

the contemporary production, the existence of a variety of industries also cannot be overlooked.

□ CLASSIFICATION OF INDUSTRIES

In order of historical development and degree of complexity, there are three major types of manufacturing industries—

(a) **Cottage industry.** Characterized by hand manufacture of local raw-materials in home and products are thereby meant for the local market.

(b) **Workshop industry.** Characterized by organization of skilled craftsman, use of raw materials from farther afield and sold its products in more distant places.

(c) **Complex modern factory industry.** Manufacturing with the use of industrial machines and involves the use of a variety of raw-materials, enormous amount of power, much capital, many skilled labourers, production of standardised products, mass production methods and assembly line techniques in which articles made in many factories, some of which are produced far apart, are put together (assembled) to form finished products.

Thus manufacturing industries may vary from simple cottage or household industry making very simple goods to very complex, which produce standardised products of very complex nature and may involve many factories. This is the reason that some geographers classify industries on the basis of the nature of the products into the following types—

(a) **Heavy industry.** That produces the producer goods, which support a number of subsidiary industries e.g. Iron and steel industry, railway engines and wagons building industry, ship building industry etc.

(b) **Light industry.** That produces mainly the consumer goods like shoe making, sugar, electronics industries etc.

If one considers the materials index or weight loss ratio as the base for classification, industries can be grouped into two groups.

(a) **Pure industries.** (*Non-weight losing*). Where raw-materials do not lose their weight in the manufacturing process e.g. cotton, wool, leather etc.

(b) **Non-pure industries** (*Weight losing*). Where raw-materials lose much of their weight in the process of production e.g. iron, aluminium, sugar etc.

It is also to be mentioned here that in different countries, industries are classified in different ways. For instance, in Britain there is - 'British Census Classification', in U.S.A. 'the US Standard Industrial Classification' etc. In all these schemes similar industries are grouped together. But the drawback of them are that they can work only within their country's limit and there arises difficulties in achieving comparability among nations having various classifications. Industries like iron smelting and oil refining do not create many problems but in the case of engineering works, problem arises. However, this problem seems to be tackled (atleast to some extent) by United Nations with its International Standard Industrial Classification. It combines all economic activities that may be named as industry. A simplifying format of this classification is given in the table 5.1.

In India, industries are classified on the basis of capital investments. Here, the five main types are—

Large industry	Rs. 5 crores or more
Medium Industry	Rs. 60 lakhs to Rs. 5 Crores
Small Industry	Rs. 5 lakhs to Rs. 60 lakhs
Tiny Industry	-Below Rs. 5 lakhs
Cottage Industry	-Very small investment

Again, based on the raw-materials used they may be agro-based, forest based, chemical industry, ferrous industry and non-ferrous industry etc.