

Q1 Globalisation Kills domestic industry large " Evaluate the statment .

Ans - Globalization will kill Small-Scale Industries in India

Globalization is the metamorphosis of the individual nations into an integrated entity by means of their interconnection on an economic, social and cultural level, fuelled by easy transport and communication among them. It is the modern renaissance that makes ideas, goods, services, trade, technology and culture permeate into the entire geography of the world thus turning it into a global village.

While globalization is a large scale phenomenon, small scale enterprises are a local phenomenon but having effects of dimensions as large as it's global 'friend and foe'. Friend- because both globalization and small scale industries are the two wheels of the vehicle of economic growth and prosperity; foe- because some argue that given the developing nation that India is, Small Scale Industries(SSIs) can suffer and strangulate to death by the fierce competition put up by globalization. Let us observe and decide.

Micro and small scale enterprises have existed in India since ages in the form of traditional skills and knowledge based products made by people for the self sufficiency of rural India. Today as per the government definition, "An industrial undertaking in which the investment in fixed assets in plant and machinery whether held on ownership terms on lease or on hire purchase does not exceed Rs. 10 million, can be categorized as small scale undertaking". After independence, the Indian government made various

laws to help revive and flourish the SSI because of the employment potential it had at a low capital cost. It needed mediocre technical knowledge and minimal infrastructure to set up. Thus it was and is the most ideal form of employment opportunity for both the urban and rural population. It not only encourages entrepreneurship among people but also makes them self reliant. Govt. funding, support and intensive promotion has aided people to participate more in this successful phenomenon making SSI the second largest employment sector after agriculture. It forms about 45-50% of our exports. The products also form a large percentage of our domestic market too with SSI producing a number of products like confectionaries, spices, beverages, natural essence oils, dyes, sports goods, wooden furniture, glass, ceramic and earthen wares, cotton and woolen knitted products, silk and synthetic wear, leather shoes, bags, garments and novelty items, plastic items, survey instruments, auto parts, clocks and watches, musical instruments, lab chemicals, basic metallic and non-metallic mineral products. They are the dynamic sectors of our economy. It also leads to the preservation of many traditional and indigenous skills and products our country is famous for. It is the road to rural industrialization and 'rural urbanization' thus creating a regional balance.