

## IMPACT OF INDIAN ECONOMY BY MICRO SMALL SCALE INDUSTRIES-AN EMPIRICAL STUDY

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**Abstract:** *Monetary advancement of any nation is to a great extent reliant upon its modern turn of events. Subsequently the limited scale ventures area expects a fundamentally basic job in the financial development, rustic industrialization and work age in the country. Three significant areas of the saving that are generally being impacted by MSSIs are producing result, work, and commodities of the country. MSSIs are worldwide acknowledged as an expected driver for financial development. The greatest advantage of MSSIs is their tremendous business potential and high work force at an essentially low capital expense. MSSIs Sector contributes around half of the complete Indian commodity. MSSIs holds colossal likely with regards to financial exercises and thus will eventually aid the advancement of resources of the nation's economy. Anyway because of quick changes in economy, MSSIs are confronting difficulties like expanding populace, shortage of occupations and capital assets, etc.*

*Key Words: Industries, Exports, Economic Development.*

### Introduction

Improvement of a country's economy is clearly related to the level of modern turn of events. Modern improvement characterizes the level of improvement of the economy of a country. The improvement of modern region prompts a more significant utilization of typical resources, age of product and endeavors, creating employment opportunities and improvement in the way of life. India has also been attempting to develop the country's modern base since opportunity in 1947. It has planned various methodologies designated at the headway of ventures in people in general and confidential areas. Excellent emphasis has been laid on MSSIs. Expects a vital work in the arranged improvement with its focal points of low endeavor, high potential for "business age, development of the modern base and dispersal of undertakings to country and semi-metropolitan zones". The MSSIs area has been appropriately given a vital situation in arranged economy for monetary, social and sensible improvement of the country. Limited scope enterprises hold importance as they help with creating work and in this way the generally speaking monetary improvement of India. It adds to the monetary advancement of the country by provincial and metropolitan industrialization.

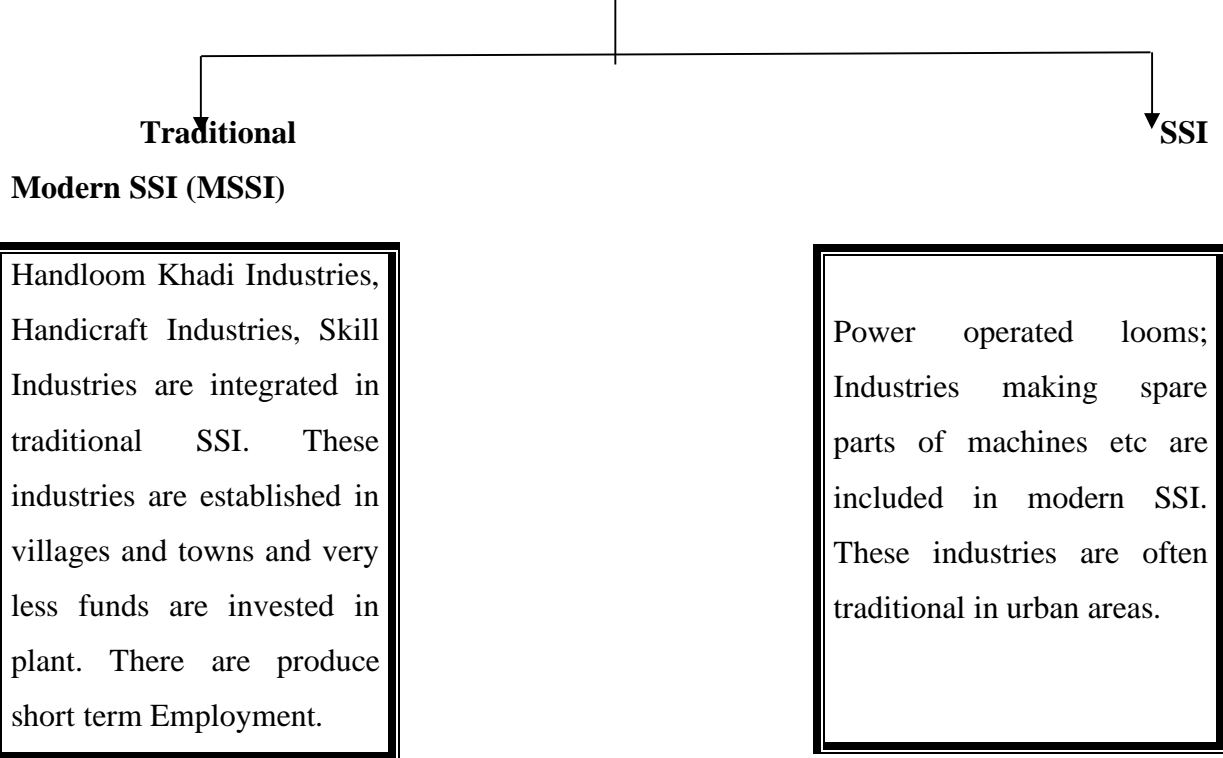
MSSI's assistance the public authority in numerous ways by "expanding foundations and assembling businesses, lessening issues like contamination, ghettos, destitution, and numerous advancement exercises".

