Indian Economy · GS - III

Examine the role of state-level industrial policies in promoting regional industrialisation and employment generation. What measures are necessary to ensure that investment incentives lead to sustainable and inclusive development?

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 06/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Fiscal incentives, regional industrial development, employment generation, MSME participation, infrastructure connectivity, skill development, ease of doing business, transparent governance, environmental safeguards, industrial diversification.

Model Answer

Introduction

State-level industrial policies play an important role in attracting private investment, expanding manufacturing and reducing regional economic disparities.

Role of Industrial Policies

Fiscal incentives, subsidies and simplified approval procedures can encourage industries to invest in less-developed regions. Industrial clusters also generate direct employment and support ancillary industries, logistics and local services. The proposed industrial push in Singur illustrates efforts to revive investment interest in regions with an industrial history.

Measures for Sustainable Development

Incentives should be transparent, time-bound and linked to measurable outcomes such as employment, production and local procurement. States must invest in roads, power, logistics and industrial infrastructure. Skill development and MSME integration can ensure that local communities benefit from new investments.

Environmental compliance, labour protections and independent monitoring are equally important. Strong law enforcement and predictable administration can improve investor confidence.

Conclusion

Industrial incentives can support regional transformation when combined with infrastructure, skilled human resources, accountable governance and environmental sustainability.