



## ROLE OF SMALL SCALE INDUSTRIES IN RURAL DEVELOPMENT

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**ABSTRACT** Small Scale sector occupies an important position in the industrial structure of our country. Small scale industries 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 and backward areas, thereby reducing regional imbalances, assuming more equitable distribution of National income and wealth. In the present study an attempt is made to narrate about concepts and role of small scale industry in rural development.

**KEYWORDS** : Small Scale Industry, Concepts, Characteristics, Rural Development.

### Introduction:

The small scale industrial (SSI) sector is a vital constituent of the total industrial sector. It is a dynamic and vibrant sector of the Indian economy. The SSI sector acts as a nursery for the development of the entrepreneurial talent and has been contributing significantly to national gross domestic product, besides meeting the social objectives including that of providing employment opportunities to millions of people across the country.

Small Scale Industrial sector (SSI) is playing very important role in Indian economy in terms of employment generation, the strong entrepreneurial talent, its share of production and growth. The establishment of small scale industries helps for Rural Development by solving problems like Scare capital, unemployment, regional imbalance of industrial development, inequitable distribution of national income etc.

### Objectives of the study:

- To discuss concepts of small scale industry.
- To understand characteristics of small scale industry.
- To examine Role of small scale industry.

### Methodology:

The present study is based on secondary data. The data were obtained from books, journals and website.

### Concept of Small Business:

The concept of small scale industry can varies from one country to another and from one time to another in the same country depending upon the pattern and stage of development, Government policy and administrative setup of the particular country.

Small Scale Industries are those industries which carry on their operations like production, marketing small scale. Such industries invest less capital but their yield starts at an early stage. Small scale industries are described as a set of industries whose size is small with lesser amount of capital and labour. The parameters uses are capital, labour, technology, production, brands, organizations, profits etc. If the size of the above factors is small then they are called as small scale industries.

Small Scale Industries (SSI) are those industries in which the manufacturing production and rendering of services are done on a small or micro scale. These industries make an one time investment in machinery, plant and equipment it does not exceed Rs. 10 crore and annual turnover does not exceed Rs. 50 crore.

### Characteristics of Small Scale Industry:

Small scale industries are generally under single ownership. The management and control are with the owners. Thus the owner is involved in the day today activities of the industry.

Though the SSIs have a limited reach, these industries are very flexible in case of shifting their business or changing them according to the needs of the current situation and time. The industries use available resources completely, which results in more output with minimum wastage.

### Role of Small Scale Industry:

Small Scale Industries help for Rural development in the following ways:

- Employment: Small Scale Industries are less dependent on technologies and thus the labour investment ratio is quite high in these industries. If invested properly these industries will give better employment rates than the large scale undertakings.
- More output at less investment: Small Scale Industries help to bring large scale industrial development.
- Supporting Large Scale industries : Small Scale Industries produce ancillary products for the large industries or they manufacture smaller components that are used for the assembling of the final product of large scale industries.
- Connect to the world: If we start focusing on its small scale manufacturing sectors, then the overall cost of production will be a lot cheaper than what we spend on buying these items from other countries.
- Decentralization of Industries: Usually large scale industries are based in big cities, due to which rural areas face issues. Small scale industries are based in rural areas instead of being a part of the urban hub, these industries help in regional development.
- Agriculture Sector: A lot of people are involved in agriculture because they do not find any other source of employment of people get involved in small scale industries than their depending on the agriculture sector for earning wages will decrease.
- Social Advantage and Consumer demand Small Scale Industries provide good distribution of money. Small Scale industries also meet consumer's demands easily, as they have a wide range of variety, locally available for its consumers.

### Conclusion:

Small scale industries have shown excellent growth in the past years. With the support of make in India 2.0. India can march towards making India self reliant. Small scale industries will act as an engine to the train of the economy. It is high time that India focuses on strengthening these small scale industries which will help for rural development and support the country towards its development.

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