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## “A COMPARATIVE STUDY ON ANALYZING THE IMPACT OF ECONOMIC POLICIES ON SMALL BUSINESS GROWTH”

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### ABSTRACT :

This research paper presents a comparative analysis of ways economic policies have an impact on the increase and improvement of small companies. Small groups are critical to a rustic's monetary balance, process creation, and innovation. However, their overall performance is highly sensitive to modifications in authorities policies, including taxation, economic coverage, subsidies, interest costs, and regulatory frameworks. The look at makes a speciality of comparing the effective and negative results of such regulations across exclusive monetary environments, the use of each qualitative and quantitative facts. It draws comparisons among areas or nations with varying policy processes to determine which techniques most efficaciously assist small commercial enterprise boom. Primary data has been gathered through surveys and interviews with small business owners, while secondary information includes government reports, monetary facts, and coverage files. The studies identifies key elements together with ease of doing business, get right of entry to to finance, and policy stability as fundamental members to increase. The findings recommend that regular and supportive economic guidelines considerably decorate commercial enterprise sustainability and growth, whereas common policy changes or restrictive regulations act as barriers. This have a look at pursuits to provide actionable insights for policymakers and stakeholders to create a greater favorable surroundings for small businesses to thrive, thereby contributing to basic financial improvement.

**Keywords:** Small enterprise boom, financial rules, coverage impact, comparative analysis, entrepreneurship, government regulations

### Introduction

Small organizations play a essential function in driving financial improvement, developing employment possibilities, and encouraging innovation. In both advanced and developing economies, they shape the backbone of the economic system through contributing considerably to GDP and local development. However, the increase and survival of small corporations in large part rely upon the character and effectiveness of monetary regulations applied with the aid of governments. Economic regulations—together with taxation, interest fees, subsidies, licensing policies, and get admission to to credit—can either aid or prevent small enterprise growth. For instance, favorable tax guidelines and clean access to credit score can inspire marketers to start and extend their agencies, while heavy regulation and high compliance fees may create obstacles. Understanding how those guidelines effect small organizations is critical for crafting techniques that promote sustainable development.

This studies targets to investigate and compare how exceptional economic coverage environments have an impact on the boom of small organizations. By analyzing numerous coverage frameworks and their results, the research seeks to pick out best practices and endorse coverage adjustments which can cause a greater supportive commercial enterprise surroundings. The have a look at uses a mixture of primary facts accrued via surveys and interviews with small commercial enterprise owners and secondary facts from authorities publications, economic reviews, and academic studies. Through comparative analysis, the research evaluates policy effectiveness throughout areas or countries, highlighting the position of stability, transparency, and policy alignment in supporting business increase. This research is specifically applicable in the put up-pandemic world, wherein small organizations face new challenges and require responsive policy assist. The findings of this study can help policymakers, economists, and commercial enterprise leaders

### Objectives of the Study

1. To assess the level of awareness among small business owners regarding current economic policies
2. To identify the key economic policies that small business owners believe have the most significant impact on their business operations and growth.
3. To analyze the perceived positive and negative effects of specific economic policies on business performance, revenue generation, and expansion opportunities.

## Literature Review

According to the **MSME Annual Report (2022–23)** by the Ministry of Micro, Small & Medium Enterprises, the sector contributes significantly to the GDP and employment generation in India. However, access to finance, regulatory compliance, and awareness of government schemes remain major challenges (Government of India, 2023).

The **Reserve Bank of India (2022)** highlights that credit availability to micro and small enterprises has improved slightly due to policy interventions, but many businesses still struggle with accessing timely and affordable credit.

As per the **Union Budget 2023–24 Highlights** (Ministry of Finance, 2023), several initiatives like digital loan platforms, increased credit guarantees, and tax relaxations were introduced to support MSMEs. However, the effectiveness of these initiatives at the grassroots level is still under scrutiny.

**Datt and Sundharam (2020)** in their book *Indian Economy* discuss how economic policy reforms post-liberalization have impacted small businesses by reducing licensing requirements and improving ease of doing business, but also brought challenges like increased competition and policy complexity.

**Kumar (2021)** found that although economic policies are designed with small businesses in mind, poor communication and lack of awareness among entrepreneurs reduce their actual impact. The study emphasizes the role of local institutions and consultants in bridging the information gap.

