformation.
4. Limiting the establishment of small-scale industries to designated industrial areas for better monitoring and periodic surveys, enabling the Ministry of Industry to form policy corrections from time to time.
5. Establishing strong relations between small and enormous firms. One among the main objectives of this scheme would be to supply reliable information by large-scale industries to the tiny scale industries about new methods of selling and the way to participate within the international market.
6. Increasing exports of small-scale industries with government aid by exhibiting their productions in International Exhibitions.
7. To reap the advantages of SSI Indian policy and decision makers need to enact and enforce the utilization of Indian workers within the SSI.

Conclusion:

The overall performance and contribution of small-scale industries to Indian economy is described in terms of its absolute growth in units, employment, production, and exports (Krishna, 2004). the amount of liberalization and therefore the development the SSI sector constituted a crucial segment of our economy. The relative investigation of development pattern of main parameters between Pre and Post – Globalization period's reveals that the “globalization” had a negative impact on the expansion of small-scale sector measured in terms of number of units, production, employment, and exports (india). SSIs are an important segment within the Indian industrial sector and would still play an important role within the Indian Economy within the future. It also brought in huge amounts of foreign investments into the country and provided employment opportunities for several people within the country which in its turn helped reduce the extent of poverty within the country.

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