



## ROLE OF MICRO MANUFACTURING UNITS IN THE DEVELOPMENT OF INDIAN ECONOMY

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### ABSTRACT:

Small Scale industries encompass vast scope covering activities like manufacturing, servicing, Financing, construction, infrastructure etc. In view of Government of India's ever increasing Importance given to the small scale industries in the national economy more & more small scale Industries are to be set up in the years to come. By contributing its increasing share to the National production, employment & exports, small scale industries also contribute to the Economic development of the country. However, these industries are also plagued by the Problems of raw material, finance, marketing, underutilization of capacity, etc. cash has become a big problem for small & even big businesses today.

### KEYWORDS:

**MICRO ENTERPRISE, SUSTAINABLE DEVELOPMENT, GLOBAL ECONOMIC SCENARIO, MEDIUM ENTERPRISES (MSME), SMALL SCALE INDUSTRIES (SSIS), INDIAN GDP.**

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### SUBJECT PRESENTMENT:

Micro enterprise is a small business in which good and services are provided in the local market or in the local area. In micro enterprise, generally, less than 10 people are employed. micro enterprise starts with some funding which is known as micro credit or micro finance .

Micro enterprise are trademark for the our developing country and economy, like INDIA. Micro enterprise help the economy by not only creating jobs but also help in lowering production costs, and increase in man purchasing power and provide convenience to all.

In this regard, our ex prime minister Dr. Manmohan Singh stated ,” thekey to our success in employment lies in the success of manufacturing in the small scale sector.”

Actually, the government encourages micro enterprises , by helping in low economic areas . It helps a lot to grow up the business and the economy and micro enterprises also show sustainable development.

For example:- a boutique in your area may be called a micro enterprise and the owner take small loan to setup his/her shop and buy tailoring materials . he/she employees few workers and they all provide their goods and services in that limited area ,i.e. they don't have a wide distribution network . A small business helps many people to employee and tried their better in development of economic growth.

Main motive of micro enterprise is to bring the backward areas into the action for the development of the state and the nation. Basically , their aim is to promote regional development .

The micro, small and medium enterprises sector has highly emerged sector of the Indian economy over the last five decades. MSMEs plays very important role in providing large number of employment opportunities and provide many facilities to rural and backward areas for developing them. It helps to reduce the poverty imbalance and helps in equitable distribution of national income and wealth.

By changing national and global economic scenario, in India, it provides many various opportunities and challenges to MSMEs. On one side, many opportunities are opened for this sector to enhance their productivity and to spread their business in national and international level , it provides various options to compete with the new market trend and to launch new products and variants in the market to enhance the economy and to know about the taste and preference of the consumers .MSMEs have not any strategic tool for business and development in the market as available with the large industries.

As viewed by the earlier research scholars that the management of MSMEs is based upon the finance and marketing. Marketing is the major step to enhance the industries on very high position.

The Micro, Small and Medium Enterprises (MSME) or Small and Medium enterprises (SMEs) or also known as small scale industries (SSIs) are defined on the basis of their investment in plant and machinery (for manufacturing enterprise) as well as in equipments for service enterprises. The Ministry of Micro, Small and Medium Enterprises, Government of India imposed the

Micro, Small and Medium Enterprises Development (MSMED) Act in 2006 which defines MSMEs for both manufacturing and service sector. In case of manufacturing sector, the investment in plant and machinery does not exceed twenty five lakh rupees in micro enterprises; in small enterprise, the investment in plant and machinery is more than twenty five lakh rupees but does not exceed five crore rupees; in medium enterprise, investment in plant and machinery more than five crore rupees but does not exceed ten crore rupees. In case of service providing enterprises, in micro enterprise, the investment in equipment does not exceed ten lakh rupees; in small enterprise investment in equipment is more than ten lakh rupees but does not exceed two crore rupees; in medium enterprise equipment is ranging between two crore rupees and five crore rupees.

Micro enterprises are important because it helps in increasing employment and economic development of India. It improves the growth of the country by increasing in the urban and rural area. Micro enterprises are very helpful to create large scale employment in the economy, separate from the formal sector. Micro enterprises are very helpful to spread industries and trade in an economically backward area. Micro enterprises are very helpful in reducing issues like pollution, slums, poverty, and introduce many development acts. Micro enterprises are very helpful in reducing unemployment and increasing self employment.

#### **SUMMERY:**

Small Scale Enterprises have been playing an immense role for development of the Economy. These Enterprises not only help to increase product in the economy but also generate employment opportunities, incomes, investments and savings in the economy. These enterprises also help in eradicating poverty, unemployment; socio economic inequality etc. in the economy. The aim of the article is to evaluate the presentation of MSMEs, before and after liberalization contrast them with average annual growth

rates, and know the impact of globalization on the performance of MSMEs and the development of MSMEs new opportunities for Employment in a country.

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