

“A STUDY OF INDUSTRIAL CONTRIBUTION OF NORTH MAHARASHTRA UNDER ELEVENTH FIVE YEAR PLAN”

Dr. Kanchan M. Sananse, Assist. Prof. in Commerce Faculty, Gokhale Education Society's
R.N.C. Arts, J.D.B. Com., N.S.C. Sci. College Nashik Road 422101

Abstract

Industrial sector plays a vital role in Indian economic development by the way of Employment generation, Value addition and Export potential. Industrial sector in India is making significant progress since her independence. However, the industrial units all over the country have certain challenges in the areas such as Finance, Marketing, scarcity of Raw Materials, Quality of product and Low productivity etc. Global competition and non availability of adequate finance are the serious challenges of industries that affect their operational efficiency. In spite of these challenges, the changing policy environment and growing competitiveness the Indian industry has resulted into significant growth of industries of all types and categories in the last two decades.

Industries play an important role in the growth and development of Indian Economy. Looking at their potential to generate employment, faster technical innovation and entrepreneurship, contribution to country's manufacturing output and exports etc. industries have now assumed centre stage in India's Trade Policy. It is acknowledged by the government that alongside agriculture, industries are an important segment of Indian economy. It is widely recognized as a powerful instrument for social and economic growth and balanced sectoral development. This research paper is totally based on secondary data and studies the contribution of industrial sector (which comes under secondary sector) in the economic growth of North Maharashtra. Each of five districts under North Maharashtra is being studied separately to find out the sector wise contribution in its economic development.

Keywords: Industry, growth, Economic Contribution, Sectors

Ellipsis:

District Social and Economic Survey (DSE)

1.1 Introduction:

Industries play an important role in the growth and development of Indian Economy. Looking at their potential to generate employment, faster technical innovation and entrepreneurship, contribution to country's manufacturing output and exports etc. industries have now assumed centre stage in India's Trade Policy. It is acknowledged by the government that alongside agriculture, industries are an important segment of Indian economy. It is widely recognized as a powerful instrument for social and economic growth and balanced sectoral development.

The State of Maharashtra has 35 districts which are divided into six revenue divisions viz. Konkan, Pune, Nashik, Aurangabad, Amravati and Nagpur for administrative purposes.¹ Nashik division includes five districts namely Nashik, Ahmednagar, Jalgaon, Dhule, and Nandurbar. These five districts get covered under North Maharashtra.

1.2 Statement of Purpose:

Secondary sector includes mining, manufacturing and electric supply and construction.² One of the distinctive characteristics of secondary sector is that, the development of this sector would create broader employment opportunities, ensure better use of scarce financial resources, skills development, assist in entrepreneurship and appropriate technology thereby reducing regional imbalance hence assuring more equitable distribution of National Income and Wealth. This is the

sector that has maximum share in the payment of taxes to the government as primary sector is free from the payment of taxes and of course service sector do payment of taxes but they are more dependent on the secondary sector. For the present study, the researcher would like to explore the contribution of industries in the development of North Maharashtra.

1.3 Review of Literature:

- 1) **Seth Anuradha (1995)** in her article 'Cost - Efficiency of small manufacturing enterprises implications for employment policy' published in Economic and Political Weekly found that small firms to be relatively cost - inefficient in all three industries. Prime costs were found to be more significant than fixed costs. Curiously, the difference in fixed cost between small and large firms was not of much significance. Of the costs directly associated with production, material costs were quite a substantial element affecting the relative cost - efficiency of a firm.³
- 2) **Kala Seetharam Sridhar (2003)** in his paper 'Firm location decisions and impact on local economies' published in Economic and Political Weekly stated that the growth centers programme was announced by the Government in 1988 to promote the industrialization of backward areas. The growth centers provide basic industrial infrastructure like power, water, telecom and banking to enable the states to attract industries. This paper attempts to assess qualitatively the performance of the growth centers on the basis of primary data collected from field visits to several centers, discussion with state Government's and visits to several firms located in the growth centers.⁴
- 3) **Rath Nilkanth. (2013)**, the eminent economist Dr. Nilkanth Rath had opened the number of areas of Indian economy and its impact on social and political environment. He suggested that if India wants to strengthen the economy there should be more emphasize on production sector instead of service sector. Mainly Small and Medium Scale industries should be developed in more progressive way. Further he spoke about the scenario of industries in Maharashtra and says that except Konkan, remaining area of the state is vacant and available in abundant. If Indian Government develops good roads and provide proper facility of electricity with the help of Grampanchayat, this place can be given on rental/lease basis to industrialist. And just investment in machinery will easily start the business through that employment will generated in rural area and thus production and economic development of the nation can be achieved.⁵

1.4 Objectives of the study:

- 1) To study the contribution of Primary, Secondary and Tertiary Sector in the economic growth of North Maharashtra.
- 2) To study the industrial contribution in the economic growth of North Maharashtra.

1.5 Research Methodology:

The following methodology is adopted in the present study in order to collect and analyze the data.

- a) **Data Sources:** This paper is based on Secondary data only, published by District Social and Economic Survey (2012) by each of the district covered under North Maharashtra.
- b) **Study Area:** The select study area is North Maharashtra containing five districts viz. Nashik, Ahmednagar, Jalgaon, Dhule and Nandurbar.
- c) **Type of Research:** Analytical research.
- d) **Statistical Tolls Used:** Tabulation, Classification, Average and Per cent.
- e) **Research Instrument:** The research instrument used by the researcher for the present study is secondary data collected from the department of District Social and Economic Survey (2012). After this, the researcher has calculated the growth rate and average growth rate in net income from primary sector, secondary sector and tertiary sector for entire study period of all five districts in North Maharashtra taking base of the year 2006-07.

