



"GLOBALIZATION'S INFLUENCE ON SMALL SCALE INDUSTRIES AND
AGRICULTURE"

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ABSTRACT

The term "globalization" refers to the process of uniting the entire planet into one massive market. It removes all trade barriers between nations while providing a few items to a select few. Three routes contribute to globalization: trade in goods and services, capital formation, and money flow. Most people in India understand globalization to mean "coordinating" the national economy with the global economy. The new financial arrangement that the Indian government announced in July 1991—at the behest of the World Bank and IMF—provided the real impetus for the globalization cycle. An "Inconsistent Competition" has emerged as a result of globalization, pitting "monster MNCs and bantam Indian endeavors" against one another.

The little area is an essential part of the nation's modern, mostly modern area. The small-scale area encloses a significant portion of the Indian economy and contributes significantly to the creation of goods and services. Consequently, the impact of globalization on Indian small-scale industries is dissected in the current review. The main goal of the paper is to evaluate how SSI are presented—before and after the fact—and compare and contrast them with average yearly development rates in order to determine how globalization has affected SSI presentation.

KEYWORDS: Globalisation, Small Scale Industries, agriculture,

INTRODUCTION

In addition to advancement, globalization entails an internationalization process, whereby the concept of globalization has caused the world to shrink into a little town. In every field, the opposition has grown more formidable. Presenting the global economy, nations engage in a fight of strategies to sustain their own economies. Attackable, the Indian economy began to concentrate on the growth of a small modern base, which had significantly increased India's GDP; India's GDP development is more than that of other emerging countries with a growing small modern region. On August 6, 1991, a distinct strategy proclamation was made for modest, town, and small-scale initiatives in order to give additional imperativeness and development to limited scope areas.

This strategy's articulation was a step forward because, at the time, the government had not yet provided an alternative explanation for the small, decentralized territory. A smaller scope region formerly only supported a few sections of the more comprehensive current method explanations. The government's recognition of the vibrant and dynamic nature of the region by deeming it necessary to issue a proclamation for small-scale projects was a positive development. Globalization can be defined as the most popular means of combining various economies from across the world without creating any barriers to the free flow of capital, labor, and goods, as well as ideas and human resources. In this sense, it implies both internationalization and advancement, via which.

GLOBALIZATION: -

Definition of globalization is important when discussing reactions to it. This is particularly important because there are still widely divergent origins for this cycle, even if we exclude the clear supporters of globalization in its current form those who maintain that it is wholly beneficial and that the benefits will 'stream down' to the impoverished. People across a broad spectrum of political beliefs oppose globalization or are uneasy about its potentially disruptive effects on employment and poverty. From a financial and social patriotic standpoint, the extreme right opposes it, while nonconformists may lament the lack of public authority since it makes governmental intervention less feasible to direct.

SMALL SCALE INDUSTRY AND ITS IMPORTANCE

A country's level of modern development is directly correlated with its financial progress. The growth of the modern region leads to the increased use of common resources, the production of goods and labor, the creation of job opportunities, and an improvement in general living standards. Since gaining independence, India has also worked to promote the nation's modern foundation. It has described various strategies aimed at promoting business endeavors in both the public and private spheres. Special emphasis has been placed on businesses with a narrow scope. With their advantages of low speculation, high potential for employment age, expansion of the modern base, and dispersal of enterprises into rural and semi-urban areas, limited scope businesses play a crucial role in our planned improvement.

In our planned economy, the small business sector has been appropriately providing a necessary environment for the fulfillment of financial goals, particularly in achieving impartial development. The development of limited scope businesses has been generally suggested as one of the most fitting methods for creating industry in overpopulated in reverse nations, according to P.N. Dhar and H.F. Lydall's prologue to their book, "The Role of Small Enterprise in Indian Economic Development." The definition of limited scope area has been expanded to include all business endeavors in the administrations area that provide support to the modern area, rather than just limited scope ventures. Despite narrowly focused businesses Given these numerous factors, the Reserve Bank of India currently employs an extended.

