



DIGITAL POLICY IN SMALL, (MICRO) AND UNORGANIZED INDUSTRIES: GOVERNMENT SUPPORT AND SURVIVAL STRATEGIES DURING THE PANDEMIC IN SMALL INDUSTRIES IN INDIA

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Abstract

Small industries and Microbusinesses have a crucial role in increasing the economic revival in India. However, small industries especially the handicraft sector and women's family businesses are particularly in a bad situation called lead (vulnerable) during the pandemic. The COVID-19 pandemic has significantly impacted the long-term viability of (MSMEs) in distribution, production, financing, and market and locality demand. This paper explores that digital policy and assistance government model for micro and small to industry accelerate the economy during pre and post-pandemic is needed. It also raises the question of how digital and IOT in other words ICT (Information and communication technology) with government policies in the development of small and micro-businesses. Our study relied on secondary data, which was The library method used to conduct the research. In this paper, the famous ideal assistance model policy (AMP) for MSMEs in accelerating the local regional international economy is by drone and digital technology (online) so that the easiness and flexibility in sale and purchasing of raw materials to sales can be integrated into one and reach all consumers with protection right of consumer around the world. Different policies of Indian Government policies in developing manufacturing of handmade products and MSMEs in the new and digital era include launching the MUDRA, SWAYATT, start-up scheme, the fin-tech program in India, as mandated by Government start-up policies 23 of 2021 in Indonesia, implementing digital and ICT-based programs for MSMEs such as interest subsidies and restructuring.

Keywords: *Small industry, MSME, MUDRA, start-up*

1. INTRODUCTION

Micro-industry or handicraft industries are very flexible, self-contained business units run by individuals and businesses. microbusinesses are the backbone of both countries and central pillar of the their national economy, even in times of crisis and recovery, and thus cannot be separated from our local economy. The development of the handicraft sector and small industry in developing countries is hampered by including limited capital several factors, difficulties in product marketing, and distribution of other raw material procurement products. In addition, the lack of human resources in accessing technology and information still has many shortcomings and limitations both in the traditional and modern sectors. Micro-industry is defined as the central government of India and Indonesia in which ministry of consumer affairs and ministry of corporate affairs law 2018 in micro-entrepreneurship Achieve national economic structure, a balanced, developing (Yadav et al 2020).

1. Grow and develop micro small and medium enterprises capacity to become a self-sufficient business and solid; and
2. Increasing the role of the handicraft industry as a big part of MSME in regional development, income distribution, job creation, poverty alleviation, and economic growth,

Nowadays, the small industry and especially the handicraft sector one of the important pole India economy are one of the pillars of driving. The number of small industries in India is very large, turning micro-business challenges opportunities in India. In 2020, it was estimated that there would be more than 65 million MSME players present all over India handicraft and small industries have a very crucial role in the socioeconomic position of the community, which think small and handicraft industries a driver of Indian economic revival. This type of flexibility of small industries contained by small industries has been affected by the economic crisis it has been affected by the 1992 crisis. This bad situation did not apply in the first quarter of the Lehman Brothers crisis in the n first quarter of 2008, which has been decreasing in small and handicraft industries due to post-pandemic covid 19.

The contribution of small industries to increase the GDP is micro small industries in India on special software and data handicraft sector and domain in the Indian context. micro industries in various sectors played an important role and the criteria were flexible. The ministry of corporate affairs has given the data statistical data where micro-businesses dominate the business sector for businesses such as small, medium, or even large businesses (yadav et al 2021b).

1. Digitization: this refers to the most basic function of digital technology, namely to convert Technology information into a machine-readable and transferable format (as in the zeros and ones of machine code). a. Example: Customer information is now stored in a PDF file and not on paper.
2. Digitalization: previously technology access, practices, and interactions are enhanced through digital technologies, resulting in efficiency gains and cost savings. a. Example of basic

MSME digitalization: a hairdresser setting up a website with a scheduling function that allows customers to see available slots and make or change appointments. b. Example of advanced MSME digitalization involving multiple organizations: a farmer who has begun to document and track deliveries of produce in a cloud-based case that is accessible via a dashboard, allowing the logistics company and distributors to verify and monitor stocks quickly and conveniently.

