**6 th SEMESTER (MAJOR)**

**PAPER 603: REGIONAL GEOGRAPHY OF NORTH EAST INDIA WITH SPECIAL FOCUS ON ASSAM**

**UNIT 2: ASSAM**

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Role and Importance of Small Scale Industries

Small scale industries are those industries in which production, manufacturing and providing the services are executed on a small or micro scale.

In a country like India, the small scale industries play a very important role in generating employment, improving the financial status of people, development of rural areas and removing the regional imbalances.

Let us look into the roles and importance of small scale industries in India:

1. Employment generation: Small scale industries are one of the best sources of employment generation in India. Employment is one of the most important factors that determines the growth of a nation. Therefore, development of small scale industries should be encouraged for the development of more employment opportunities in the nation.

2. Less Capital Requirement: Small scale industries are less capital intensive than the large scale industries. Capital is scarce in developing countries like India and therefore, small scale industries are most suitable for maintaining the balance.

3. Use of resources and development of entrepreneurial skills: Small scale industries allow for the development of entrepreneurial skills among the rural population which is not having the scope of large scale industries. These industries help in the appropriate use of the resources available in the rural areas, which leads to development of rural areas.

4. Equal income distribution: Small scale industries by generating employment opportunities create equal income opportunities for the youth of the underdeveloped areas. This leads to the growth of the nation in terms of employment, human development.

5. Maintains regional balance: It has been seen that large scale industries are mostly concentrated in the large cities or restricted to areas which leads to migration of people in search of employment to these cities. The result of such a migration is overcrowding of the city and damage to the environment. For sustaining a large population, more of natural resources need to be utilised.

6. Short production time: Small scale industries have a shorter production time than the large scale industries which results in flow of money in the economy.

7. Supporting the large scale industries: Small scale industries help in the growth of the large scale industries by producing ancillary products for the large industries or producing small components that will be useful for the assembling of final products by the large scale industries.

8. Improvement in Export: Small scale industries contribute to around 40% of the total exports done by India, which forms a significant part of the revenue earned from the exports. Small scale industries work towards increasing the forex reserves of the country that reduces the load on balance of payment of the country.

9. Reduce the dependence of agriculture: Most of the rural population will be dependent on agriculture and this creates a burden on the agricultural sector. Small scale industries by providing employment opportunities to the rural population provides more avenues for growth and also paves way for a more arranged distribution of occupation.