IMPACT OF GLOBALIZATION: -

Globalization has numerous effects on the public economy. The competition and relationships between economies on the global market have intensified due to globalization. These monetary adjustments have produced the critical benefits that go along with them. Globalization has a significant impact on India's economy's overall growth rate. Considering that India's GDP developed at a rate of only 3% in the 1970s and that of countries like Korea, Mexico, Brazil, Indonesia, and Indonesia was more than twice that of India, this is a significant improvement. Even though India's average annual growth rate almost doubled to 5.9% in the 1980s, it was still less than that of China, Korea, and Indonesia.

The acceleration of GDP growth has improved India's standing internationally. India's position in the global economy has thus improved, moving up from eighth place in 1991 to fourth place in 2001 when GDP is calculated using the assumption of buying power equality. In 1991–1992, the primary year of Rao's reform program, the Indian economy grew by a nominal 0.9%. In any case, the growth of the GDP accelerated to 5.3% in 1992-1993 and 6.2% in 1993-1994. In 2003-2004, the Indians achieved a development pace of more than 8%. The accompanying chart shows India's GDP development rate since independence.

Real GDP or Gross Domestic Product (GDP) at Constant (2011-12) Prices in the year 2019-20 is estimated to attain a level of ₹ 146.84 lakh crore, as against the First Revised Estimate of GDP for the year 2018-19 of ₹ 139.81 lakh crore, released on 31st January 2020.

OBJECTIVES OF THE STUDY: -

1. To understand how globalization affects small-scale industries to see how information

technology affects this circumstance.

OPPORTUNITIES TO ENTER THE WORLD MARKETS:

The economy has become more open and integrated into the global economy as a result of globalization. The SSIs benefit from being able to sell their goods and services to a global clientele rather than just their own domestic market. More separation to larger business sectors, more significant connections between SMEs and larger organizations and marketing outfits, and improved assembly processes and cycles are all brought about by the free economy.

RESEARCH METHODOLOGY: -

Limited scope industries play a crucial role in the development of the Indian economy due to their outstanding commitment to outcomes that are beneficial to the flow of goods, the establishment of businesses, and the alleviation of need. It is a fact that small businesses are recognized as the driving force behind global economic growth and equitable development. About 40% of the gross domestic product of the Indian economy is contributed by SSI. According to estimates, in the limited scale area, one million rupees invested in fixed resources yields 4.62 million worth of labor and products, with a 10% focus on appropriate value expansion.

Over time, the small-scale region has grown inexplicably larger. The development rates in SSI have been quite remarkable over several five-year plans. Additionally, the number of SSI has grown at a reasonable rate. Over the past five years, the SSI sector has emerged as one of the most dynamic and vibrant segments of the Indian economy. Currently, this sector makes up about 95% of all modern units, and it contributes about 40% of the worth expansion in the assembly sector, nearly 80% of all assembly work, and about 35% of all absolute commodities.

With 32 lakh units dispersed across the country, the SSI area produces nearly 7500 items and employs more than 178 lakh people. Small businesses play a crucial role in providing large-scale business opportunities at lower capital costs than large-scale enterprises. They also contribute to the industrialization of the nation and its reverse regions, which lessens the characteristics of irregular territory and ensures more equitable distribution of wealth and income throughout the nation. As subordinate units, SSI units are reciprocal to large and medium-sized units.

IMPACT OF GLOBALISATION ON SMALL SCALE INDUSTRIES: -

Limited scope ventures are essential to the financial development of developing countries such as India. India began implementing financial reforms in 1991 with the intention of accelerating its monetary development. Given that the globalization-industry relationship has been fashionable for more than 22 years, it is imperative to examine whether the new financial request has a negative impact on the display of SSIs in India. The 1990s were notable for the substantial deregulation of the modern economy, including the removal of permits and reservations, the opening of the modern world to internal and external competition, the removal of levies, the removal of quantitative restrictions, and other measures. The limited scale area is negatively impacted by these changes.

