
IMPACT OF GLOBAL MARKET ON SMALL SCALE INDUSTRIES IN INDIA

M.KUMARAN*

Abstract: *This means organization is the foundation of management. In the management there are numerous tasks encouraging specializing skill to ensure higher productivity, proper direction, motivation, co-ordination controlling technical improvement, manpower management, decentralization etc India is agriculture base nation. In such countries, small scale industries can run at large numbers. It can be starts from home production such as mango pickles. Lemon pickles, chilli pickles, Milk dairy, Papad Gruh Udyog etc. There are many wholesaler, retailer, manufacturer who works at small scale level in India. But due to the current era of globalization, the small scale industries are effected a lot. The current paper aims to study on the impact of global market on Small scale industries, special reference to Chennai.*

Key Words: *Industries, globalization, modern era, small scale industry, money market etc.*

Introduction

The origin of industries found in the 1700s after the Industrial revolution. Basically, we can say it is started by Britain. They have started manufacturing and invention of machineries etc. organization is a mechanism which is divided in several part of working style with defining several policies with the profit motif. There are several inter-dependent part of people working under a roof. Dimmock in his book Public Administration defined the term organization as, "An organization is the systematic bringing together of interdependent parts to form a united whole through which authority, coordinator and control may be exercised to achieve a given purpose. To try to deal with organization as merely a framework without considering the people who make it up and those for whom its services are intended would be wholly unrealistic." The great Leader and visionary of India Swami Vivekananda talk about the globalization before more than 150 years ago. Now, we can see the impact of this global market on Indian industries, especially it has affected to small scale industries of India.

Literature Review:

- a. **Berry, Albert and Mazumdar Dipek (1991):** This team has conducted a study on the small scale industry and stated that small scale industries play a good role in the developing countries like India.

* ASSISANT PROFESSOR CUM LIAISON OFFICER

- b. **Balla (1992):** Balla has discussed in his study that on the centralised vs. decentralised methods of small and medium enterprises, technological policy for small and medium enterprises in China.
- c. **Chuta Envyng Chita and Carl Lied Holm [1985]:** They did a comprehensive study of SSI in Sierra Leone. This study provided a new insight into the role of SSI which has provided the issues production, employment and earning opportunities.
- d. **Graham Bannock [1981]:** Graham Bannock presented a picture of the practical problems that an individual small scale industries are facing is shown. What they are facing the issues related to the economic policy as well as the socio-economic problems faced by small scale industries.
- e. **Jamuar (1992):** Jamuar (1992) discussed on the development of small-scale and cottage Industry in India in his study. He further continued that the role of small-scale Industry position and problem of small scale industries in India.
- f. **Sandesara (1988):** He has conducted a study on various programs for small-scale industries. It has exposed that units producing items in the reserved list. They did not show away superior performance over other units.
- g. **Sharma(1990):** Sharma has made an effort to make an over view of sports goods Industry, Micro Industry c-f selected centres, problems at different levels, role of institutions and future perspective in his study.
- h. **Siddhartha Shankar Dash and et.al[1990]:** They have under taken in a study at Balasori district in Orissa. It was an attempt to analyse the operational problems in launching SST units.
- i. **Tambunan Tulus(1991):** Tambunan Tulus has conducted a study on the role of small-scale Industries in Economic development of Indonesia.
- j. **Steel William. And Webster Leila(1991):** This team has conducted a study and declared the result that small enterprises play an important and dynamic role in the structural adjustment process and in Africa's Industrial development.

Objectives of the Study

- a. To analyse the impact of globalization on the small scale industries of India.
- b. To define the role of small scale industries in the development of the Nation in India.
- c. To inspire small scale industries for strengthen the industry.

Methodology of the Study

The study is based on the market of Chennai located in the Tamil Nadu, State of India. The researcher asked orally questions to the owners of small scale industries as well as few consumers who were previously fixed consumers of some specific shops. To get proper result of the study, researcher played a role of customers and asked the questions to the shopkeepers of small scale industries of Chennai. Three small scale industries are selected with different products.

