

Good Morning Students,
This lesson is for class 9th for the subject of Economics. The topic for today is 'Types of Industries' which is covered in chapter 8 titled 'Secondary sector: Industry' of your book.

This lesson is being submitted to you on 7/10/24.

All the students now please open page number 90 of your book.

Classification of Industries:-

Manufacturing of goods may take place in small and cottage industries involving a few craftsmen or it may take place in big factories with hundreds of machines and lots of labour. It may be capital intensive, or labour intensive or highly mechanised requiring skilled labours. Industries can be ~~all~~ classified as follows:-

1. Large Scale Industries:-

A large scale industry is one in which investments in plant and machinery is more than 10 crores. In case of a service unit, the investment in equipment is more than ₹ 5 crore. Production is done in large quantity. Large number of workers are working there. Capital intensive techniques of production are used.

For Characteristics of large scale industries refer to page number 93 of your book.

2. Medium Scale Industries:-

Medium scale industry is one in which investments in plant and machinery is above ₹ 5 crore but less than ₹ 10 crore. In case of service unit, investment in equipment should start from ₹ 2 crore but should not exceed ₹ 5 crore.

Characteristics of Medium Scale Industries:-

- (1) These industries mostly employ hired workers.
- (2) Investment in plant and machinery is less than ₹ 10 crore.
- (3) These industries use light and simple machinery which are operated by electricity.
4. Goods are produced in large quantity.

For example, Cotton Industry, Textile Industry, Leather Industry etc.

3. Small Scale Industries:-

Small scale industries are those industries in which investment in plant and machinery does not exceed ₹ 5 crore. In case of service unit, investment in equipment is more than ₹ 10 lakh but less than ₹ 2 crores.

Characteristics of Small scale

Industries are as follows:

- (1) Local materials as well as materials from surrounding regions are used as raw materials.
 - (2) Hired workers perform the work in small scale industries.
 - (3) Cheap but skilled labourers are employed in small numbers.
- For other characteristics refer to page 91 of your book.

4. Cottage Industries:-

Cottage industries are those industries and crafts which are carried on, in the home of an artisan. The work is usually assisted by workers who are mostly members of a family. Manufacturing of goods involves traditional artisans and craftsmen who have inherited their work as an art from their ancestors.

For characteristics of Cottage Industries refer to page number 91 of your book.

Distinction between Cottage and Small Industries

Basis	Cottage Industries	Small-Scale Industries
1. Use of Labour	These industries are largely carried on by the family members of the artisans.	These industries usually employ hired labourers or family.
2. Capital Investment	Capital investment is very small and it is generally arranged from the household's own resources.	Fixed capital investment (investment in plant and machinery) between ₹25 lakh to ₹5 crore. Capital is generally arranged from banks and other sources.
3. Technique of Production	These industries use old techniques and implements.	These industries use modern techniques and implements.
4. Resources	They generally use locally available resources.	They may also arrange resources from other places.
5. Market	They sell their goods locally.	They sell their goods in different regions of the country.

Role/Significance of Small Scale and Cottage Industries in Indian Economy

- (1) Employment-Oriented
- (2) Less Capital Resource
- (3) Quick Production
- (4) Equal distribution of Income and Wealth.
- (5) Decentralisation of Industries.
- (6) Less pressure of Population on land.
- (7) Exports.
- (8) Complementary to large Industries
- (9) Checks on large scale Migration of rural population

For explanation refer to page number 91 and 92 of your book.

Problems of Small Scale Industries in India:

- (1) Organisational Deficiencies
- (2) Lack of Capital Resources
- (3) Marketing and Sales Problems.
- (4) Competition from Large Scale Industries.
- (5) Non-Availability of Raw Materials
- (6) Problem of Persnation
- (7) Lack of Technological Innovations.
- (8) Managerial Difficulties
- (9) Other Problems.

For explanation refer to page 93 of your book.

Other types of Industries on the basis of Raw Materials

- (1) Agro-Based Industries.
- (2) Forest Based Industries.
- (3) Pastoral-Based Industries
- (4) Mineral-Based Industries.
- (5) Marine-Based Industries.

For explanation refer to page 93 and 94 of your book.

On the basis of Ownership, Industries can be classified as under:-

- (1) Public Sector Industries
- (2) Private Sector Industries
- (3) Joint Sector Industries

For explanation refer to page 94 of your book.

With this, I am ending my topic here. Write the answers of the following questions in your note-book.

- Q 1. Explain the difference between Small-scale Industries and Cottage Industries.
2. What are large Scale Industries. Explain their features.
3. Explain the role of Small Scale Industries in India.
4. What are Pastoral Based Industries?