### Meaning of SSIs

“A small scale industry is an manufacturing enterprise where the venture under fixed property in plant and machinery or tools, whether held on ownership term or on the lease or hire buy, does not exceed

- 10 crore for industrialized enterprise
- 5 crore for the service sector. Though, the asset limit varies overtime as recommended by the management.

### CLASSIFICATION OF SMALL SCALE INDUSTRIES



### Role of Small Scale Industries in Economic Development in India

MSSI's adds to the overall improvement of the (GDP) of the country through business also commodity. The limited scale modern part has kept a high improvement rate since opportunity in 1947 no matter what the solid test from the enormous division and not all that enabling help from the public authority. In Industrial arrangement of 1948, the limited scale enterprises are specified prevalent situation for creating surplus work with exceptionally low capital speculation. During the latest ten years alone, the SSI region has

progressed from creation of "straightforward customer products to the collecting of many refined and accuracy things like equipment control systems, microwave parts, electro-restorative kinds of stuff, TV. sets, etc".

### **Opportunities And Performance Of SSI**

MSSI are the second greatest business of human resource after the cultivating part and produce a wide grouping of items going from customary to creative. SSI expects a fundamental work in the Indian economy as of being work situated, creates work in country provincial and metropolitan zones. The MSSIs had furthermore expected a vital work in the improvement action of the Indian economy since freedom regardless of uncommon test from the tremendous modern houses and not immensely benefiting help from the public authority. One critical task finished by limited scope ventures in India is work, which is portrayed under.

### **Organization of employment**

The significant issue that is challenging the Indian economy is elevating strain of expanding people ashore and necessities to make gigantic employment opportunities. This issue can be comprehended to a greater scale by the help of limited scope businesses as MSSI's are work situated in nature and have exhibited an exceptional improvement in the latest ten years.

### **Review of Literature**

**Srinivas, (2013)** It has been acknowledged that MSMEs play a crucial role in the inclusive expansion of the Indian financial system based on the performance of SSIs, small and medium-sized enterprises, and their contribution to trade and industry growth in India.

**Sumanjeet Singh and MinakshiPaliwal (2017)** in this study, "The Progress Capability of Indian MSME Area," it was considered that, despite the MSME sector's tremendous potential for creating new businesses and sizable employment vacancies, MSMEs face several challenges.

Require of admission to business

- Require access to enter the overseas promote
- Require skillful individual resources
- Need consistent and steady communications
- Discouraging marketing network

**Sharma (2012)** SSI units are at a developing stage and greater growth is required, yet a few concerns should be faced, according to the report "Problems and Prospects of SSIs (a Case Study of Export and Non-Export Units in Haryana)".

- Underutilization of installed facility
- The market actions to be strength for selling SSI manufactured products”

**Desai (1969)** in this lessons, it is determined that small-scale industry has an unusually central role in the growth of a developing nation like India. SSIs believe they have played a significant role in the economic transition from predictable to contemporary innovation. Another plan for SSI reform has been prepared by the Indian legislature. The industrial strategy's primary goals were to ensure the economy's balanced growth and to create immediate and ongoing job opportunities for people. The new policy must guarantee the continuous growth of the small scale division while at the same time constraining the growth of other segments, according to small business visionaries. Finally, the author states that governments in India have prioritized SSI throughout the post-independence era through created approach frameworks that include a variety of foundations to support SSI at various levels to be financially and strategically specialized.

### **Objective of the Study**

- To study the needs and value of Small scale industries in the Indian economy.
- To study the crash of SSI on the Indian economy.
- To study the responsiveness among employees about the impact and importance of SSIs on the economy.

**Research Methodology** This investigate is a survey-based revision. Respondents were select from SSI's of Salem and Namakkal District of Tamil Nadu. A total of 253 employees were sampled from selected 56 SSI's, for the study out of which all 253 employees responded to the study by answer and returning the questionnaire.