3. Digital transformation: one could describe this as “digitalization on steroids”, as it were, for it refers to the integration and coordination of several parallel internal and external digitalization processes, using multiple digital technologies. Newly collected information is systematically analysis upon, the ultimate result being faster modes of production and ways of doing business. New roles are created and/or the nature of existing roles changes fundamental change. a. Example of basic MSME digital transformation (no changes in physical production or major changes in management changes design agency reacting to new customer demands (through web content, websites, dashboards, data analytics, and so on), learning a range of new tools (design software, web development), establishing new workflows (such as distributed teams) and flexibly outsourcing some tasks to freelancers without meeting them face the face. face the face of more advanced MSME digital transformation: a small private clinic in a rural setting decides to specialize in telemedicine by using a combination of body function and chronic disease tracking devices, text message reminders, tele conferencing, and an intended - reported diagnosis (that is, where patients send in photos and updates via WhatsApp). Information sources are integrated into a standardized electronic health record system, which exchanges patient data with a central diagnostic database. Nurses –based small enterprises plus: software development kits, code repositories, cloud servers, occasionally hardware (Raspberry Pi, 3D printing, sensors) Informal / formal, opportunity and growth, young Value proposition: new product, digital technologies create value Staff (3–49): motivated by above-average salary and challenging tasks, some career progression if start-up grows ha, low retention (too demanding work /employee leaves for the more stable job)Management: flat hierarchies through founders may be looked up to as visionaries, product teams, autonomy and independent workers and doctors regularly consult the system to monitor patients and improve diagnoses

2. LITERATURE REVIEW

The following literature supports the objective of the article. (P. Sahoo 2021) has done his study and focused on the role of the 4P in the handicraft sector through ICT. He observed that Indian artisans can create a variety of designs with digital technology and introduced four P as promotion, place, Price, and in the last Production. Ritu Agrahari (2017) focused that handmade products run with help of digital SHGs and NGOs involved in this sector with the support of the corporate sector and some grants and subsidy along with funds of related ministries in the country as well as the state of Uttar Pradesh. and different NGOs in the handicraft sector. she also discussed the “Role of Self-help groups SHGs and some private organizations called NGO for marketing and production of Chikankaari craft of Luck now. Previous research titled MSME Assistance Model through Higher Education Business Incubators in 2014 suggested that Business Incubators in Indonesia had not developed. This

was due to the lack of government support for the fore concept of the incubation model. Business in mentoring the food MSME sector. According to research entitled The Role of the Government in fostering SMEs in Enrekang Regency in 2017, it was explained that besides becoming a facilitator in mentoring, funding, capital, and training, the role of the government is also as a regulator in making and implementing policies and regulatory models related to the development and assistance of MSMEs. Furthermore, one of the implications of the concept of micro small, and medium enterprises (MSME) is the strategic efforts in empowering the community's economy. The program that has been implemented is still felt to be unable to provide benefits to assistants and MSMEs in development because companion development is still a project that does not yet have companion development (Bonina et al. 2021; Evans and Gawer 2016).

(Fatima 2011) has discussed the diverse effect of the pandemic on the MSE industry in the last 1 year. He suggested that financial support to the handicraft industry should be given by the government. Khalid Hashmi (2012) focused on the commercial and E NAM role of a contributor to the Indian craft business in his article. His empirical analysis points out the role performed by the handicraft industries and he further explained to explores many threats and risks for small and female-based industries. This researcher used, and experimental, descriptive, and analytical methodologies.

(Hakim 2020) in his research paper has analyzed the Positive impact of technology on handmade products like craft, textile, handloom, woodcraft, pottery, terracotta, Jamdani, and embroidery education in vocational training through handicrafts based on traditions and local customs. An advanced and most effective technique may have a big impact on the learning and teaching method of handicrafts, as well as their existence, and identity preservation of their handmade skill characters (UNCTAD 2010).

“(Isanto, Hadi 2020)” The handicraft experts observed that academicians, researchers, and students can learn the value and potential of craft in terms of marketing economy, supply methods and utilize their knowledge, aptitude, and skill to increase the income of workers, artisan involved in the handicraft industries. The findings show that there is a large gap in the worth and quality of craft for the learners in both the control groups and experimental (Yadav et al 2022c).

(Begg and Cairn 2012) has discussed the important goal in his article and focused on the relevance of Hindustani craftworks, globalization of the Indian crafts, and Arts of India's past culture.

Yadav et al (2021b) conducted their research in Uttar Pradesh and reported an unbelievable shortfall in revenue of more than 70% in the handicraft sector as a part of (the MSME sector) of the state with the handmade product. The working capital and cash flow of these micro small and medium enterprises sectors collapsed completely in the last few years due to the demonetization of 2016 declared by the Union Government, and when recovery was taking shape, COVID-19 worsened the situation (Yadav et al 2021a).