The excellent quality and lower cost of imported goods pose a real threat to specialized units operating in various industries, such as toys, sports goods, shoes, auto parts, silk, and so forth. Small-scale Chinese imports pose the real threat, as evidenced by the way the so-called "China Price" is forcing many limited scope units to close. To be sure, China's production costs are significantly lower than those of India; therefore, it is probably accurate to suggest that China is resorting to "unloading" in order to eliminate its competitor in various industries. Small-scale industries were negatively impacted by globalization. SSIs were not designed because they produced goods with a narrow scope and had negligible business sectors.

They receive less assessment. However, everything changed when globalization accelerated. Globalization is ultimately to blame for the SSI's demise in India. Massive processing facilities supplied the goods on a much larger scale to achieve economies of scale

and reduced the costs considerably. As a result, small-scale businesses started to close, citing their capacity to compete with the large manufacturers.

CHALLENGES FACED BY SMALL INDUSTRIES:-

Small-scale industries make a valuable contribution to the Indian economy, but they lack the necessary backing from government departments, financial institutions, banks, credit societies, and corporations. As a result, they are losing ground to larger companies in both domestic and foreign markets. The following list includes the main issues that small-scale industries face.

1. Inconsistent and subpar ram martial
2. Lack of formal meeting procedures Poor infrastructure and inadequate credit assistance.

REVIEW OF LITERATURE

Periodically, different inquiries have been conducted on different aspects of limited scope businesses in different Indian provinces. The great majority of the exams have to do with the financial perspective, creation of small-scale projects, commerce in SSIs, WTO system, and small-scale industries. Little industry in India experiences a very hostile environment starting in 1991, as a result of globalization, domestic financial advancement, and the deterioration of localized defensive measures. As a result, its development in terms of work, results, units, and commodities has decreased. This has resulted in less remarkable progress in terms of public wages and commodities, but not to the extent of the labor done in the 1990s. The main most heinous features of India's small industry are the lack of a solid and stable financial foundation, the slow growth of credit inflow, and the mechanically antiquated nature of the industry, all of which would have encouraged poor quality and inefficiency.

AGRICULTURE AND ALLIED ACTIVITIES: -

- The agriculture sector's growth has been erratic, rising from -0.2% in 2014–15 to 6.3% in 2016–17 before falling to 2.8% in 2019–20. In the agricultural sector, gross fixed capital formation fell from 17.7% of Gross Value Added (GVA) in 2013–14 to 15.2% of GVA in 2017–18.
- Agriculture's share of the GVA dropped from 18.2% in 2014–15 to 16.5% in 2019–20. The primary cause of the decline was the reduction in the GVA share of crops, which went from 11.2% in 2014–15 to 10% in 2017–18. Due to the non-agricultural sectors' comparatively better growth performance, the share has been decreasing.

INFRASTRUTURE AND INDUSTRY: -

- Compared to 6.9% growth in 2018–19, the industrial sector as a whole is predicted to grow by 2.5% in 2019–20. It is projected that the manufacturing sector will expand by 2.0% in 2019–20. The industry sector's percentage of GVA in 2018–19 was 29.6%.
- The 2019–20 (April–November) Index of Industrial Production Growth (IIP) is 0.6%. An indicator of industrial performance is IIP. Manufacturing is given a weight of 78%, followed by mining at 14% and electricity at 8%. A decline in home demand for vital industries like pharmaceuticals and cars led to a slowdown in manufacturing activity. During the current fiscal year, exports of labor-intensive industries like jewelry, base metals, leather goods, and textiles underperformed as well. shortage of liquidity as a result of NBFC's reduced lending.

CONCLUSION

An attempt has been made to dissect how globalization has affected the growth of businesses with a narrow focus in this review. The "globalization" had a negative impact on the development of a limited scope area as measured by the number of units, PCMA Journal of Business creation, work, and products, according to the relative investigation of development example of key boundaries between Pre- and Post-globalization periods. For the approach producers and organizers, a decline in the rate of development of the number of units and work age in the post-progression period is a real concern. The result demonstrated that, in terms of development, globalization is essentially a complete bust. To sum up, we can state that the new SSI area development pattern demonstrated the Indian economy's faith in globalization and progress, which has a

significant impact on the growth of the Indian small-scale sector. In every situation, the normal development rate is lower in the post-globalization era than it was in the pre-globalization era; no marker indicates a positive effect.

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