### **Primary Data**

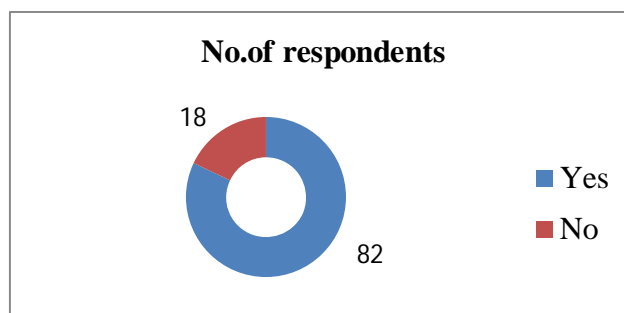
Primary data which is together for the first time or direct information. The researcher has used a structured questionnaire to collect information. Data collected from 56 SSI's Salem District of Tamil Nadu, from the 56 SSI's 253 employees selected for the study.

### **Secondary Data**

Secondary data which is still by an important person else and previously been accepted during the arithmetical procedure. Secondary data are collected from magazines, journals, publications, and websites.

### Awareness about Impact of SSI on the Indian financial system

SSI on the Indian economy	No.of respondents	Percentage
Yes	207	82
No	46	18
<b>Total</b>	<b>253</b>	<b>100</b>



### Interpretation

According to the study of the employee replies, as shown in the table above, 82% of respondents were found to be aware of the significance and impact of SSIs on the economy, while just 18% were not. The outcome supports that most respondents are aware of the significance and impact, and that only a small number of situations are exceptional. This finding is crucial information for this study's confirmation of additional research into manufacturing strategy.

### KMO And Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		<b>0.509</b>
Bartlett's Test of Sphericity	Approx. Chi-Square	<b>767.487</b>
	Df	<b>36</b>
	Sig.	<b>0.000</b>

### Extraction Method: Principal Component Analysis Communalities

S.No	Factors	Extraction
1	Increases production	0.614
2	Increases total exports	0.598
3	Improves the employment rate	0.424

4	Opens new opportunities	0.577
5	Advances welfare	0.237

### Rotated Component Matrix

S.NO	FACTORS	COMPONENT			
		1	2	3	4
1	Increases production	0.118	0.145	-0.190	0.750
2	Increases total exports	0.179	-0.027	0.141	0.176
3	Improves the employment rate	0.039	-0.037	0.625	0.756
4	Opens new opportunities	0.130	0.031	0.746	-0.046
5	Advances welfare	0.016	0.115	0.451	-0.140

- **Increases total exports SSIs** The Factor like that increases the export opportunities) contributed to (0.179).
- **Advances welfare** The Factor like that Welfare Provided in SSIs) contributed to (0.115).
- **Opens new opportunities** The Factor like that new opportunities in SSIs.various Sectors. Contributed to (0.746).
- **Improves the employment rate** The Factor like that employability for that SSIs. Contributed to (0.756).

### Summary

We can tell from the article that its purpose was to gauge how interested people were in the importance and effects of SSI on the economy. We used three statistical approaches for this aim, including percentage analysis. Additionally, percentage analysis was used to gauge how well-informed small industry employees were regarding the impact and importance of SSI. According to our findings, there are no gender-specific differences in the importance and impact of SSIs on the economy. Additionally, according to the information we have on SSIs, their significance and impact had a big impact on how agreeable the Impact of SSIs is.

Additionally, it has been confirmed that there is a considerable relationship between the five components increasing creativity, increasing finished goods, improving labour efficiency, opening up new opportunities, and advancing government aid. Therefore, it is often assumed that changing one feature might also change a wide variety of other aspects. As a result of the analysis, it was determined that the majority (86.31) of workers in small-scale industries were aware of the importance and impact of these industries on the economy.

## Conclusion

Since consequences of the examination complete here, we can now say that the workers level of in order regarding the matter of every one of the part taken under concern is significant. The outcome affirms that most of respondents know about the significance and effect. Additionally the degree of utility and appropriateness was viewed as critical. Further the huge between relationship among the five parts viz., a., viz, Increases creation, Increases all out sends out, Improves the business rate, Opens new open doors, Advances government assistance has likewise been affirmed. It tends to be consequently reasoned that an adjustment of one aspect might affect the wide range of various aspects likewise. It was observed that the respondents knew about a large portion of the parts, influence, and the worth of SSI's and has benefited the fitting parts.

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