

GLOBALIZATION VERSUS SMALL SCALE AND COTTAGE INDUSTRIES

Miss Sanjana Ramrakhyani

BA.LLB, IInd year, Disha College

I. BIOGRAPHY

I have completed my higher secondary school with 80% from St. Joseph Senior Secondary School, Raipur in 2014-15. My hobbies are sketching, skating, reading recent case files of High Court and Supreme Court and other session courts. I take part in every co-curriculum activities. Recently I did my internship in high court of Chhattisgarh. I also got the student of the year initiative in higher secondary. Currently I am pursuing BA.LLB 4th semester.

II. GLOBALIZATION

Internationally happening of things is a globalization which can involve any fragment of the world frankly speaking it is a grip which stretches out every slice of Cosmo.

It is a dispersion of business and other activities from one country to other .scatteredness is indeed high in nature which can involve any part of the globe and also integrate them altogether as like a same family but belonging to the different parts of the world . This flexible stretch out is possible because of developed communication infrastructure ,enhanced ICT ,transport, internet have fasten the relations between countries. It is actually exchanging of different ideas, rules, procedures, values, traditions ,customs in order to blend them and make a excellent combination which appropriates diverse geographical frontiers of the world. Interdependency arises because of globalization i.e. in the sphere of economic ,social , political. All the aspects which involve different countries are subject of globalization. Commonly used elements of globalization which includes trade ,capital ,investment etc

III. SMALL SCALE INDUSTRY

Small scale industries are the backbone of our country without it our whole economy will disturb .These industries are glory shine proud fame of our country .tradition culture fame authenticity preciousness are depiction of these industries. Generally products which is made by SSIs are handmade and that includes; handicrafts ,handlooms, khadi ,and other art forms.

These industries include;

1. Rural industries
2. small industries
- 3 .cottage industries

Rural industries include agri –business which is agricultural based such as farming ,poultry ,cattle rearing, animal husbandry etc.

Small or tiny industries which undertakes small amount of capital i.e. below and up to 10,00,000

Cottage industries are basically artisans owned industry and they make different art forms which is unique ,antique ,innovative, fine ,rare and handmade generally family members involve with very small amount of capital.

Advantages of small scale and cottage industries

1.Belongingness

by using the products made of these industries a strong feelings of same belongingness were involved with smell of fresh natural love and affection was attached with one's country

2.More tradition

Tradition which exist in one's country are highly seen in these industries at huge amount each and every single design and pattern are enriched with culture and ritual of nation

3.Handmade

Products are fine , unique, creative ,perfect, enriched with values because the products are handmade

4.Employment

These industries provide employment to large number of people and make them self dependent.

5. Capital

Capital required in these industries are very low. Mobilized small savings can also used in production

6 . Members

Members of these industries are generally family workers. Therefore work can be done at any time at any cost with self accountability and responsibility.

7 .less import

Raw materials or anything involved in the production are not imported and are produced domestically

8 .Foreign Exchange

The products which is produced in these industries are exported in great amount because of its innovation, uniqueness ,preciousness actually the products are the mirror of our Indian civilization and culture.

9 .Impartial distribution of wealth and income

It means that everyone receives the same amount of income wealth is distributed equally unless in large scale industries only few hands attain highest gains and below one's becoming poorer

IV. IMPORTANCE OF SMALL SCALE AND COTTAGE INDUSTRY

Our rich culture is preserved and illuminated by these industries which is required the most in this dynamic industrialized and globalised world where our rich heritage is started losing . A great value and importance is attached with these industries because a sense of belongingness among indigenious diversity of our nation is reflected by connecting with these industries.

Regional disparities, inequitable distribution of wealth and incomes, unemployment, huge capital, high exports, mass availability of capital goods all these problems are absent in the small scale industries. Women's participation in the production is the best part of this industry. Artisans are really hardworking and putting their 100% efforts and

giving their best so that their discernment will not melt down and our conventional thoughts and lifestyles should be enlightened illuminated life long.

