

A Study on Impact of Globalization and Small Scale Industry: Present Scenario

Mr. S. T. Gotpagar

Assistant Professor, Department of Economics,

Veer Wajekar A. S. C. College, Phunde, Tal: Uran, Dist: Raigad, Navi Mumbai,

Pin Code: 400702, shrikantgotpagar2015@gmail.com

Abstract:

Globalization has hit small manufacturers as they cannot compete with MNCs or large manufacturers or manufacturers. Many workers have become jobless due to closure of many units. In India, the above description makes it clear that the impact of globalization has not been uniform. Globalization has led to uneven competition between giant MNC's and dwarf Indian industries. The small scale industry sector is an important component of the overall industrial sector of the country. Increased competition from foreign companies can put pressure on local companies, making it harder for them to succeed.

Key words: Globalization, industry, investment, impact, output, worker, employment, competition, manufacture etc.

Introduction:

Globalization has made it easier for companies to access resources such as raw materials, manufacturing facilities and talent from around the world. It can help companies reduce costs and increase efficiency, making it easier for them to succeed in the global market. Multinational companies employ workers, but not consistently. Explanation: MNCs and globalization have the following negative effects on the lives of workers: Globalization has forced the closure of small businesses because they cannot produce as well as MNCs. Multinational companies employ workers, but not consistently. It has happened to skilled and professional people in urban areas and not to unskilled people. The industrial and service sectors have benefited more from globalization than the agricultural sector. This benefited the multinationals on the domestic manufacturing and industrial working class. In addition, globalization can lead to the outsourcing of jobs to countries with lower labor costs, resulting in job losses and wage stagnation in local communities.

Problems of the Study:

Globalization is the spread of the flow of economic products, goods, technology, information and jobs across national borders and cultures. In economic terms, it describes the interdependence of nations around the world through free trade. Since the Industrial Revolution, the world economy has become more integrated and regions have become more interdependent. This tendency has created the favorable conditions for what we today call globalization.

Objectives of the Study:

The main objective of this research is to study the effect of globalization on small scale industry and the current situation and the researchers have given some specific objectives in this as follows;

1. To study the impact of globalization on the industrial sector.
2. To study globalization and current state of unemployment rate.
3. To study the impact of globalization on Indian economy through industrial sector.

Significance of the Study:

Globalization encourages companies to internationalize and increase the volume and type of cross-border transactions in goods, services and capital. Also, globalization leads to rapid spread and diffusion of products, technologies and knowledge across the world regardless of origin. Globalization changes the way nations, businesses and people interact. In particular, it changes the nature of international economic activity, expands trade, opens up global supply chains, and provides access to natural resources and labor markets.

Scope of the Study:

The current size and pace of globalization is driven by many factors. Broadly speaking, economic, financial, political, technological and social factors have paved the way for globalization. Economic factors mainly include low trade and investment barriers. Globalization offers an opportunity to reduce macroeconomic volatility on output and consumption through risk diversification. The effect of globalization implies that economic integration helps in the production base of a nation and increases the specialization of production.

Limitation of the Study:

In general, globalization reduces production costs. This means companies can offer goods at lower prices to consumers. The average cost of goods is an important factor that contributes to the increase in the standard of living. Customers also have access to a variety of products. Globalization, economic growth and market opportunities. Globalization creates opportunities for many countries to experience economic development. Economic growth is an increase in the amount of goods and services produced by an economy over time.

Period of the Study:

To study the impact of globalization on the Indian economy and the developing nation and the status of small enterprises, the researcher has conducted this study on the basis of data from 2021-22

Research Methodology:

To study the impact of globalization and growth in industrial sectors after 1991 in a developing nation like India, researchers have used several types of secondary research while

researching the data base of 2021-22 It uses research paper articles journal newspaper audio video reference books serial books annual reports etc.

Research Method:

To study the impact of globalization on developing countries after 1991 and the current status of small scale industry, researchers have used descriptive analysis method to study this research.

Results and Discussion:

Globalization is the process of increasing interconnection between countries around the world. Although it has many advantages, it is also important to emphasize that globalization is uneven. This means that not all countries are equally able to take advantage of global opportunities and some are left behind. For businesses, the benefits of globalization can include cost savings, international recruitment, unique market opportunities, and the spread of risk. Potential disadvantages of globalization for the world economy include potential monopolies, structural unemployment, interdependence and tax avoidance.

