

Q2 → Discuss the role of small scale industry in India in the growth and development of Indian Economy.

Ans → Government classified the industrial units into small-scale, medium-scale and large scale units depending upon their sizes, capital investment and the number of worker engaged. Small scale and cottage industries differ on two different issues.

(a) Small scale industry are mostly located in urban centers as separate units, but the cottage industries are normally associated with agriculture and provide subsidiary employment in rural areas.

(b) Small scale industries produced goods with mechanized equipments, partially or fully, but the cottage industries involve activities mostly by hand and performed primarily with the help of household workers.

Role / importance of small-scale sector India

1. Employment generation
2. capital saving
3. Decentralization
4. Better distribution of income and wealth
5. mobilization of entrepreneurial skill.
6. Sustaining green revolution
7. Import light
8. Reducing congestion in urban areas
9. contribution to export