

Difference between Small Scale & MSME

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Abstract

The "Make in India" initiative, launched in 2014 by the Government of India, seeks to promote domestic manufacturing and position the country as a global manufacturing hub. This paper examines the impact of the initiative on small scale industries (SSI) in Mumbai, the financial capital of India. Small scale industries play a vital role in Mumbai's economic landscape, contributing to employment and local industrial development. The objectives of the Make in India initiative include job creation, technology upgradation, and fostering a favorable environment for entrepreneurship. The impact on SSIs in Mumbai is assessed through factors such as job creation, access to global markets, technology adoption, foreign direct investment, infrastructure development, and ease of doing business. The initiative's success in enhancing the competitiveness and growth of small scale industries in Mumbai depends on effective policy implementation and the industries' ability to leverage opportunities arising from this transformative campaign.

INTRODUCTION

Policymakers have been paying attention to the Social Security Insurance (SSI) sector by providing assistance and incentives, infrastructural facilities, technology, marketing, and other activities that are equivalent. As of my most recent update in September 2021, the "Make in India" initiative was initiated by the government of India in September 2014 with the intention of promoting manufacturing and accelerating the growth of businesses within the country. However, this initiative has since been discontinued. First and foremost, the objective of the effort was to convince both domestic and international companies to manufacture their products in India. Unfortunately, I do not have any data that goes beyond this point, thus I am unable to supply you with the most recent information about its impact at this time. Based on data that is available till 2021, the following are some of the potential consequences that the "Make in India" initiative might have on the small-scale industry around Mumbai:

Increased Investment: The project sought to entice both local and international investors, which may have helped Mumbai's small-scale enterprises by giving them access to finance and technology.

CONCEPT OF MAKE IN INDIA

The majority of nations that have made the transition from low financial gain to high financial gain since the beginning of the industrial revolution have done so by engaging in industrial activity and decreasing their reliance on agriculture and natural resources. This has been the case since the beginning of the industrial revolution. The "East Asian Tigers" are the most recent examples of this pattern when it comes to India's neighbours that are located inside the Indian Ocean. There have only been a few countries that are relatively smaller in size, possessing substantial natural resources and having populations that are relatively small, that have had a period of continuous economic expansion without making any progress in manufacturing. India, on the other hand, seemed to be following a growth strategy that was driven by services throughout the course of the last twenty years, on what looked to be a completely independent path. It is safe to say that this strategy has been successful in the short term, since India has been well recognised as the back office of the globe. It is analogous to India's more developed neighbours in the BRIC grouping, such as Brazil and Russia, as well as South Korea, that the proportion of the Indian economy that is comprised of services has increased to 57% in the year 2013. On the other hand, even a cursory examination of the proportion of jobs that are in the service sector might bring to your attention a contradicting statistic. Services provide almost the same relative proportion in all four economies, with the exception of China.

MAKE IN INDIA IN SMALL AND MEDIUM ENTERPRISES (SMES)

In a market that is highly competitive, it is necessary for company owners to acquire the knowledge necessary to attain a level of productivity that is adequate. An increase in productivity is one of the primary objectives of the Industrial Strategy that the government has developed. The question arises as to whether or not small and medium-sized firms (SMEs) have a part to play in the formulation of industrial strategy in India, given that India is a country of SMEs. As employers, small and medium-sized enterprises (SMEs) are extremely important to the Indian economy; nevertheless, it is not at all evident that they are large contributors to economic growth as a group. In light of this, the goal of this study is to investigate labour productivity at the level of small and medium-sized enterprises (SMEs) in greater depth with the intention of identifying its primary determinants. In order to obtain results that could be relied upon, the survey that was conducted for small and medium enterprises and was backed by the Government of India was utilised. In light of the fact that the manufacturing sector is the primary focus of the Make in India Project, let us examine this particular subject. In what is known as the National Manufacturing Policy or NMP, the vision is articulated. In the medium term, it forecasts a growth rate of 12-14%, an increase in the proportion of the GDP contributed by manufacturing to 25 percent by 2022, and the creation of 100 million employment by that same year. In addition, it takes into account the development of suitable skill sets, the expansion of technical capabilities, the improvement of global competitiveness, and the guarantee of growth that is sustainable.

REVIEW OF LITERATURE

Nishant Ravindra Ghuge (2020) Make in India, the flagship program of the NDA government, aims to boost India's manufacturing industry and bring in foreign capital. Manufacturing is very important in India. Notwithstanding, there is a requirement for reasonable regulation and foundation in the space of work guidelines, power rates, transportation, and strategies. Even though the government has said it wants to make things easier, it's taking a long time to do so. If only FDIs and infrastructure spending are encouraged, the Make in India initiative will not succeed on its own. Implementation must be the administration's primary focus. It should strive for better implementation of the chosen policies. It is essential to comprehend and address issues that have a local impact.

V. Kante Prasad (2021) There is currently a lack of information available regarding female business owners, particularly those who operate in developing nations. This is the situation regardless of the way that there are right now more female business people in agricultural nations than at some other time ever. The purpose of this study, which was conducted in India as the study's setting, was to identify specific human and social capital characteristics that may boost venture growth for female entrepreneurs in developing nations. The findings of the study indicate that the aspects of human and social capital that have the greatest impact on the success of Indian women-owned businesses. Especially significant factors were parts of human resources, for example, past experience as a business visionary and industry experience, as well as components of social capital, for example, the size of individuals' business organizations and the help they got from relatives. However, network composition features and familial linkages did not appear to be significant indicators when examining venture development in an Indian setting.