**Singh and Sharma (2022)** in their sector-wise analysis concluded that while tax reforms and credit facilities have benefited manufacturing and service-based small businesses, enterprises in remote areas often remain unaware or unable to access such schemes.

The **World Bank's Doing Business Report (2022)** stressed the importance of regulatory simplicity and transparency in promoting small business growth. India's ranking improved due to structural reforms, yet implementation challenges at the local level persist.

Reports by **CII (2022)** and **Economic Times (2023)** also pointed out the mixed results of policies intended for small business promotion. While programs like Make in India and Startup India have raised visibility, many small businesses still find the application processes complex and bureaucratic.

Finally, **Times of India (2023)** reported that although various subsidies and schemes are launched for MSMEs, many are underutilized due to lack of proper outreach and clarity in implementation guidelines.

## Research Methodology

### 1. Research Design

The study follows a *descriptive research design*, aimed at understanding the awareness, perceptions, and impact of economic policies on small business growth. This design helps in capturing detailed information and providing insights based on real-world data from respondents.

### 2. Nature of the Study

The research is primarily *quantitative in nature*, supplemented with qualitative insights from open-ended responses to understand the positive and negative impacts of policies.

### 3. Type of Research

This is an *empirical research study* based on *primary data* collected directly from small business owners. Secondary data was also referred to for literature review purposes.

### 4. Data Collection Method

Data was collected using a *structured questionnaire* that was distributed to small business owners through both *online and offline modes*. The questionnaire consisted of close-ended and a few open-ended questions covering awareness, impact, and challenges related to economic policies.

### 5. Sample Size

A total of *100 small business owners* were selected for the study. This sample size was chosen to represent a reasonable population size and gather significant results.

### 6. Sampling Technique

The study used a *convenience sampling technique*, where respondents were chosen based on their accessibility and willingness to participate in the research.

### 7. Tools for Data Analysis

The data collected was analyzed using *percentage analysis*, and the results were presented in the form of tables and interpretations. This helped in drawing meaningful conclusions and understanding the trends related to the research objectives.

### 8. Area of Study

The study was conducted across various small businesses from different sectors such as retail, services, manufacturing, and trading, providing a diverse view of the impact of economic policies.

## Data Analysis & Interpretation

### Question 1: Awareness of Current Economic Policies

Particulars	No. of Respondents	Percentage
Taxation	78	78%
Credit/Loan Facilities	65	65%
Government Subsidies	49	49%
Business Regulations	55	55%
None of the above	12	12%

**Interpretation:**

A majority of small business owners are aware of taxation (78%) and credit/loan facilities (65%) policies. However, fewer respondents are familiar with government subsidies (49%) and business regulations (55%). Notably, 12% are unaware of any relevant economic policies, indicating a need for better communication from policy-makers.

**Question 2: Source of Updates on Economic Policies**

Particulars	No. of Respondents	Percentage
News/Media	40	40%
Internet/Government Websites	30	30%
Professional Consultant/CA	15	15%
Industry Associations	5	5%
I don't follow updates	10	10%

**Interpretation:**

News and media (40%) and the internet/government websites (30%) are the primary sources of information for most respondents. A smaller number rely on consultants (15%) and industry associations (5%). Around 10% do not follow any updates, showing a gap in policy awareness among small business owners.

**Question 3: Policies with Most Significant Impact**

Particulars	No. of Respondents	Percentage
Tax Policy	34	34%
Access to Credit/Loans	28	28%
Government Subsidies	12	12%
Regulatory Compliances	16	16%
Ease of Doing Business Initiatives	10	10%

**Interpretation:**

Tax policies (34%) and access to credit/loans (28%) are considered the most impactful on small business growth. Regulatory compliances (16%) and government subsidies (12%) are also noted as significant, while ease of doing business policies (10%) have lesser influence as perceived by respondents.

**Question 4: Impact of Economic Policies on Business Growth**

Particulars	No. of Respondents	Percentage
Very Positively	15	15%
Somewhat Positively	38	38%
No Effect	20	20%
Somewhat Negatively	17	17%
Very Negatively	10	10%

**Interpretation:**

Most small business owners believe that economic policies have a somewhat positive effect (38%), while 15% view the impact as very positive. On the other hand, 27% reported negative effects, and 20% felt there was no impact at all, indicating mixed opinions on the effectiveness of current policies.