Data Collection

The data is collected by two sources as primary, source and secondary source.

a. Primary Source

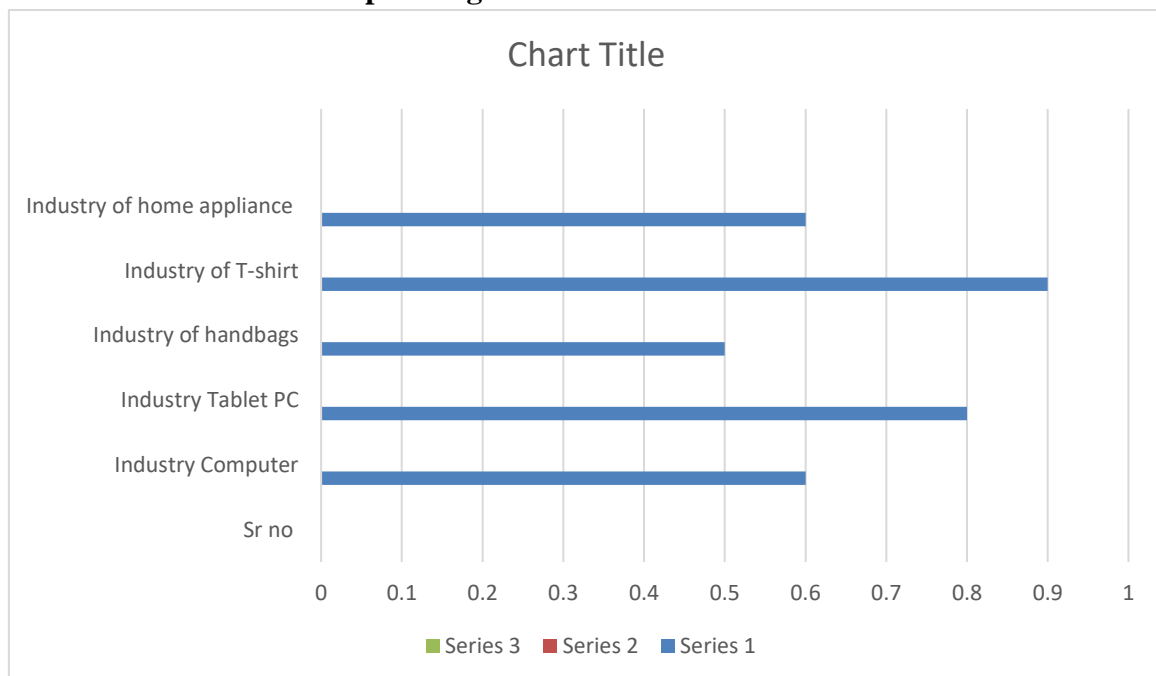
The data for current study is collected from five topmost small scale industries and impact of globalization on their industries. The researcher visited these industries, asked them oral questions being a consumers and collected the data for current study.

b. Secondary Source

Secondary source for current study is used from the books, journal, articles, thesis –both published and unpublished, available material on current study in printed form, even available on internet. The data for the study has been collected from secondary sources like newspapers, research papers and websites

| Sr no | Impact on Selling of global Market |
|----------------------------|------------------------------------|
| Industry Computer | 60% |
| Industry Tablet PC | 80% |
| Industry of handbags | 50% |
| Industry of T-shirt | 90% |
| Industry of home appliance | 60% |

Table 1.1 Impact of global market on small scale industries



Graph 1.1 Impact of Global Market on Small Scale Industries

As shown in the above table number 1.1 and graph number 1.1, the impact of global market is seen negative of the small scale industries of India. The result of current study is given below.

