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THE IMPORTANCE OF THE VARIOUS INDUSTRY IN INDIA

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ABSTRACT

Industry is regarded as the lifeblood of every country's economy. This industry is divided into three categories: micro, small, and large. Large industries require skilled workers with some level of specialization, whereas small and micro industries can accommodate less skilled or unskilled workers, and these companies do not require any special expertise from their employees. This is why these businesses hire individuals from a certain social class in large numbers, since those living in poverty lack formal education and competence. Apart from that, this sector is involved in the manufacture of products that are used on a daily basis in the home and have a market in India as well as abroad, resulting in a healthy flow of money from one hand to the other. This industry contributes substantially to the nation's GDP (Gross Domestic Product) and also accumulates foreign money, strengthening the country's economy. As a result, it is critical to develop and safeguard this sector of the economy.

KEYWORDS: *Development, Economy, Growth, Industry, Skilled Worker.*

INTRODUCTION

Small-scale enterprises in India were the catalysts for the country's industrial revolution. Big industries did not exist in India at the time of independence, therefore it was the time to make a fresh start in order to keep up with global development. India has relied on its manual power for a long time, but under the British Empire, heavy machineries were brought into the Indian industrial scene, and a little amount of human labor was transferred to the machines. Although, many industry remained still operating on manual power (Figure 1). (Figure 1). The advent of light and heavy machinery altered the way Indian industries worked[1].



Figure 1: Representation View of a Small-Scale Industry in Indian Industry

The Indian small scale industries market is extremely diverse, and the reason for this is because population is a significant component in supplying manual labor at a lower cost than any other nation, and the availability of raw materials is another important aspect. India had excellent trade relations with the outside world in ancient times, and this heritage has been preserved by subsequent rulers[2]. However, when the British Empire was established, the majority of the profit was transferred to the English, while the Indians performed the work. In contrast to the rest of the globe, this trend has pushed India and its indigenous people behind. Following India's independence, the genuinely Indian government and people began a real struggle for the development of Indian industry[3].



Figure 2: Basic Structure of Industries in Any Nation to divided the Different Occupation Work.

Figure 2 depicts the structure of the Indian industrial sector. The whole industry has been divided into three categories: primary, secondary, and tertiary, based on the number of people employed and the products produced. These categories are further subdivided into a variety of domains depending on the kind of industry. Indian industries began as tiny businesses, and through time,

some of them grew into large corporations. There are many examples of businesses that began small but grew into a conglomerate of multiple businesses operating under the same roof[4].

TABLE 1: TYPE OF INDUSTRIES AND THEIR BASIC INVESTMENT LIMITATION[7]

Type of Industry	Investment Limit(Rs)	Remarks
Small scale industry	One crore	For specific products it is five crores (71 products so far)
Ancillary industry	One crore	50% of output supplied to the parent unit
Tiny enterprise	25 lakhs	No location limit
Service and Business (industry related) enterprises	10 lakhs	No location limit
Women enterprise	Any of the above	51% equity holding by women and managed by women
Export Oriented Units (EOU's)	One crore	100%, EOUs can sell 25% in domestic markets.

Small-scale industries are those that participate in micro- or small-scale production, manufacturing, and similar related operations. Their capital investment in equipment and other items must not exceed the government-imposed limit of 10 crore, and their annual sales must be equal to or less than 50 crore [5]. Small-scale industries have been defined in accordance with official guidelines, as the government has a number of programs that offer funds and other associated services to these businesses based on their investment and annual turnover. The government has a dedicated department, the department of industrial policy and promotion, which is easily engaged in the development of industries as well as promoting invention and innovation, which will prove fruitful for the country and contribute a significant portion of India's gross domestic product (GDP)[6].

It should be a source of pride that approximately 7600 large and 12.7 million small industries have been incorporated in the nation's construction, with a large population employed in these small and micro industries. Furthermore, some of these industries' companies have collaborated with foreign clients and enterprises to promote the nation's continued growth and development. A total of 30.5 million individuals are believed to have been employed and earning a livelihood (Table.1). Following independence, the government's business strategy favored small companies while also putting them at risk from large industries and providing long-term tax breaks. Many small business owners continued to struggle in order to be eligible for tax refunds. Furthermore, these efforts mostly rehashed conservative, sometimes out-of-date knowledge; they did not adapt and found it necessary to engage in zones of excellence or service [8].

There are few systematic industry educations to determine the degree to which formal HRM organizations have been presented and experienced. Despite the push of competence and the need to compete being recent expansions, it is expected that the grade of validation in Indian businesses would remain poor. It is to be anticipated that smaller businesses would have less formalization than medium-sized businesses.