(Yadav et al 2022j) studied that there's a need for a strong digital institution and the need of developing a national index that will support the artisan and will provide better competition and increase the export of handicrafts of Uttar Pradesh to other countries. There is a need for a special package for the handicraft sector or declaring the handicraft sector as in the PLI scheme by the government so that this sector can run and compete with the global handicraft market. (Yadav et al 2022k) have proposed the global handicraft index and given some possible parameters and fixes for better completion, and export of handmade products in comparison to machine-made products in the current scenario, this will enhance the marketing value of the handicraft product. In the same year, he analyzed the initial analysis of the transformation and innovation of the handmade carpet and which type of institution and training center can increase the production and value of the carpet industry. (Yadav et al 2022a) also focused that all workers and suppliers working in small industries or in the handmade sector like as Gig workers sell the product get the money to send the money to the owner of the handicraft product and returned the home so they are traditional gig workers because amazon and flip craftwork are generally gig worker assumed by some researcher. marketing for handicraft products and mediators is not similar to marketing for higher education or BPO and telecommunication or Nike (Jin and Hurd 2018). Handcraft management experts use product marketing while others are necessary mediating and essential services (Yadav et al 2021). The concept of marketing was developed with the famous four P explain (place, promotion, product, and price). This requires additional components for marketing as components beyond service marketing. This added partnership, packaging, position, programming, and people (Ramadhana 2020).

3. OBJECTIVE

To study digital policy in small (micro) and unorganized industries.

To study the impact of a pandemic on the small industry, especially in the handicraft sector

To suggest economic recovery through survival strategies and government support to mall industries and development strategies for handicraft (small) industries in this digital era.

RESEARCH METHODOLOGY

Secondary data was collected through books journals and other Publications related to India and Indonesia. Data from 74th rounds of NSSO, reports of NITI Aayog, reports from Directorate MSME, Union budget 2021,2022. In the case of Indonesia, some famous journals that have focused on MSME are studied as literature and adopted. The second legal materials used in this research are journals, papers, and the internet related to the problem. Major data has been taken from government sources and reputed research journals, and famous Ngo working in the MSME field. Tertiary Legal Materials, namely legal materials containing instructions and explanations for primary and secondary legal materials such as large Indonesian dictionaries, legal dictionaries, and encyclopedias.

Discussion and Strategies

MSME help During this modern time changed from traditional to digital or to Online

The COVID-19 pandemic has made a new change in the way the business world operates, considering that at first, limiting physical access or social access was a new trend for the digital transformation of MSME especially the handicraft sector of both countries, for the promotion of its culture, tradition, its local skill, and export of sustainable and handmade product to other countries

Government Policy in Developing Micro-Businesses During Pandemic

The pandemic of covid-19 has had a massive impact on society and business actors. In this case, the pandemic is detrimental to global and national economic growth. During the new normal era, the government took some policy and strategic steps in programs ranging from social assistance to revolving funds. In the new normal period, several government policies are specifically for increasing micro-businesses to return to their enthusiasm and rise from the downturn after the Covid-19 pandemic. Given that micro-businesses are one of the drivers of the national economy, there is a need for a strategy and government policy in fostering and developing the economy that for micro-businesses so Yadav micro-businesses affected by Covid-19 can again increase their business capacity.

- There are some famous government schemes are really supporting to the industries th are shortly given here
- Start-up scheme a single-window system,
- Digital India, make in India, Stand up India
- STRIVE, SATRTHAK,
- PLI scheme
- MUDRA SCHEME, ABHA SCHEME, HUNNAR HAAT, ODOP,
- One station one product, E shram card,
- SWAYATT SCHEME, VOCAL FOR LOCAL SLOGAN,

In addition, a budget was rolled out to increase the micro-business stimulus with interest subsidies, restructuring, and guarantees for working capital A another contribution from several policies by the government is to boost people's purchasing power. business management, the sales will be wider in one area and reach all cities/regencies and other provinces with national or even worldwide coverage (Yadav et al 2022e). Optimizing online platforms such as marketplaces can play a more active role in the current new normal era. This boost is performed by motivating Indian society always to buy local products and increase domestic purchasing power. Therefore, the economy and micro-businesses continue to operate as usual, improving the regional economy and supporting an increase in GDP National (Yadav et al 2021).

The Context of Accelerating the Economy During Pandemic and the Nobel digital Policy requires to be Carried Out for small industries in India

. The role as a driving force for the economy means micro-businesses can increase income and employment. They are very supportive and have the most strategic sector throughout the archipelago in Indonesia's economic development. Therefore, assistance so that micro businesses continue to develop is always the concern of many parties, such as the government,

legislature, central bank, banking, the private sector, and other institutions related to micro-business development.

