

Small is beautiful

Large-scale industries are not the employment generators

■ An analysis of 63 small-scale, medium and large-scale industries shows that sectors like agriculture and food processing are far ahead in terms of providing economic benefits to a larger number of people than more glorified industries like aircraft and spacecraft

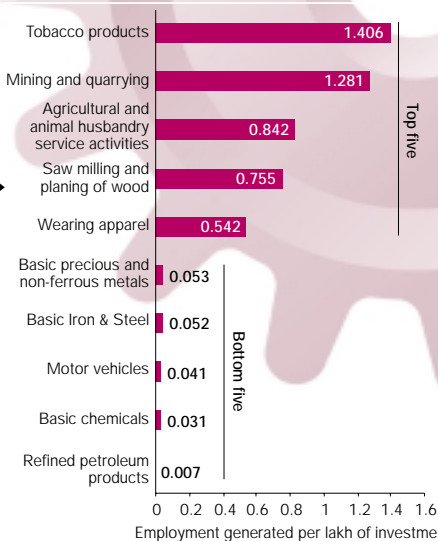
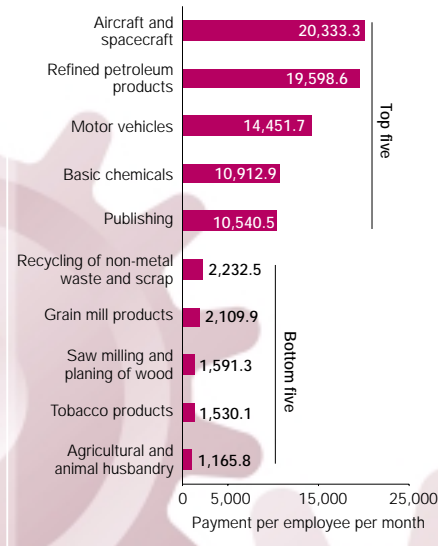
■ Not convinced? Consider India's employment generation versus investment: 0.12 person per Rs one lakh invested. In itself, this figure does not reveal much.

■ But a careful look at sector-wise data shows industries with high investment generate very little employment. For instance, the basic chemical industry — it has the highest investment, Rs 72,203.9 crore per year — is ironically the second lowest employment generator

■ On the other hand, recycling of non-metal waste and scrap sector, which has the lowest investment, is the eighth biggest employer: 0.3 person per lakh of investment

■ The refined petroleum products sector, which has the third highest investment (Rs 58,364.89 crore per year), generates the least employment: 0.007 person per lakh of investment

■ The agriculture and animal husbandry sector is the third biggest employer: 0.8 person per lakh of investment. This figure is substantial, for the much-favoured and



mining and quarrying sector has an employment generation rate of 1.3 person per lakh of investment

■ Furthermore, the output value of the neglected sectors is not low: for agriculture and animal husbandry it is Rs 4,621.3 crore per year; for the sector comprising production, processing and preservation of meat, fish, fruit, vegetables, oils and fats, the output value is Rs 37,043.58 crore per year. In sharp contrast, the value of the mining and quarrying sector is Rs 61.92 crore per year.

▲ ■ In terms of wages, too, the so called 'big' sectors do not help people: the tobacco industry, earning a substantial profit — 26.9 percent of its turnover, the highest among all — is the second lowest paymaster: Rs 1,530 per employee per month.

■ Furthermore, the aircraft and spacecraft industry — mollycoddled by government — is running huge losses: its profit is -14.703 per cent of the total turnover

■ Another interesting aspect is the productivity per person: 4.5 lakh per person employed for the agricultural and animal husbandry sector; 1 lakh per person employed for the mining and quarrying sector

■ So what do these facts imply? Investing in small-scale industries surely benefits more people