

ROLE AND CONTRIBUTION OF SMALL SCALE INDUSTRIES IN ECONOMIC DEVELOPMENT IN INDIA

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Abstract

Industry is the segment of economy concerned with production of goods. Small scale industry (SSI) is a term which applies to the small entrepreneurs who are engaged in manufacture and production on a micro scale. The SSI sector continues to remain an integral part of Indian economy with significant contribution to GDP, industrial production and employment generation in India. Worldwide, the SSIs have been accepted as the engine of economic growth and for promoting equitable development. The importance of MSME has been recognized in recent years in both developed and developing countries for its significant contribution in gratifying various socio-economic objectives such as higher growth of employment, output, promotion of exports and fostering entrepreneurship. They play a crucial role in the industrial development of any country. The MSME sector is an important pillar of Indian economy as it contributes greatly to growth of Indian economy. This sector even assumes greater importance now as the country moves towards a faster and inclusive growth agenda. Moreover, it is the MSME sector which can help realize the target of proposed National Manufacturing Policy of raising the share of manufacturing sector in GDP from 16% at present to 25% by the end of 2022. The present paper is an attempt to focus the present status of performance of MSMEs in India & future prospects. It is concluded that this sector contributes significantly to manufacturing output, employment, exports of the country.

Keywords: MSMEs, MoSPI, GDP, SSI, Employments, Finances, Growth, Opportunity.

Introduction

Industry is the part of economy concerned with production of goods. Small scale industry (SSI) is a term which applies to the small entrepreneurs who are engaged in manufacture and production on a micro scale. It mainly refers to agro- based rural industry which doesn't require huge capital influx and large infrastructure. These SSI also include the indigenous cottage industry and the handicrafts industry. The development of small scale industries is very important for a country like India which has mainly rural economy. These SSI which are mainly agro- based in nature would provide job for millions of Indians and would contribute largely to the overall growth of the Indian economy. The SSI sector continues to remain an integral part of Indian economy with significant contribution to GDP, industrial production and employment generation in India. Worldwide, the SSIs have been accepted as the engine of economic growth and for promoting equitable development. The major advantage of the sector is its employment potential at low capital cost. The labour intensity of the SSI sector is much higher than that of the large enterprises. So We Can Say Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of the Indian economy. MSMEs not only play crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby, reducing regional imbalances, assuring more equitable

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