Although micro-businesses have various advantages, micro-businesses also have many weaknesses and often face problems from classic problems such as capital and other problems. In addition, the new problems due to the COVID-19 pandemic that emerged in the first quarter of 2020 had a large enough impact on micro-businesses throughout the archipelago so that micro-businesses in some regions were unable to return to running their business. Based on data from MSME 2020, almost 80% of micro-businesses in India have experienced a significant impact due to Covid-19 and its limited social interactions. Micro-entrepreneurs have limitations in offline sales. As a result, micro-entrepreneurs have to close their businesses for some time, and even because they cannot sustain the business of business actors until they go bankrupt because they cannot close all their business activities (Hakim 2020).

The government values excessive protection or provision of facilities so that policies for micro-businesses provided by the government do not emphasize market approaches to face business competition, as an example, in today's pandemic era. Therefore, it is possible to create a pattern of assistance policies for ideal micro-businesses such as in the digital-based business management sector or digital marketing so that micro-business actors affected by Covid-19 can return (Sarkar t 2011).

The ideal assistance model policy for micro-businesses in accelerating the regional economy in the new normal era is to create a unique digital-based platform with integrated business management starting from the production process, such as stock of raw materials and supporting stock to process. Online production and sales through a marketplace platform provide a special space for micro-entrepreneurs to reach consumers in the micro-business area itself and reach other regions and across countries (yadav et al 2022b).

Business assistance model, which was originally offline to online, provides sufficient flexibility to increase the competitiveness of micro-businesses and people's purchasing power in the new normal era in particular. The role of the digital marketing world provides a very important role considering that micro-businesses are characteristic that is flexible and able to adapt to all kinds of circumstances. In the new normal era, online activities can foster a sales spirit for micro-businesses and increase people's consumption power. Moreover, online activities are not fixated on social restrictions because online flexibility reaches a fairly wide coverage. Of course, this gives a positive impression on all levels of society and can become economic support and increase GDP in their respective regions (Isanto, Hadi 2020).

Market access, platforms, and e-commerce

The second key benefit of digital connectivity for MSEs in the ensuing ability to trade more easily and across greater distances, with both customers and supply chain partners (UNCTAD 2010). While initial hopes that digital technologies could help MSEs directly acquire new customers and supply chain partners via the internet have rarely come true, digital transaction platforms have emerged as powerful and transformative market intermediaries for MSEs in

recent years (Bonina et al. 2021; Evans and Gawer 2016).⁶ Essentially, such platforms reduce transaction costs and information asymmetries by aggregating demand and supply in a virtual interface. E-commerce platforms and online marketplaces, such as Alibaba, Amazon, Wish, Jumia, Flipkart, Gojek, or Mercado Libre, are the most common type of transaction platforms with direct relevance for MSEs. However, a wide range of other types of MSE-oriented platforms has emerged at the regional, national, and local levels, including platforms for financial services, enterprise resource planning (ERP), food delivery and courier services, logistics and transport, agricultural supply chain coordination and information exchange, and equipment sharing. Platforms not only give existing MSEs access to more customers but also enable new or vastly expanded markets for certain types of service-oriented MSEs, such as hostels and homestay hosts in tourist destinations, sales affiliates, or e-commerce logistics suppliers (such as riders and drivers' collectives). Platforms have been found to provide small enterprises with international market access, even though they do not always appear to replace the need for local staff and customer service (Jin and Hurd 2018). Where platform-mediated demand is sufficiently large, entire clusters of informal MSEs can come together to service it: for instance, networks of informal MSEs have sprung up in Nairobi, where high-profile users of online labor platforms like-outsource translation and data entry services that they provide to customers in the United States of America and other high-income countries (Yadav et al 2020). Exploratory qualitative studies have identified informal digital trade unions that organize via WhatsApp groups (Sahoo P, 2019).

Digital financial services

A third important impact of digital technologies on MSEs is that an increasing number of such enterprises have been enabled to use a greater variety of financial services. Although digital financial services (DFS) are but one domain of digital applications, it has arguably proved to be the most transformative one, especially for MSEs that were previously unbanked or otherwise excluded from traditional financial services (Demirgüç-Kunt et al. 2020; OECD 2019). The positive impact that digital technologies have on inclusiveness stems from a significant reduction in the marginal cost for a given financial service, making it economically viable to charge small fees for transactions and to provide services to microenterprise customers (such as microfinancing and micro insurance). DFS that effectively include rural and poor populations rely heavily on agent and kiosk networks, which create physical "touchpoints" that promote trust and achieve a broad reach other (yadav et al 2022h)

