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For better job creation, govt. of India can invest in small firms instead of deploying financial capital in large units. Do you agree with this view?

Soln

Indian firms in India are divided based on investment criteria.

There are approx. 63.05 million micro industries, 0.33 million small and approx. 3000 medium enterprises in the country.

\* Investment in Small Firms:

Benefit: → will help the small and medium industries to grow

- produces more jobs and
- increases the capacity of production

⇒ Investment:

- will help companies to grow more
- will get financial back and enhance the capacity of labour and production
- will make company to compete in the market with other big companies

⇒ Effect on Market:

- public will get more better goods.
- the standard of goods will also increase
- the Monopoly Company will be reduced

⇒ on job & Employment:

- Investment and Opportunity increase will increase job demand

→ the unemployment level will be reduced

→ the small industries will get better employee and scope for development.

⇒ International Impact:

→ India will be ready for Large Scale Free Trade Agreement

→ will be able to compete with International brands and markets

→ will attain a global standard market goods for standard market

\* Investment in large units:-

⇒ Investment:

→ ~~market~~ not much helpful due to already availability of large investors

⇒ Job creation:

→ may possible to loose job rather than creation of job

→ job loss may occur due to shift towards tech

⇒ International Impact:

→ not much due to already accepted by international brand and market

⇒ Market:

→ will help to gain monopoly

\* Way Forward:-

→ Govt should invest in small and medium enterprises

→ The informal ~~and~~ of illegal enterprises should be registered and fine to be



imposed for ~~cost~~ certifiable illegal  
activities / operation

→ SME should be promoted and to  
be given opportunities to compete  
with market.

→ job or Funding source to be increased

→ Large firms should be forced or motivated  
to invest in SMEs.