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HYPOTHESIS OF THE STUDY

H0- There is no significant relation between the “Make in India Campaign” and overall economic performance in regard to the Small scale industries Units under research study. Due to “Make in India Campaign”, the SSI Units are not benefited on the criteria like:

The various dimensions covered are:

- 1) Organizational Dimensions
- 2) Operational Dimensions
- 3) Investment and Financial Magnitude
- 4) Production Parameters
- 5) Marketing Dimensions and
- 6) Overall Economic Performance



STUDY LIMITATIONS:

The scope of the study was restricted to Make in India on small-scale industries located in the Greater Mumbai area of Maharashtra. The scope of the study was restricted to all industries that were present on a modest scale, and assistance was provided for specific industrial investigations..

Government Policies of India.

Efforts are being made by the government to achieve a more rapid and dependable expansion of the economy. Given that we are aware that small-scale enterprises are the foundation of any economy, it is imperative that the government ensures that the policies, as well as the different investment limitations and conditions, are suitable and match the requirements and influence of the government. As a result, the government continues to modify the criteria in accordance with the requirements of the global community. The Make in India on Small Scale Industrial Policy definition is derived from the policies of the Indian government on SSI, which are always evolving in accordance with the needs of the economy and the SSI. Several modifications to the SSI capital requirement are detailed in the table below.

TABLE

Year	Investment Limits	Conditions applicable
1950	Upto Rs.5.0 lakh in fixed assets	Less than 50/100 pers
1960	Upto Rs.5.0 lakh in fixed assets	Not applicable
1966	Upto Rs.7.5 lakh in Plant & Machinery	Not applicable
1975	Upto Rs.10 lakh in Plant & Machinery	Not applicable
1980	Upto Rs.20 lakh in Plant & Machinery	Not applicable
1985	Upto Rs.35 lakh in Plant & Machinery	Not applicable
1991	Upto Rs.60 lakh in Plant & Machinery	Not applicable
1999	Upto Rs.100 lakh in Plant & Machinery	Not applicable
2013	Minimum 25 lakh Upto Rs 500 lakh in Plant & Machinery	Not applicable
2016	Min. 50 lakh Upto Rs 1000 lakh in Plant & Machinery	Not applicable

Source: MSME Annual Reports 2015-16 (1)

Table presents the changes that have occurred in Make in India on small-scale industries in accordance with the worldwide norms of the industry. Following the declaration of the LPG

policy by Dr. M. Singh in 1991, we are able to see that the definition and standard rules of Make in India on small scale industry have undergone significant transformations. This indicates that Make in India on small-scale industries are helping to provide a significant portion to the economic growth of India.

In this day and age, Social Security benefits are referred to as contemporary SSI. This industry has a large range of products that are compatible with modulations, which are commonly approved by SSI.

ROLE OF SMALL-SCALE INDUSTRIES IN THE INDIAN ECONOMY

Make in India

One of the goals of the government's project known as "Make in India" is to encourage the growth of small-scale companies and industries currently operating within the country. Small-scale enterprises are an excellent illustration of the Make in India programme since they manufacture things in the nation and then sell them both inside India and outside. This results in an increase in the demand for India's products on a global scale.

Employment Opportunities

The fact that small enterprises are more dependent on workers results in the creation of a number of job possibilities. They offer a wide range of employment possibilities and contribute to the reduction of unemployment when they make less use of technology and more use of the personnel that is readily accessible in the area.

Increase in Export

Small scale enterprises contribute a significant chunk to the country's exports, with almost 50% of the goods exported from India manufactured by them.

FINDING OF THE STUDY

Higher Percentage of Make in India on Manufacture industries.

The fact that 187 of the 200 SSIs, or 93.5%, were belonging to Make in India on manufacturing industries demonstrates that there is a significant need for Organizational Dimensions in order to facilitate the transportation of completed goods into both the domestic and foreign markets. Among them, 14.5% are associated with the production of components for electronic and electrical equipment, 21% are associated with the production of machinery and computer equipment, and 7.5% are associated with the production of glass.

CONCLUSION

In spite of the fact that we were unable to locate any effort that measured the influence of Organizational Dimensions on long-term growth, the majority of SSIs were in agreement that good Organizational Dimensions helps to improve business and retention over the long run. This is extremely detrimental to the growth of SSIs since they are not trying to manage and measure the amount of items that are damaged or lost while in transit. There is no discernible difference across SSIs in terms of their understanding of Organizational Dimensions concerns. A very high rate of expansion of SSI would be achieved with the assistance of appropriate Organizational Dimensions; nevertheless, this would lead to an increase in the number of Make in India on small-scale industries that are transformed into large-scale industries.

RECOMMENDATIONS

The researcher has provided a selection of recommendations following the completion of the data analysis. These suggestions are derived on actual issues that have been encountered. The researcher has taken into consideration the strategy of increasing awareness of the need for Organizational Dimensions in order to maintain and expand in the context of worldwide business and competitiveness. Below is a list of the suggestions that can be offered.

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