V. CHHATTISGARH FAMOUS ART FORM

Chhattisgarh is famous for its indigenous culture diversities. Bastar art work is famous all over India. In Bastar artisans receives training guidance for making these unique art gallery. These art forms are true depiction of ancient lifestyles and conventions .It is popular for cave paintings, wood designs, metal patterns , bamboo works ,clay craft, portray, handlooms ,handicrafts, ornaments making, godana sculpture. Truth can be behold by looking towards all these art works. These kinds of extracted, selective creative work are seen in Chhattisgarh.

Chhattisgarh Popular creative work-

Bamboo cave art—Bamboo cave art is popular amongst bastar district of Chhattisgarh. It is highly flexible, unbreakable , durable. Bamboo is a strong, lifelong product and used in many ways such as furnish to house building. It is bent into any shape for making various products such as chair, table, almirah, basket, bed, bamboo pot, wallpaper, cups, mats, utensils, bullock carts, swings and other decorative items.

Impact of Globalization on small scale industries

Small scale industries are highly affected by the trends of Globalization and the causes are as follows-

1. Globally recognized products are highly demanded and demand for the products which is manufactured domestically are reaching very low. For e.g., Apple gadgets are in very high demand rather than localized technical products. This caused to free entry of new small scale industries products and also problems created for existing local producers.
2. **Product diversity**- when only over standardized products are demanded than the varieties of products brought to an end which is being manufactured in different economies because of very low demand.
3. **Investment Problem**- When investors get high return to their investment in the local market so why would they put their capital in the localized markets consequently production reduced in domestic markets.
4. **Cost competitiveness**- Product which is made mechanically are in large quantity so they are relatively cheaper than the product which is made with rare, unique, exclusive, innovative raw materials and are handmade. So these are little expensive because of its fine quality ,longevity, creativity and hard work of artisan which depict true culture of Nation .Other than cheap china product attracted by no such qualities but they are demanded by huge public.
5. **Potential loss of employment in domestic market**-Labourers are engaged in producing cheap products in the globalized economy leaving behind their domestic markets. Hence this lead to disturbance in the developing countries
6. **Low production in the economy**-Developing countries will start importing products from globalized units and this leads to slow production in the domestic market, finally a stage of deindustrialization will come.
7. **Regional disparities**-Because of globalization development are limited to only few areas as production work are engaged in few developed regions leaving behind developing and under developed regions.

8. Unequitable distribution of wealth and income-Wealth are concentrated in few hands because of centralized economy, instead there is impartial distribution of income in small scale and cottage industries.

Why small scale and cottage industries are decreasing day by day?

Firstly because of negative impacts of globalization

And the other causes are as follows-

1. Industrialization-Because of industrialization the raw materials which are produced in remote areas are rooted out and industries are set up in the vacant land.

2. Unavailability of raw materials-Raw materials which are used by these industries are of rich quality, antique, and exclusive ,so they are very rare.

3. Generation moving from traditional to artificial-Because of little expensive, orthodox old outlook products, people move towards the artificial products.

4. Craze of culture and enriched love with one's nation is sloping downwards ,so they are shifting towards foreign products.

5. Lack of awareness among people of these products-Art is enriched wealth of a nation if people are unawared with these exclusive art forms and they will not buy , therefore it is a loss of the nation and slowly the tradition will be lost. Our remarkable diversity of culture needs to be preserved and sustained so that generations and generation would able to see.

6. Desired products not required products-The items which is produced by small scale industries are purchased only for zest, no emergency need is determined for it, so only those who have knowledge of art and value the rich heritage, creativity will buy the same.

7. Marketing issues-They don't have proper transport facilities so they have to depend on the brokers for marketing of their produce. Brokers purchase with them in very low price and sell it in the higher price in market.

8. Credit Problems-Finance is a backbone of any organization, without it no units will function. Because of formalities required in the institutional form of credit and if failed to return the notice of summon will come, so SSI holders take loan from non institutional sources such as money lenders, landlords consequently they charge exorbitant rate of interest. This upsets their budget.