Pathway to transformation

A fourth impact of digitalization on MSEs has been its contribution to formalization, which is not only explicitly referred to in SDG target 8.3 but is also a key issue to be tackled for progress to be made on other SDGs as well. Informality is a root cause of many deficits in human rights and workers' rights; it hampers productivity and prevents an economy from growing and becoming more resilient. Enterprise formalization refers to the process whereby an informal economic unit moves into the purview of state authority; it involves registering the unit at the relevant national institutions and ensuring that it complies with the applicable laws. Beyond

the importance of enterprise formalization for productivity growth, it is also a prerequisite for improving working conditions, since only once an enterprise has been formalized can its workers be registered and included in social security systems. While formalization can generate direct benefits, such as improved ability to access funding from formal sources, MSEs also incur costs and effort in the process (ILO 2017).

Green digital business

Finally, digital technologies present an opportunity for MSEs by their application to green

technology and business. As a result of the intensified focus on the climate crisis and environmental change, policymakers and development organizations have begun to explore how digital technologies can help MSEs to operate more sustainably, contributing particularly to SDGs 6, 7, 13, 14, and 15. Out of the six opportunity areas discussed in this report, digitalization's ecological potential for MSEs is the least understood, since broad-based qualitative and quantitative evidence about digital "greening" and its impacts on MSEs is still unavailable. Similarly, digital technologies are being used to extend the coverage of climate risk insurance to MSEs through micro insurance – as in the case of one multi-stakeholder collaboration in Bangladesh (Insu Resilience Global Partnership 2020). Potentially, climate data that insurance companies use for risk modelling could be used to tailor insurance products to MSEs, and, vice versa, MSE-collected data could help to improve risk models. Such programs often draw inspiration from success stories like M-KOPA Solar, a start-up from Kenya that distributes solar panels and energy-efficient devices such as minifridges and televisions to poor remote households across Africa (Fatima 2011). Through a partnership with Safaricom (Kenya's leading mobile network operator), the start-up bundled device sales with mobile money-based loans and savings products, allowing customers to finance their purchases from M KOPA while at the same time building a credit, energy use, and savings profile. Other approaches focus on employing digital technologies to save energy and resources or to otherwise render the operations of existing small enterprises more environmentally sustainable. For instance, a survey of Eastern European SMEs found that they implemented resource efficiency measures mainly in response to increases in the price of electricity and raw materials; the next two motivating factors, in terms of relative importance, were the desire to gain a competitive advantage over other firms and concern for the environment (OECD 2018). Indeed, major ecological impacts of digital technologies have been identified at the macro level (for example, emissions savings through reduced travel) (European DIGITAL SME Alliance 2020) and the meso level (efficiencies in MSE-oriented energy infrastructures, such as rural mini-grids) (DCED 2014). However, examples of digital technologies that have had impacts at the enterprise level are sparse. Specific technological applications of energy-saving digital technologies (ADB 2020).

Digital divides and limited infrastructures

Digital divides and incomplete digital infrastructures constitute a widespread barrier that stops the positive impacts of digitalization from benefiting MSEs. Given that only a few MSEs are located in technology parks or other zones with exceptional infrastructure conditions, their

difficulties with access are in many ways similar to those of individual internet users. Access and adoption barriers are mutually reinforcing; moreover, there is a strong negative correlation with in between levels and population density. (Yadav et al 2022c). The cumulative hurdles constraining MSEs' effective adoption of digital technologies will be discussed in turn, starting with necessary and moving towards sufficient conditions for digital adoption. Securing basic access to a mobile or internet connection and devices is an initial obstacle. Once access is ensured, the next differentiator is the available bandwidth (for instance, basic internet connection vs. broadband, or 3–5G mobile broadband technology) and reliability (frequency and duration of outages, or bandwidth volatility). The available device types (and their quality and design features) may be limited, with a descending order of professional functionality from inhouse connectivity infrastructure (especially servers) to desktop computers, laptops, tablets, smartphones, feature phones (2.5G), and 2G phones (telephony and text messaging only). The actual available bandwidth and application capacity for MSEs depends on the weakest link in the “chain” of connectivity hardware, network subscription, and local infrastructures. For instance, the adoption of cloud applications can be hampered by large distances to the nearest cloud servers (Khayer et al. 2020).