Global Economy:

The world economy or global economy is the economy of all humans in the world, refers to the global economic system, which includes production, consumption, financial management, work in general, economic transactions and all economic activities conducted within and between nations. Globalization is a term used to describe the increasing interdependence of world economies, cultures, and populations, brought about by cross-border trade in goods and services, technology, and investment, people, and information.

Industrial Development:

Due to the development of industries, the citizens of the country get employment. Therefore, problems like unemployment, poverty and hunger are solved automatically. Therefore, the standard of living of the citizens of the country increases and the per capita income of the country increases as employment is available to all. It adds to the gross national income of the country. Building and growing businesses in the economy using new technologies that make jobs easier, faster and better and increase business productivity and profitability. Industrialization is the process of changing the economy of a nation or region from being centered on agriculture to being dependent on manufacturing. Mechanized methods of mass production were an essential component of this transition.

Globalization and Development:

Industrialization is a period of social and economic change that transforms human society from an agrarian to an industrial society, involving a broad production restructuring of the economy. Industrialization requires several key factors to grow to a significant scale. Industrial policy is the measures a government takes to promote and regulate the development of a country's industries. It

includes trade, investment, taxation, infrastructure development, innovation, and technology transfer policies. The UPSC Civil Services exam often asks questions about India's economic policies.

Social Change and Industry:

The Industrial Revolution led to rapid urbanization or the movement of people into cities. Changes in agriculture, rapid population growth, and ever-increasing demand for labor led to mass migration of people from farms to cities. Almost overnight, small towns around coal or iron mines sprung up into cities. Industrialization plays a major role in the economic development of the world. The process has improved productivity and allowed mass production. This has increased the standard of living.

Industry and urbanization:

Industrialization creates employment opportunities. People migrate to industrial centers to get these jobs. When more people start living in an area, there is a need to develop better facilities. Collectively, these processes lead to urbanization. Industrialization plays an important role in the growth of trade. Advanced countries have an advantage in trade over industrially backward countries. Underdeveloped countries export primary products and import industrial products. Agricultural products fetch low prices and their demand is generally inelastic.

Poverty and Development:

The effects of industrialization included significant population growth, urbanization or expansion of cities, improved access to food, increased demand for raw materials, and the development of new social classes formed by the capitalists, the working class, and eventually the middle class.

Transportation and Raw Material:

The development of industries in a region depends on many factors. Many factors affect it. Raw material, manpower, water supply, transport facilities, capital, markets etc. Industries grow in such regions if the factors are available. Capital investment, labor input, financial investment and technological progress are the factors affecting the growth of an industrial economy. Creation and development of industries plays an important role in the economic development of the country. Industrial development affects national development. Therefore, the development of industrialization is necessary to raise the standard of living of the citizens of the country and to increase the per capita income.

Conclusion:

Globalization allows companies to find lower cost ways to produce their products. It also increases global competition, which lowers prices and creates a greater variety of choices for consumers. Low costs help people in both developing and already developed countries live better with less money. Economic globalization includes the international flow of goods and services, capital flows and trade in assets, the transfer of technology and ideas, and the international flow of labor or

migration. Globalization refers to the freeing of global economics, industry, markets, culture and worldwide policies from socio-political control and reducing the distance between countries through global networks of trade, communication, immigration and transport. Globalization opens the door to new markets. Worldwide production and supply chain networks and borderless marketing via the internet can lead to help companies establish services or reach consumers in other places. The same dynamic can bring new opportunities to existing markets, as well.

References:

1. Mubemba (2022), Effects of Globalization on the Small and Medium Enterprises in the Manufacturing Sector in Zambia, pp. 416-424.
2. Ghosh (2022), Impact of Globalization on Micro, Small and Medium Enterprises in India, pp. 614-618.
3. Kumari (2022), Impact of Globalization on Small Scale Industries, pp. 234-238.
4. Venkatesham (2021), Globalization and its Impact on Small Scale Industries in India: Bright and Dark Spots, pp. 184-194.
5. Suresh et. al. (2021), Impact of Globalisation on Small Scale Industries, pp. 438-453.
6. Anand (2016), Globalization and Its Impact on Indian Small Scale Industrial Sector, pp. 30-39
7. Vani (2013), The Impact of Globalization on Micro, Small and Medium Enterprises with Special Reference To India, pp. 82-89.
8. Goel (2012), Impact of Globalisation on Small Scale Industries in India, pp.19-20.
9. Mungila (2005), Small Industry and Globalization: Implications, Performance and Prospects, pp. 46-52.