**Question 5: Positive and Negative Effects of Economic Policies**

Particulars	Common Responses (Summary)
Positive Effects	Easier loan approvals, tax benefits for startups, digital platforms for registration
Negative Effects	Complex tax filing, high compliance cost, delayed subsidies

**Interpretation:**

Respondents mentioned tax benefits and digital access as positive changes, while common negatives included bureaucratic delays and complex compliance requirements. This shows that while reforms have helped in some areas, implementation issues remain a concern.

**Question 6: Biggest Challenges Faced**

Particulars	No. of Respondents	Percentage
High taxation	30	30%
Difficulty in accessing credit	25	25%
Lack of information/guidance	20	20%

Complex regulatory procedures	15	15%
Inadequate government support	10	10%

**Interpretation:**

High taxation (30%) and difficulty in accessing credit (25%) are the top challenges for small businesses. Lack of guidance (20%) and complex regulations (15%) also affect operations. Only 10% pointed to inadequate government support, indicating that while support exists, accessibility and awareness are lacking.

**Findings****1. Awareness of Economic Policies o A majority of respondents (78%) are aware of taxation rules, at the same time as 65% are familiar with credit and mortgage facilities.**

- Only 49% of respondents are aware of authorities subsidies, indicating constrained outreach and verbal exchange regarding monetary aid schemes.
- 12% of respondents are not aware of any financial guidelines, which displays an opening in policy dissemination and education.

**2. Sources of Policy Information o 40% of small business owners rely on news/media and 30% on net/government websites for coverage updates.**

- A rather small share (15%) consult expert advisors, and handiest 5% depend upon industry associations.
- 10% do not comply with coverage updates in any respect, which shows the want for extra accessible and simplified records channels.

**3. Alleged effect of specific policies: access to tax policy (34%) and credits/loans (28%) is seen as the most influential economic policies affecting small businesses.**

- Government subsidies and regulatory compliance are also relevant, but are considered less impressive by the majority of respondents.
- Easy to take commercial initiatives, the owners of small businesses (only 10% have selected this option) have had a limited visual effect.

**4. The overall impact of economic policies on trade development o 53% of respondents believe that economic policies have had a positive impact (15% very positive and 38% positive).**

- however, 27% feel that the effect has been negative, and 20% did not report noticeable effects. This mixed response highlights that while some policies can be beneficial, others may create obstacles..
- Qualitative insight: positive and negative effects: positive effects have been cited which includes credits, startups profit and easy access to digitization of registration processes.

**4. Major challenges faced by small businesses: Higher taxation (30%) and difficulty in obtaining credit (25%) are the biggest policy-related challenges.**

- other general issues include clear information (20%) and a decrease of complex regulatory procedures (15%).
- only 10% reported inadequate government support, indicating that support exists but can be difficult to access.

**Conclusion**

Small agencies shape the spine of any growing economic system, contributing considerably to employment technology, innovation, and nearby improvement. The achievement and sustainability of those establishments are intently tied to the financial policies laid out via the government. This observe sought to investigate how various economic guidelines impact small enterprise increase, with a particular recognition on taxation, credit score get admission to, authorities subsidies, and regulatory frameworks. The findings of the study imply that whilst many small commercial enterprise proprietors are privy to key monetary guidelines, a substantial element nevertheless lacks cognizance or up to date statistics about sure schemes—mainly those associated with subsidies and rules. The channels thru which business owners obtain coverage-associated facts are generally informal, and this influences their information and capability to take advantage of government tasks.

From a theoretical perspective, monetary coverage acts as each a facilitator and a constraint for small corporations. Policies that reduce financial limitations, simplify compliance necessities, and offer financial aid thru credit or subsidies create an allowing environment for entrepreneurial hobby. On the other hand, regulations which are overly complicated, uncertain, or erratically carried out can create uncertainty and discourage small-scale corporation improvement. Furthermore, the study found out that the perceived impact of financial regulations varies among commercial enterprise owners. While some respondents acknowledged the advantages of tax incentives and digital tasks, others pronounced terrible reviews which include high taxation and constrained get right of entry to to monetary guide. This divergence may be attributed to differences in business size, sector, and geographical vicinity. Overall, the look at concludes that although numerous government guidelines are geared toward assisting small agencies, their actual effect depends on

the extent of focus, accessibility, and practical execution at the ground degree. For economic policies to absolutely gain small corporations, it's far crucial that they're not simplest well-designed but additionally nicely-communicated and effectively applied

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