Digital skill shortages

A second common barrier is digital skill shortages among MSEs. The spectrum of digital skill sets with relevance for MSEs is as broad as the range of digital technologies. At the low end of sophistication, there is the ability to use basic and feature phones for business purposes – for instance, rural farmers using USSD shortcodes to obtain up-to-date and localized meteorological and agricultural information (Gitanjali Goswami 2021). At the far end lies an MSE's ability to develop digital products (such as creating turnkey software for a large corporate customer) by setting up a development team, writing original code, using software development kits, and integrating with legacy systems through application programming interfaces, running tests and debugging. Most MSEs do not require such advanced digital production skills and instead benefit from business-specific usage skills, such as setting up email and other customer communication channels, creating a website using templates, integrating digital payment channels on the business website, or running simple cloud and server applications to manage and store data. Broadly speaking, the use of a greater variety of digital technologies, and in particular of more sophisticated ones, puts greater demands on users, meaning that the higher the potential utility of technology, the wider the set of (Tripathi, Tripathi, and Yadav, 2022 and Yadav et al. 2021b).

Digital security and data protection

The final main barrier discussed in this chapter is that MSEs face greater challenges than larger firms when it comes to implementing appropriate cybersecurity and data protection measures. The key reason is that setting up a digital security system of a certain quality is a one- one-off irrespective of firm size. Since cybersecurity companies tailor their pricing to maximize revenue across firms of all sizes, MSEs are typically priced out of quality solutions, leaving them particularly exposed (OECD 2019).

Two models of how digitalization leads to MSE productivity

In the preceding chapters, this report has shown that digital technologies open up a range of new opportunities for MSEs to increase their productivity, but that a number prevent them from exploiting these opportunities to the fullest possible extent (Fabail 2020). The present chapter summarizes the most important positive and negative factors that studies have found to apply broadly across different types of MSE and contexts. Factors are categorized as internal (capabilities) and external (environment) (Yadav et al 2022e). One is based on capabilities, and the other on environmental factors. These models illustrate how internal and environmental factors work together to facilitate MSE productivity growth to varying degrees. Both models are the result of a summative review of the available evidence: while no single source suggested these models as such, all of their main elements are taken from the empirical studies reviewed (see them). The models thus highlight and logically connect all those factors that the literature review showed to be dominant and broadly applicable. To set a foundation for the modeling in section summarizes the findings as simplified stylized facts. These statements deliberately neglect outliers and contradictory but inconclusive evidence; their focus is on consistent patterns (Al bab 2022).

1. MSEs do not digitalize “automatically” and by default; instead, digitalization is driven

by deliberate decision-making on the part of MSEs, which may be hampered by incomplete information and risk-averse attitudes.

MSEs adopt available digital technologies if they expect tangible short-term benefits that are assumed to outweigh the cost. They also digitalize if they experience pressure to do so from customers, suppliers, competitors, or digital platforms. MSEs are sensitive to the cost and effort of digital adoption, may be conditioned by a conservative culture, and can struggle to understand strategic and long-term threats and benefits. Female-owned MSEs can face particular constraints in some societies, as they are held back by structural disadvantages and the social expectations of peers, and partners’ customers. MSEs will generally digitalize more easily and more substantially if they are enabled to do so – for example, through upskilling efforts by supply chain partners and digital platforms. They are also more likely to digitalize if supports in the local digital ecosystem are in place and accessible (such as agent networks for mobile money and agricultural supply chain services) (Dipta I 2008).

2. The extent to which MSEs are increasing their productivity through digitalization is determined by their internal capabilities: depth of digital adoption, digital skills, innovation orientation, and flexible management

From the first studies on mobile phone use to the most recent analyses of platform-induced digitalization, digital adopters have consistently been found to be more productive and successful than non-adopters. MSEs that adopt digital technologies, irrespective of size, in all sectors, investigated, and in practically any location, seem to be able to employ even basic ICTs in useful ways (for example, to strengthen ties with customers). However, digital technologies need to be enabled through intangible MSE capabilities (Kementerian 2018). While different

factors matter for different firms, the depth of digital adoption, the level of digital skills, innovation orientation (the owners' and staff's growth orientation, entrepreneurial attitudes, risk friendliness, reactivity and so on) and flexible management (the enterprise's ability to actively and adaptively change roles and organizational structures, using flat hierarchies or distributed teams, to allow fluid evidence-based decision making by all staff) have all proven to be positively related to an increase in productivity for most MSEs (Ramadhana 2020). These capabilities are complementary: they enable and enhance one another. For example, if a farming operation moves from mobile phones to a comprehensive cloud-based ERP, this will increase productivity a lot more than moving to a smartphone (digital adoption), but only if staff learn how to enter and interpret information (digital skills) if the farmer motivates staff to use the system and draws on the newly gained information to make investments (innovation orientation), and if a staff member is tasked with running the system and is given authority to instruct team members to respond to newly created insights (flexible management) (yadav et al 2022i).

