Indian Economy · GS - III

“Promotion of MSMEs, traditional crafts and Swadeshi products can play a significant role in generating rural employment and achieving inclusive economic development in India.” Discuss.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 19/10/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

MSMEs, rural employment, Khadi and Village Industries Commission, Swadeshi, traditional crafts, local artisans, entrepreneurship, women empowerment, cultural heritage, market access, digital platforms, skill development, credit facilities, inclusive growth.

Model Answer

Introduction

Micro, Small and Medium Enterprises (MSMEs) and traditional industries are important pillars of India's economy. Khadi festivals and similar initiatives promote indigenous products, support local artisans and create employment opportunities in rural areas.

Main Body

Role in rural development:

1. Employment generation: Khadi, handicrafts and village industries provide non-farm employment and reduce excessive dependence on agriculture.
2. Entrepreneurship: MSMEs encourage small businesses and self-employment, including among women and rural youth.
3. Cultural preservation: Traditional crafts protect indigenous skills and India's textile heritage.
4. Local economic growth: Purchasing Swadeshi products supports domestic producers and keeps income within local communities.
5. Inclusive development: Small enterprises can create livelihood opportunities for disadvantaged groups.

Challenges and Way Forward

Limited access to credit, outdated technology, inadequate marketing and competition from mass-produced goods constrain these industries. Better digital market access, skill development, affordable finance, modern technology and quality certification can improve their competitiveness.

Conclusion

Strengthening MSMEs and traditional industries can generate sustainable livelihoods and promote inclusive growth. India should combine the preservation of traditional skills with innovation, productivity and access to wider markets.

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