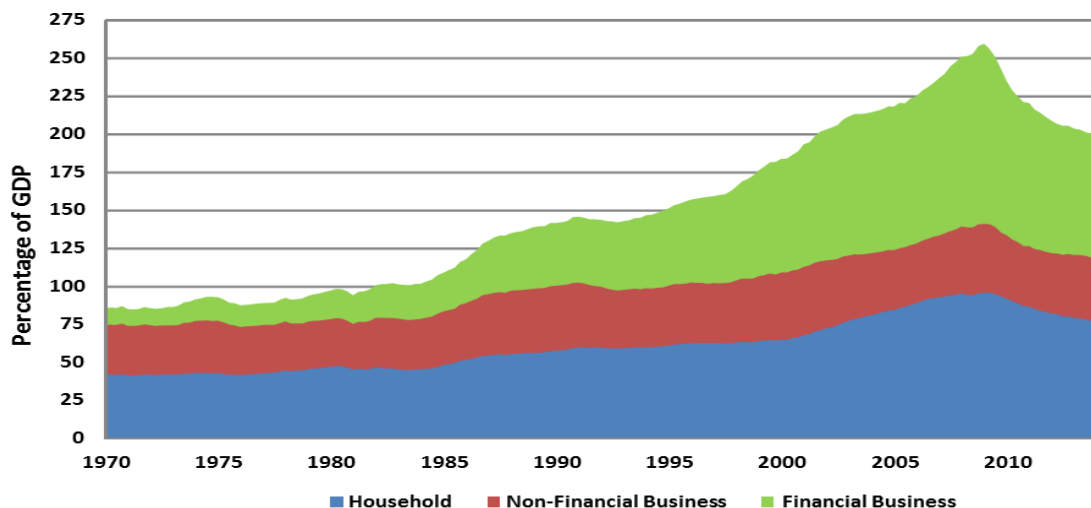
Result of the Study

a. Impact of Global Market on Indian Economy

There is an important role of small scale industries in the national income of the Nation. It plays important role in developing countries as India. But due to globalization and global market, there are many competitors who are providing the assets at low cost to consumers as compare to national product of India. Before globalization, there were many local industries who assemble the computers and tablet PC in their industries and consumers were preferring to them without fail. But after the globalization, there is the Market capturing system of China who are providing the same facilities with lowest cost. This is

effecting to the selling ratio of Indian small scale industries which ultimately effecting to GDP of India.

Growth of U.S. Private Debt



Source Data: Federal Reserve Economic Database (FRED)

Image 1.1 Growth of Private Debt (Source Internet)

As shown in the image 1.1, the growth of U.S. private debts are increasing day-by-day and creating trouble to the selling ratio of small scale industries worldwide. Due to the same reason, the GDP of Indian national income is decreasing.

b. Increasing Ratio of Unemployment

Small scale industries were providing the job opportunities to the local community. They were getting job at their own place with managing their family at the nativeplace. But due to globalization, the demand ratio of product is decreasing and ultimately it is turned into the increasing problems of jobs. There is a high ratio of recession. The global crunch is turned into recession since 2008 to till date. It was increasing day-by-day due to globalization. The studies has shown the result that not only India but total 71 countries were affected by recession due to global crunch from 2006 to 2013. The exemption was to only 11 out of the 71 listed countries with quarterly GDP data i.e. Poland, Slovakia, Moldova, India, China, South Korea, Indonesia, Australia, Uruguay, Colombia and Bolivia) during the said period. India was one of them who faced the major problem of recession from 2006 to 2013.

c. Migration of labours

Due to high ratio of recession, another connected problem of migration of labour is increased already Indian farmers are paralyzed due to the nature and its uncertainty of seasons. They are facing the problems of:

- i. Low productivity.
- ii. Lack of postharvest storage facilities.
- iii. Heavy loss of produce and revenue.

After facing these all problems, they were satisfy with the job opportunities they were getting nearby their locality. But due to globalization recession problem was increased and

Indian farmers as well as their families migrated towards the city to survive. India currently stands on the brink of being reckoned as the fastest growing economy in the world: its projected growth rate is 7.6 percent.

d. Impact on the famers' Family

Though, there are lots of technical development and growth in India, Indian population is yet living in villages more than 75%. Due to the monopoly of seeds by some MNCs like Monsanto, farmers have to buy seeds at high cost as compared to traditional seeds Bt Cotton responsible for suicides in rain-fed areas and it turns into the increasing cases of suicides.