9. Less profit-Their business is only for the zest and subsistence, not for the profit earning.

10. Time consuming production process-Production process is time because these products are handmade and no technology is used,so it takes huge time to complete or accomplish the work.

11. Not touched with the latest fashion, technology and taste of the market-They are not in a state to get direct information i.e., like, dislike of the consumer, latest fashion ,prevalent technology consequently they are unable to update their products keeping in view the requirements of the public.Hence they are producing less demanded, inferior, backward articles in higher prices.So in competition with the large firms their products are not opted.

Government's initiative in order to preserve and protect these industries-

Small scale industries are decreasing day by day so government is been implementing various programme in order to safeguard their interest.

3rd International Conference on Latest Trends in Engineering, Science, Humanities and Management

(IFUNA) Indian Federation of United Nations Associations, New Delhi (India)

(ICLTESHM-17)

8th April 2017, www.conferenceworld.in

ISBN: 978-93-86171-23-8

After independence govt. give huge importance to the SSI's. At the end of the first five year plan, 6 boards were setup.

1. All India handloom board

2. All India handicraft board

3. All India Khadi and village industries board

4. Small scale industries board

5. Coir Board

6. Central silk board

The second five year plan emphasize on dispersal of industries. Recommendation and suggestion of various committees was focused and 60 industrial estate were setup for providing basic infrastructure facilities i.e., water transport and power. Monopoly of certain goods were exclusively given to the small scale industries.

Third five year plan focused on expansion of areas of SSI's.

409 items were reserved for exclusive purchase from SSI's.

Certain services such as client convincing, consultancy, guidance, marketing skills and knowledge through SIDO.

Seventh five year plan focused on updation of technology in order to compete with the globalized world and higher production.

The most important initiative of govt. was to provide timely credit facilities so that production continues without any obstacles and also establishment of SIDBI for this purpose.

Apart from all these govt. started various schemes and policies such as-

Make in India-Make in India campaign was started in order to encourage more production and less imports so that our product got valued and used more, so that our culture rich heritage, tradition got enriched and illuminate at large. Therefore all products which are imported can be produced domestically.

Modi's khadi initiative-Our creativity, ideology which is lost somewhere else are need to be lightened, that's why Modi's govt. initiates and can create 80 lacs jobs in 2016-2017. For it govt. started giving a lot of finance. One more reason in order to start this initiative is that technology should not replace human.

Some corporations are setup in order to help these industries to market their product items both in the domestic and export market which are as follow-

1. Trade fair authority of India.

2. State trading corporation .

3. The national small industries corporation.

Various policies and implementations are implemented by the government but position of these units are deteriorating and stable.

Suggestions and Conclusions-

1. Awareness among peoples of the indigenous products through its quality, longevity, traditionality and multiple uses etc.

2. Products need to be made with modern technology so that it could take less time in production.

3rd International Conference on Latest Trends in Engineering, Science, Humanities and Management

(IFUNA) Indian Federation of United Nations Associations, New Delhi (India)

(ICLTESHM-17)

8th April 2017, www.conferenceworld.in

ISBN: 978-93-86171-23-8

- 3.Raw material should be used which is easily available.
- 4.Availability of easy credit at low interest rates on institutional basis.
- 5.Marketing units needs to be expanded like exhibitions fair trades etc.
- 6.Provide continuous power supply to SSI units for smooth flow of production.
- 7.Cheap production with easy available and low priced raw materials
- 8.Encouragement of research and development units to gather market information.
- 9.Promote professionalism in SSI units by adopting quality standard,ISO certification.
- 10.Proper training ,consultancy and guidance scheme for SSI's holder.

Small scale and cottage industry are decreasing day by day and now it exists in only few regions. So this is a big disadvantage to our nation .By means of these industries our rich heritage ,minor culture needs to be preserved and protected. Art are like religion and needs to be respected and worshipped so that creativity should be enhanced.

The product items which is made by this industry are true depiction of Indian Civilization and it states the actual values of a country. The amazing ,real feelings of artisans are attached with their art forms which shows their excellent work and great efforts. Artisans zest is seen by their work.