

Impact of Small & Medium Enterprises on Rural Development in reference to Jaipur Suburbs

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Abstract

India is a developing country and in comparison to last decade, there is now more optimism concerning the growth and export prospects of small manufacturers. Recent research on industrial cluster have made a major contribution to this shift in the debate. There is increasing agreement that clustering helps small enterprises to overcome growth constraints and compete in distant markets but there is also recognition that this is not an automatic updation. Clustering is particularly relevant for the early stages by helping small enterprises to grow in riskable steps.

The present study aims at analyzing the impact of Small and Medium Enterprises(SME's) in economic development in general with reference to Rural development. The trend for the export potential of SME's in the Jaipur suburbs areas could be analysed. Data would be collected from 50 SME's by using simple random technique and structural questionnaire is the basic tool for measuring export potential. This study would help the SMEs to analyse the scope and opportunities in the rural market for the start-ups and creating the opportunity.

Keywords: SME, Clustering, Rural Development & Opportunities for Export.

Introduction

India is a large country with second largest manpower in the world. The economy of India is the sixth largest economy in the world in terms of nominal GDP and the third largest by purchasing power parity(PPP). The country is classified as a newly industrial country with an average growth of approximately 7%. The long term economy is positive due to its young population.

India has a vast manpower of young educated with easy adaptability to acquire multiple disciplines of skills. India is having self sufficient food grains and a large industrial base. Though having these strengths India is lacking in infrastructure. Infrastructure is required for imparting skills. The growth potential lies in the modern technology industries. Young people in the future are more likely to end (therefore) should be working in organization closer to entrepreneurial mode (Allan Gibbs). Small and medium enterprises have played a major role in the economic development of the country in the global perspective. Small enterprises are a major force for national economic growth. The entrepreneurs who drive them are receiving serious attention from economists, planners, multilateral agencies and government all over the world (Carter, Camille).

Agricultural development constitutes the crucial aspects of rural development. Agricultural development is possible through the use of better seeds, adequate fertilizers, manure and

pesticides,adequate supply of coater and effective implementation of land reform measures by effecting changes in the socio-economic institutions.Rural development seeks to change the socio economic institution structure of the rural community.Rural development programme effectiveness can be ensured by political non interference.Rural development programme effectiveness can lie ensured by political non interference.Rural development programme depends on the co-operative orientation and attitude among the ruralities.

Role in Socio-Economic Growth

SME's plays a major role in the growth of economics.However in the competitive market and globalization,SME's have the pressue to perform efficiently and effectively.The external forces in the market have a tendency to create social and economic imbalances. The entrepreneurial development would help to create ownership and help in levild social and economic imbalances.SME's provide an economic force that will able to harness available resources and utilize these most efficiently for the betterment of society(Hannah Galvin).

With the FDI's entering India and the platform of globalization have swept away the local skills,appropriate technology and herbal medicines.SME's can take the responsibility to reharness these and bring back coisdom in the economy. SME's actually understand the need of the consumer and create their own niche market,breaking the mass production barriers and building small production units.

Information on Export Assistance Programs

Export reflects foreign exchange earnings of a country. Government have different export assistance program. However it is necessary to provide full support and motivation to the exporters so that they can take ownership and entry in to the international market.Government of India have schemes for merchandise exports in the name of merchandise exports from India scheme(MEIS). Under this scheme exports of notified goods products are notified to market and are provided with grants of freely transferable duty credit scrips on realized FOB value of exports in free foreign exchange at specified rate. Service Exports from India Scheme(SEIS).

Coordination between various government agencies in existence is needed. Educating institutions,trade association,chamber of commerce business development centres should given assistance from the government. The government should revise the policy where SME's and the start up's are given the awareness which would help to create niche market and penetrate the global market.

Developing Countries Policies for SME's

Small scale industries are the second largest employers of human resource,the agriculture remain the first.The contribution of the small scale industries is about 40% which is adding gross industrial value of 45 % of the total exports which is including direct and indirect tax.Government have taken a number of initiatives to promote and support small enterprises.Some of the measures which has been initiated are ,industrial extension

services, institutional support in respect of credit facilities, provision of training facilities, provision of developed sites for construction of sheds, supply of machinery on hire, purchase, assistance for domestic marketing as well as exports, technical consultancy and financial assistance for technological upgradation.

Clustering & Industrialization

Clustering can be defined as the group of industries which helps in setting up the industries. Clustering helps small industries to overcome obstacles to growth. Clustering gives rise to collective efficiency which in turn boost the firm's competitive advantage. Clustering helps in responding to the opportunities and crisis. Agriculture represents the major sector in the rural economy and its success determines the performance of the local economy. Recreation and tourism are dominant on the service sector. Farmers can be encouraged to look for alternative sources of income by adding value to agricultural products by making use of farm assets, especially land and building for non-agricultural uses, by undertaking agricultural work.

Industrialisation is the process of enhancing the country's capacity to convert raw material into new products and to boost the production process. Clustering helps in growing the enterprise. With the environmental changes, the firm need information to prepare itself for being proactive. Clustering encourage information sharing and opportunities for learning new techniques and design.

SME's has introduced a number of means for the start-ups. This would help in the industrialization and enhancement of the clustering of the industries. Clustering and industrialization would boost up the economic growth of the Country.

Recommendations

- It was analysed from the study that there was a high concern over the economic problem. Proper identification of the cluster and training would develop industrialization.
- Awareness among the entrepreneur about the policies introduced by the Government is the backdrop of industrialization and clustering.
- Rural development is the means of industrialization which can be achieved through the means of SME's.

Conclusion

Entrepreneurs concern regarding the changes in Government policies and taxes. Policies adopted by the Government should be attractive for the entrepreneurs. Awareness of the venture provisions for the export and credit facility will enhance the entrepreneurs to invest in Small & Medium Enterprise. Rural development can be achieved through Small and Medium Enterprises.

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