3. The potential depth of digitalization and the associated capability levels depend on an MSE's size, degree of formalization, export orientation, and the information intensity of the sector in which it operates.

MSEs generally shy away from costly and complex digital applications, but some use a greater variety of more sophisticated digital technologies than others. Significantly, MSE size, formality, export orientate, and sectoral information intensity are observable features that are related to varying degrees of digitalization. While locally-oriented informal microenterprises have adopted mobile phones and low-bandwidth social networks, formal knowledge-based small enterprises with clients abroad use combinations of cloud, productivity, digital finance, security, insurance, and planning applications (yadav et al 2022m). These varying levels of adoption reflect different starting points in terms of capabilities and different possible returns on digitalization for different MSE types. Microenterprises, locally oriented small enterprises, export-oriented small enterprises, knowledge-based small enterprises, and start-ups all have different thresholds below which digitalization – enabled by capabilities –increases productivity. More digitalization is ultimately not always possible or desirable for all MSEs.

DIGITAL TRANSFORMATION

6 Keys to Digital Transformation Strategy for Small Businesses

Digital transformation is essential for businesses of any size to stay relevant and competitive in today's market. Yet for a small business with a limited budget, it could sound like an intimidating undertaking (ashsis desh Pandey2022). However, you simply can't ignore the benefits of using the right technologies in your business. It'll help you improve efficiency, lower costs, increase productivity, improve customer experience, and ultimately, boost profits. 42% of SMBs now consider digital transformation a core component of their organizational strategy. Digital leaders are doubling the performance of digital laggards. Meanwhile, 82% of SMBs have already implemented some level of digital transformation in their organizations.

Whether you're just getting started or want to fine-tune your digital transformation strategy, a well-designed implementation plan can help you get the most out of your investment.

6 Keys to Successfully Implementing Digital Transformation For Your Small Business

Digital transformation doesn't need to be complicated to be effective. You can simplify implementation by focusing on initiatives that can yield the highest ROI. It's also important to ensure that employees are aligned with objectives.

Here are six key areas to focus on in your small business's digital transformation strategy:

1. Encourage Collaboration and Break Down Silos



Figure 1. Shows digital transformation techniques in small business

Figure 1 depicts that Many digital transformation initiatives are aimed at improving operational efficiency across the entire company and/or creating a customer-centric organization. As such, breaking down silos and ensuring that internal departments can collaborate seamlessly is the key to success. It's important to involve all stakeholders across the organization so they can contribute to the initiatives. After all, digital transformation can't be treated as an isolated IT project. Instead, it often requires a fundamental transformation of the business structure and its culture. There are different ways to ensure the involvement of all internal departments in the effort. For example, the funding for a digital transformation initiative should not just come out of the IT budget. Business units that can benefit from the project should contribute as well. Let's say an e Commerce website is delivering a poor user experience that's impacting sales. Marketing and sales departments benefit directly from a better e Commerce experience. They should also be responsible for part of the budget and be involved with the development of the website.

2. Empower Employees With Data

Data is the key to driving accurate business decisions. You need to focus on using technologies that allow your team to extract value and insights from various datasets. Employees can use the insights productively to drive growth.

Accurate insights can help you better understand what customers, partners, and employees want and need so that you can design the most relevant products and processes to improve efficiency and increase sales.

However, as datasets are getting larger and more complex, it's also more challenging for small businesses to use them effectively. Thankfully, you can leverage a variety of affordable data

collection and processing tools. They extract insights from data and share analytics across the company to aid real-time decision-making. In addition, AI-driven technologies, such as machine learning, will be used widely for processing and analyzing a large amount of data. Investing in these tools strategically can help you make effective data-driven business decisions.



Figure 2 shows the digital employment relationship with technology.

3. Ensure Seamless Integration of Business Systems

Most digital transformation initiatives aim to streamline operations, automate workflows, increase efficiency, and improve the customer experience. All your business systems must be communicating with each other seamlessly.

When you connect business applications (e.g., finance, e Commerce, customer service,) you turn them into interoperable platforms. It allows you to break down internal silos, enhance collaboration across departments, and build a customer-centric organization. Cloud computing is making it much easier for small businesses to integrate various software applications. That means it's easier to streamline workflow and manage different business functions seamlessly. For example, the ability to sync data between two platforms eliminates manual information transfer. In turn, that lets you increase efficiency and minimize errors.

4. Involve Every Level of the Organization

A successful digital transformation requires a strong foundation by creating the right culture in the company. A strong vision translated into a clear set of digital initiatives helps rally employees around them.

