

ROLE OF INDUSTRIALIZATION IN ECONOMIC DEVELOPMENT OF INDIA

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ABSTRACT

In modern times, industry has an important contribution in the economic activities of man. The industrial development of any country usually depends on the economic condition and development of that country. Industrialization is a significant contributor to the social and economic change that transforms human society from an agrarian to an industrial development. Industrialization is thus a process of continuous economic development, resulting in higher incomes and higher productivity. These are main needs of modern times and due to which we will not only get employment opportunities but also necessary raw materials will be available in sufficient quantity. The natural resources are forest and they are considered to primary sectors including agriculture and services sector. For this reason, agro-based industries which depend on agriculture for their raw material. Industries have been expanded in the secondary manufacturing sector to provide employment opportunities. The role of modernization in the development and expansion of industries is an integral part of our lives. We can say that economic development and expansion cannot be possible without industries. Industries are an essential part of our life.

Keywords: Industries, Production, Raw Material, National Income, Agriculture, Goods and Services, Employment.

Introduction

Industrialization of a country means the inclusion of manufacturing industries in addition to agricultural industries for the development of the country. A country based only on agriculture cannot develop as much as an industrial country can. In fact both are the pillars, which bear the responsibility of reforming and maintaining stability.

Although industrialization has its disadvantages which affect the environment and health of the people without proper industrialization the country remains underdeveloped. It provides all the necessary elements for the country to strengthen the country's economy with its economy. With technological progress, industrialization in India began in 1854 with the first cotton mill located in Mumbai. Since then India has always progressed in its industry setup and thus from an underdeveloped country to a developing country.

Economy plays an important role in the development of the country. It is the economy that determines and differentiates a developed country from an underdeveloped country. The economy of developed nations mainly depends on the industrial sector while the economy of underdeveloped countries mainly depends on the agricultural sector. Industrialization plays an important role in bringing economic change and to revive the economic condition in many countries around the world and the same change happened with industrialization in India.

The most frequently used benefit of industrialization is economic growth. The problem - as some of the world's countries have discovered - is that industrialization does not lead to large-scale economic growth. Economic growth refers to the quantitative growth in the gross domestic product of a country. Economic development refers to qualitative structural change in a given economy. If some industrial

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plants in a given country or region are specialized in the production of consumer goods and are completely export oriented, it runs the risk of seeing economic growth without economic growth. The industries concerned are not organically embedded in the regional or national economy. This role is usually played by capital goods industries, that is, industries that produce equipment necessary for the development of other industries.

Role of Industrialization in India

The stagnation of the industry's share in GDP and the small decline over the last one or two years indicate that the potential of this sector has not been fully tapped, given the open international business environment and rapid technological change, which have contributed to this actor. This field is required for characters with the attribute. The sector's association with raw materials and natural resources on the one hand and the interdependence between intermediate capital goods and consumer goods on the other, requires more judicious blending of policies to be innovative and competitive, often conflicting interests.

After independence the Government of India declared first industrial policy on 6th April 1948 by industry minister doctor Shyama Prasad Mukherjee. in this time period they have focused on employment opportunities, National resources and agriculture and industrial sector, public and private sector and coordination with Economic planning, and included strategic industries like arms and ammunition, atomic energy, railway transport.

	Weight	Financial year		
		2016-17	2017-18	2018-19
Overall IIP	100.0	4.7	4.5	3.7

In terms of structured national industrial classification

Mining	14.5	5.3	2.3	2.8
Manufacturing	77.5	4.4	4.5	3.6
Electricity	8.1	5.7	5.4	5.2

In terms of use-based classification

Primary Goods	34.1	4.8	3.9	3.5
Capital Goods	8.2	3.2	4.0	2.8
Intermediates Goods	17.3	3.3	2.3	-0.5
Infrastructure Goods	12.5	3.9	5.6	7.5
Consumer Goods				
(i) Durables	12.9	2.9	0.8	5.5
(ii) Non-durables	15.4	7.9	10.7	3.9

In 24 July 1991 the Congress government made new industrial policy in parliament. it was different as compared with all previous policies, it was termed as open liberal and revolutionary policy. This policy had lead special emphasis mainly on increasing foreign collaboration setting economy free from unnecessary controls making public sector competitive increasing employment opportunities and change with continuity and opportunity to work free environment in private sector.

Conclusion

The positives of industrialization and economic growth, including a more efficient division of labor and increased technological innovation, are imperative. Industrialization can be driven by a combination of a variety of factors, including government policy, labor-saving inventions, entrepreneurial ambitions, and demand for goods and services. This has a profound effect on the population, causing a wave of migration from small farms to cities and towns where job growth can occur. The innovations of the 19th century allowed the mass production of commercial goods. As manufacturing activity increased, the transportation, finance, and communications industries could all expand to support new production capacity.

Industrialization increased labour specialization and allowed cities to support larger populations, prompting rapid demographic change. A large number of people have left behind rural areas in search of employment due to the increasing number of industries. The Industrial Revolution should have led to an unprecedented expansion in wealth and financial well-being for some, and increased consumer demand for more goods and services and increased business creation to meet the demand, as well as a rising middle class.

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