

Industries in India

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Q. 1. Why the government took up the responsibility to set up basic good industries?

Answer : Basic good industries or key industries are those who supply their products or raw materials for the manufacturing of other goods. Iron and steel industry is an important basic good industry. During the 1960s, the government took up the responsibility for setting up and promotion of the basic good industries. The government took up the responsibility as these industries were of strategic importance to the growth of the economy.

They were the factors guiding the direction and the degree of economic expansion. Also, these were major industries requiring huge capital investment. The private industries at that time were unwilling to invest in such large amounts in an economy that was growing. Thus government took up the responsibility of the establishment and expansion of the basic good industries.

Q. 2. Why are industries located in specific areas?

Answer : The location of industries is determined by various factors like the availability of raw materials, markets, labor, power and electricity and so on. The location of strategic and heavy industries such as the iron and steel industry is very important for the functioning of the economy. The factors determining the location of the industries can be explained by-

- **Raw materials-** The basic raw materials required in the industry are scrap iron ore, coal, and limestone. The industries will be located in areas where these materials are available.
- **Energy-** Iron and steel industry is related mostly to the resources of coal. Thus it is located in places where coal reserves and electricity is abundantly available.
- **Transportation-** Transportation facilities are very important for the functioning of any industry. Since the bulk materials are to be transported to other places, the industry is located in the points where transportation facilities are available.
- **Labor-** The industry is located in places where the skilled, unskilled and technically qualified labor force is available.
- **Water-** It is mainly required for the manufacture, processing, cooling, and cleaning of the plants used in production.

- **Market-** The industry is located nearer to the availability of markets for the commodity. It also makes the transportation of the commodity easier.

Q. 3. What are basic good industries? How they are different from Consumer good industries?

Answer : Basic good industries or key industries are those who supply their products or raw materials for the manufacturing of other goods. Iron and steel industry is an important basic good industry.

Basis	Basic good industry	Consumer good industry
Meaning	They are key industries are made up of machinery, manufacturing plants and equipment used by other industries.	They are ready for consumption and satisfaction of human wants.
Classification	Production goods or support goods	Durable and consumer goods or consumer services
Cost of establishment	Relatively higher when compared to other industries as these are set up on a large scale	Relatively lower when compared to basic good industries
Number of buyers	Have only a limited number of buyers	A large number of buyers

Q. 4. Give a list of towns / areas in which some conventional mineral resources are found and ask students to identify then possible industries which can be set up.

S. No.	Minerals/ Resources	Towns/areas in which these resources are available	List the kind of industries that can be set up in this area
1.	Iron ore		
2.	Coal		
3.	Jute		
4.	Oil		
5.	Natural Gas		
6.	Forests		
7.	Manganese		
8.	Bauxite		

Answer :

S. No.	Minerals/ Resources	Towns/areas in which these resources are available	List the kind of industries that can be set up in this area
1.	Iron ore	Sundaragarh, Keonjhar	Iron and steel industry
2.	Coal	Jharia and Raniganj	Iron and steel industry
3.	Jute	Hugli basin	Textile industry
4.	Oil	Assam	Petroleum industry
5.	Natural Gas	Bombay High	Petroleum industry
6.	Forests	MP, Meghalaya	Paper industry
7.	Manganese	Balaghat	Automobile industry
8.	Bauxite	Palamau, ranchi	Automobile industry

Q. 5. Why government in the 1990s allowed private industries in many areas which were earlier restricted only to government?

Answer : During the 1990s, the government had faced many problems regarding the foreign exchange and payment of foreign debts in the country. Inflation was becoming uncontrollable, foreign exchange reserves were at an all-time low, and the country had to face other problems in the international market. The Gulf Oil crisis and other economic issues were propelling the country to an all-time low in the economic perspective.

The government was compelled to take a revolutionary decision to open up all its restrictions to attract foreign capital and investment. Thus it opened up new opportunities for the private sector to invest in the country. This encouraged private investment in many sectors of the economy that was earlier under the control of government; except in strategic industries like military, railway, and power.

The private investment in these sectors led to an increase in their competitiveness and compelled the public enterprises to compete with the private sector leading to increased efficiency in the working of the public sector. This freed the government from providing these services and enabled them to concentrate on other aspects of the economy.

Q. 6. What is the impact of industrial development on employment generation?

Answer : Industries play a very crucial role in employment generation and economic development. It is the main sector in our Indian economy which generates massive employment opportunities for those people who are skilled and semi-skilled. Industries are set up in local areas by considering the factors that are important such as labour, raw material, transportation, etc. Since labour is one of the important factor of input, it should be considered before setting up any industries. Industries should be started in the labor abundant region, therefore, they can employ more laborers. When there is an employment generation, there will be economic growth. Therefore this is the way in which employment is being generated.

Q. 7. What is the impact of industrial development on revenue?

Answer : Industrial development leads to the generation of huge amounts of revenue. The establishment and expansion of capital goods and large scale industries contribute much to revenue generation. These industries contribute to employment generation and thereby to the generation of income and revenue. With the adoption of the new economic policy, many industries have been setup in different sectors resulting in increased competition in the economy.

The public sector enterprises have to compete with the private industries in the present economic system. The importance and impetus gave to the cottage, and other small-scale manufacturing concerns also contribute to income generation. This increases the efficiency of the industries thereby leading to higher standards of the products and production process thus resulting in higher prices of the commodities sold. With the increased employment and income generation, the economic units would be able to purchase these high-quality commodities. With the increased spending, the money in circulation can be increased leading to revenue generation.

Q. 8. 'Industrial activities increase environmental problems.' Discuss.

Answer : Industries contribute majorly to economic development but also contribute to environmental degradation. When the industries are being started there starts the impact on environmental degradation. There are many ways in which industries contribute to environment degradation, they are Pollution

Industrial development will increase the different types of pollution.

• Air pollution

When the industries are being increased, there will be a huge increase in the emission of smoke, ash, and gas. This increases the concentration of different particulate matter in the atmosphere including carbon monoxide that depletes the ozone layer.

• Water pollution

The discharge of the harmful chemicals and untreated sewage into the river system results in water pollution. The pollutants can have serious consequences in the environment.

• Sound pollution

The heavy industries such as mining and quarrying that produces heavy sounds can have harmful effects in the wildlife ecosystem. This affects their hunting behavior and another natural process.

Deforestation

When the industries are being started, they will require a vast area of land. The indiscriminate felling of trees not just affects the rainfall and capacity of the land but also renders much organism shelter less.