Getting employee buy-in requires a coordinated effort at all levels, including alignment at the top, agility in the middle, and mobilization at the front line.

It's also important to address your employees' concerns since many people feel threatened by the introduction of technology and automation. 27% of SMB owners cited their team's resistance to change as a top challenge when implementing digital transformation.

To get internal buy-in, educate your employees on the benefits of digital transformation. For example, demonstrate how an online tool can help them increase their productivity. In addition, provide the necessary training to your team. They'll feel empowered to use the technologies effectively to achieve their career goals (Nirvana devi 2020).

5. Seek Out Technology Partners with SMB Experience

As a small business, you probably don't have the budget to hire a large IT team. Instead, you can outsource most of your IT tasks to maximize your resources. It lets you focus your budget on areas that have the greatest impact. In addition, SMBs have unique challenges and need a different IT strategy than larger organizations. Look for technology partners, vendors, and consultants that have extensive experience working with small businesses. A service provider should recommend in-budget solutions that are compatible with your existing IT infrastructure. They should help you identify areas that can generate the highest ROI. It should also provide the necessary on boarding and training so your employees can use the technologies most productively. The most game-changing technology doesn't have to be complex or expensive. Be wary of vendors that push for costly solutions without demonstrating how they can help meet your specific business objectives.

6. Don't Fall Prey To the "Bright Shiny Object Syndrome"

It's tempting to implement every new technology that promises the moon. The reality is that the wrong choice will use up your IT budget without much to show for it. Before deciding on which digital initiatives to implement, get clear on your vision and business objectives. Identify areas that will yield the most meaningful results. In an earlier article, we discussed the key areas on which small businesses should focus: customer experience, employee engagement, data analytics, business processes, and cloud computing. Many small businesses can get the highest ROI by using simple technologies to streamline tedious and repetitive manual tasks. Complex technologies designed for larger organizations could even create more confusion and negatively impact productivity (Adil Amin 2022).

As such, focus on how digital transformation can make existing processes cheaper and easier. Simple tools with high impact are ideal for small businesses. For example, predictive analytics software that optimizes online ad spend can stretch your ad dollars, generate high-quality leads, and increase your sales without the need to overhaul key processes in your organization.

Final Thoughts

Starting a digital transformation initiative could be rather overwhelming. With careful planning, prioritization, partnership, and employee education, you too can leverage the power of technology. businesses can increase efficiency, lower costs, improve the customer experience, and grow their business cost-effectively. It's important to align your digital transformation strategy with your company's vision by establishing KPIs that reflect your business objectives. You can then track metrics that matter and fine-tune your strategies to maximize ROI.

CONCLUSION

The pandemic situation has created more problems for people. Even in this tough time for the whole world and millions of the population have been lost their life due to covid 19. Artisans and workers returned to their homes and then engaged in hand-making products that they were adopted from their ancestors. returned to their country, state from own state economy slowdown of the whole world but in this situation, in this situation handicraft sector has potential to provide job and to create and upgrade their skill and start-up at the local level to provide more job to solve the problem. (Yadav et al 2022h). Even though no primary data has been obtained about the global handicraft the author has tried to give a new vision to turn towards developing this type of index like another type of index present at the global level. So the need for strategies and thinking about the new approaches toward global handicraft indexed have come in the mind of the author, however, suffered due to pandemics and it's being unorganized, with the additional constraints of lack of education, low capital, and inadequate exposure to new technologies, absence of market intelligence, and an insufficient institutional framework. Broadly translated, our findings indicate that government policies in developing MSMEs in the new normal era that have been implemented are stimulus programs such as interest subsidies and restructuring for MSMEs. The conclusion of what has previously been discussed and some suggestions regarding this study are as follows:

1. To the Government to find the right and ideal digital platform alternatives with the characteristics of MSMEs,
2. To the community to always use local and proud products made in Indonesia by cooperation to maintain domestic consumption so that economic recovery can accelerate, and
3. For MSMEs to continuously adapt amid a pandemic by using all the programs that have been prepared

Limitations and Future Research

The focus of this study was only on the small sector entrepreneurs in India. Therefore, research can be conducted on a larger scale involving the performance of entrepreneurs in India to gain additional knowledge on this area of study.

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Conflict of Interest

The authors of this research would like to declare that there are no conflicts of interest linked with this research, and this research was not sponsored by anyone that could have influenced its outcomes. As the researchers of this study, the authors validate its novelty assert that this study has not been published previously, and verify that it is not presently being considered for publication elsewhere.

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