ROLE OF HUMAN RESOURCE DEPARTMENT IN SMALL INDUSTRIES

The connection between the owner and the employee of an industry is an important element in achieving the firm's goals, as well as running the company efficiently without the mayhem caused by the workers' union. The owner's desire is the most important factor in converting the company into a desirable place to work, where top management can obtain the best possible output from employees in order to maximize revenue and profit. Workers, on the other hand, need a fair wage as well as some kind of security such as a provident fund, gratuity life insurance, and so on. To accomplish all of these goals in a cooperative manner, a human resource department (HRD) is required to serve as a liaison between workers and employers [9].

Small businesses were often operated by families and lacked a formal management structure; they also lacked specialized technical and professional capabilities. Though, after the liberalization of the early 1990s, the government shifted its defense tactics and pushed for more restrictions. As a result, many SMEs were ill and unable to compete in the open market. Others have gradually profited from improved understanding, business processes, and marketing. Greater respect is being given to humanoid resource organization methods among tiny businesses, in certain sectors like as information knowing.

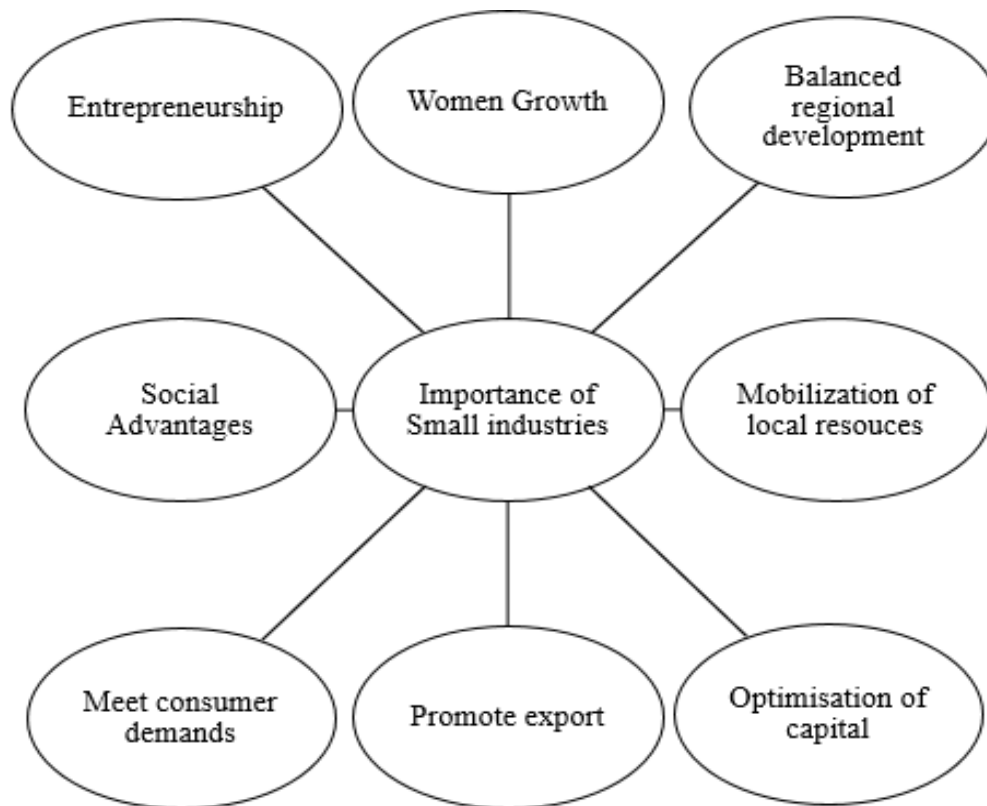


Figure 3: Importance of Small Industries for Growth of a Nation

Figure 3 depicts the advantages of promoting small and microscale businesses in a country. It is a well-known fact that there are many jobs in such sectors that do not need special training or skilled workers; the advantage of this is that it allows many individuals who do not have excellent training or experience working in industries to be employed; these people may be taught here. Another significant factor in the Indian context is that most women lack a decent education and technical experience, thus these tiny and micro businesses are a suitable location

to find employment and develop. This is one approach to address the country's unemployment issue to some degree.

The other benefit is to reduce social inequity and regional development, as there are several areas in India where only a small business can succeed because they are very backward, and where a large industry can be established. The biggest advantage of incorporating indigenous people into small scale industries is to solve the problem of language barrier [10]. There is a high possibility that the owner of a small business is from the same region, and he will be able to interact with his employees in the same vernacular language, making it easier to inspire and teach them. India is a country rich in traditional wisdom, which may be completely used in the development of micro and small businesses.