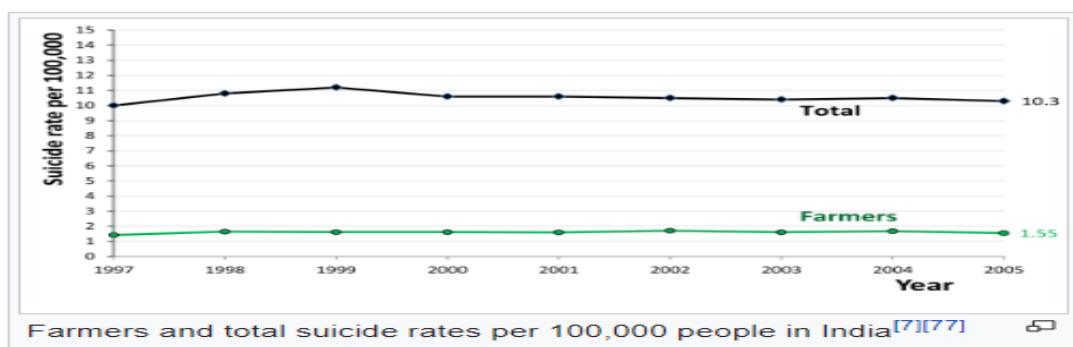


Image 1.2 the number of suicide of farmers in India(source-internet)

The above said period was the initial period of globalization. Later the ratio was increasing day-by-day. India's demographic dividend is considered to be its biggest asset. Furthermore, it is reported by the National Crime Records Bureau of India that in 2012 annual report, that 135,445 people committed suicide in India, of which 13,755 were farmers (11.2%). The number of suicides by farmers and farm labourers increased to 12,360 in 2014, against 11,772 in 2013 of these suicides, 5,650 were farmers' suicides result is declared by National Crime Records Bureau.

This increasing ratio of recession in India is shown in the image number 1.3 as below:

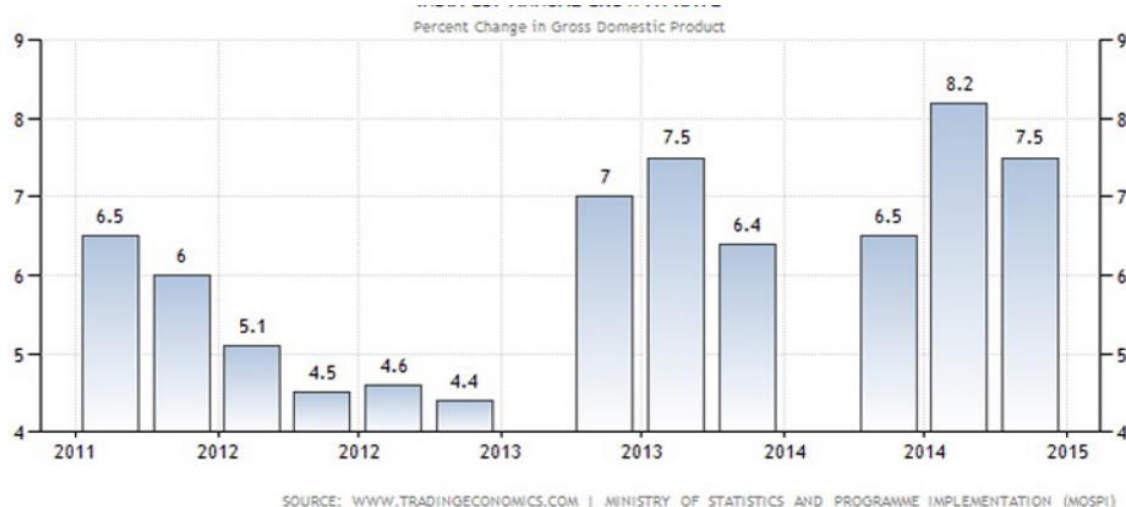


Image 1.3 Increasing number of recession in India (source internet- link

<http://www.sicomindia.com/blog/115-what-is-economic-recession-its-impact-on-indian-economy>)

Thus, increasing number of farmers' suicide is one of the negative impact of globalization in India. This is due to negative impact of globalization on Indian Small Scale Industries.

Conclusion

Thus, there are many negative impacts of globalization on small scale industries in India. There are many changes in the management, product, and policies of small scale industries due to globalization. Small scale industries mostly depend of the product of agriculture in India and best suitable to rural sectors of Indian society. But as said above village industries, the rural artisans, handloom, handicraft, coir, sericulture, power loom and khadi are facing the problems due to the global market in India. There is change in technical scenario after the industrial revolution at global level not only India but also many other countries' are affected due to global market. It has found that increasing the privatization is directly attacking to the small scale industries of India.

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