IMPORTANCE OF INDUSTRY IN DEVELOPMENT AND GROWTH

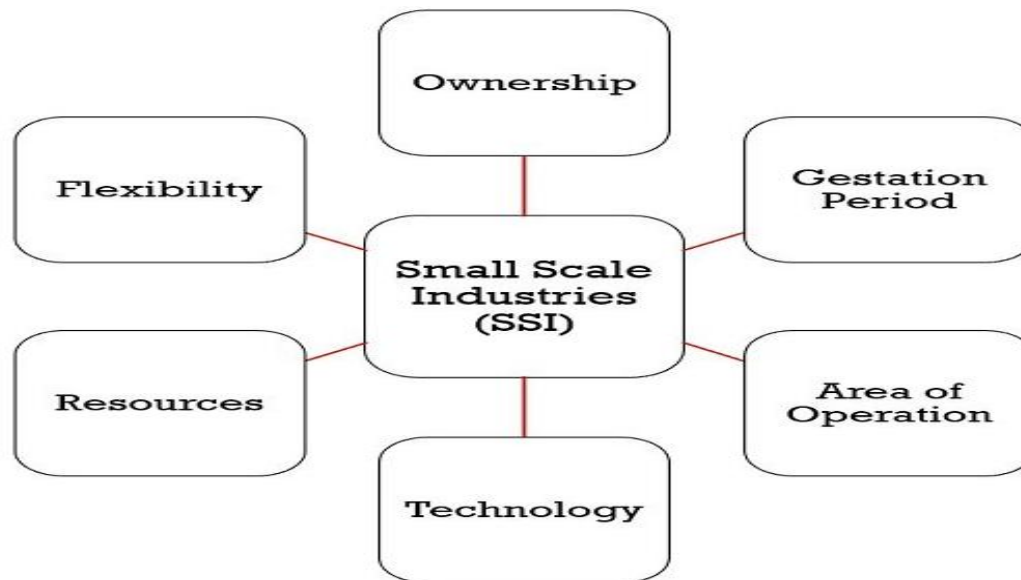


Figure 4: Attributes of Small Industries to Increase the Adaptability at Work Place[11]

The sector has the ability to promote employment and capital in the market, and this is the greatest method to improve people's financial inclusion. The Department of Industrial Promotion and Policy has committed itself to creating a framework to support small scale businesses, since these sectors generate less money and have a larger impact on society (Figure 4). This is the main segment that provides employment to millions of people in the country and is also responsible for the movement of resources between the state and the people. Both the federal and state governments are keen to promote industry, as well as inviting foreign firms for technology transfer so that Indian firms can implement new techniques and innovations in industry (Figure 5).

TABLE2: TYPES OF INDUSTRY IN SMALL AND MICRO SEGMENT.

SL. NO.	TYPE OF INDUSTRY
1	<u>Paper Napkins And Toilet Rolls</u>
2	<u>Chocolates</u>
3	<u>Candle Making</u>
4	<u>Sanitary Napkins</u>
5	<u>Excise Notebooks</u>

6	<u>Disposable Cups And Plates</u>
7	<u>Phenyl Making</u>
8	<u>Soaps And Oils</u>
9	<u>Spices</u>
10	<u>Chips And Biscuits</u>
11	<u>Camphor And Incense Sticks</u>
12	<u>Papads And Fritters</u>
13	<u>Cottage Cheese</u>
14	<u>Simple Medical Requirements</u>
15	Light Machine and tools
16	Match box

DISCUSSION

A nation's industrial development is just as essential as its governing body. As foreign money determines the future of the industrial revolution in a nation in terms of sustainability, the net cash inflow and outflow is a fundamental indicator of company development. The number of companies and their turnover are significant indicators of the country's development. Because the issue of employment can only be solved via a good exposure of industry, and the number of industries is proportionate to the number of jobs accessible in the market, industrial development is directly linked to the growth of the nation's population. GDP and per capita income may aid in raising people's happiness levels and improving their standard of life. The economic power of a nation and an individual are essential because money may alter a person's mind and inspire him to work more for the country and its people, as many businessmen do.

CONCLUSION

The impact of small industries on the country's economic situation has been examined, with particular attention paid to the impacts on GDP, per capita income, and purchasing power parity. Small-scale enterprises provide a major contribution to the nation's economy, not only in terms of capital generation, but also in terms of addressing the issue of unemployment. The federal government, as well as state governments, have been supporting this sector of the economy and introducing new laws to help small businesses thrive. This study found that small-scale enterprises may assist to relieve poverty and can also help to improve the lives of those living at the bottom of the poverty ladder. As a result, in addition to contributing to GDP, this sector may also help to address the issue of unemployment. Industrial expansion is the only way to guarantee the country's multi-dimensional development.

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