- f) **Period of Study:** The present study is undertaken for the period of five years i.e. from 2006-2007 to 2010-2011.

1.6 Data Analysis and Interpretation:

The following are the specific findings of the data analysis obtained by District Social and Economic Survey (2012). Each district under North Maharashtra is studied separately for the period of five years taking base of 2006-07. Let us starts from the Nashik district:

i) Sector wise Net Income at Current Prices of Nashik District:

Following is the Table 1 containing the details of sector wise net income at current prices of Nashik district. The average growth rate is calculated by the researcher to present the data, taking 2006-07 as a base year.

Primary sector under Nashik district comes down during the year 2007-08 by 5 per cent taking base of the year 2006-07. But drastically showed growth rate during the year 2010-11 by 81.6 per cent. The average growth rate in primary sector worked out to 12.8 per cent p.a.

The base year secondary sector shot up by 37.9 per cent during the year 2007-08. The average annual growth rate in secondary sector worked out to 16.3 per cent p.a. which is maximum compare to remaining other two sectors.

**Table 1: Nashik District Sector wise Net Income at Current Prices
Average Growth Rate (Rs. in Lacks)**

Sr. No	Sectors	2006-07	2007-08	2008-09	2009-10	2010-11	Average
1.	Total Primary Sector	545600 (-)	518356 (-5.0)	574079 (10.7)	439155 (-23.5)	797598 (81.6)	574958 (12.8)
2.	Total Secondary Sector	907598 (-)	1251696 (37.9)	1372036 (9.6)	1535202 (11.9)	1874955 (22.1)	1388297 (16.3)
3.	Total Tertiary Sector	1183318 (-)	1364804 (15.3)	1570581 (15.1)	1841058 (17.2)	2208823 (20.0)	1633717 (13.5)
	Total District Income	2636518 (-)	3134855 (18.9)	3516695 (12.2)	3815415 (8.5)	4881375 (27.9)	3596972 (13.5)

Source: District Social and Economic Survey (DSE) (2012)

Note: figures in bracket shows per cent growth rate to previous year.

Tertiary sector also showed rising trend and average annual growth rate under it worked out at 13.5 per cent p.a. The base year total income shot up by 18.9 per cent during the year 2007-08. Further in next continuous two years it increases but at diminishing rate. During the year 2010-11 again it shot up by 27.9 per cent. The average annual growth rate in net total income of the Nashik district for entire study period worked out at 13.5 per cent p.a.

ii) Sector wise Net Income at Current Prices of Ahmednagar District:

Following is the Table 2 containing the details of sector wise net income at current prices of Ahmednagar district. The average growth rate is calculated by the researcher to present the data.

**Table 2: Ahmednagar District Sector wise Net Income at Current Prices
Average Growth Rate (Rs. in Lacks)**

Sr. No.	Sector	2006-07	2007-08	2008-09	2009-10	2010-11	Average
1.	Primary Sector	364390 (-)	468525 (28.6)	535387 (14.3)	483890 (-9.6)	1046284 (116.2)	579695 (29.9)
2.	Total	326591	435483	376335	440097	597246	435150

	Secondary Sector	(-)	(33.3)	(-13.6)	(16.9)	(35.7)	(14.5)
3.	Total Tertiary Sector	842069 (-)	968613 (15.0)	1128868 (16.5)	1301252 (15.3)	1564745 (20.2)	1161109 (13.4)
	Total District Income	1533049 (-)	1872620 (22.2)	2040589 (9.0)	2225239 (9.0)	3208274 (44.2)	2175954 (16.9)

Source: District Social and Economic Survey (2012)

Note: figures in bracket shows per cent growth rate to previous year.

Primary sector in Ahmednagar district shot up by 28.6 per cent during the year 2007-08 representing amount Rs. 468525 Lack. During the year 2010-11 it shot up remarkably by 116.2 per cent. The average annual growth rate of primary sector worked out at 29.9 per cent p.a. which is highest as compare to remaining other two sectors.

The secondary sector showed rising trend except during the year 2008-09 in which it comes down by 13.6 per cent. The average annual growth rate in secondary sector worked out at 14.5 per cent p.a. Tertiary sector showed continuous rising trend which is fluctuating in nature. The average annual growth rate in tertiary sector worked out at 13.4 per cent p.a.

The base year total income of Ahmednagar district shot up by 22.2 per cent during the year 2007-08. Further it comes down at 9 per cent for next two years till 2009-10. But during the year 2010-11 it again shot up by 44.2 per cent. The average annual growth rate in net total income of Ahmednagar district worked out at 16.9 per cent p.a.

iii) Sector wise Net Income at Current Prices of Jalgaon District:

Following is the Table 3 containing the details of sector wise net income at current prices of Jalgaon district. The average growth rate is calculated by the researcher to present the data. The base year primary sector of Jalgaon district shot up by 29.8 per cent representing the amount of Rs. 3, 87,757 Lack during the year 2007-08. The average annual growth rate in primary sector worked out at 13.1 per cent. The growth rate of secondary sector showed rising trend which is fluctuating in nature. The average annual growth rate in secondary sector worked out at 21.2 per cent. Tertiary sector again showed fluctuating rising trend. The average annual growth rate in it worked out at 13.3 per cent p.a.

**Table 3: Jalgaon District Sector wise Net Income at Current Prices
Average Growth Rate (Rs. in Lacks)**

Sr. No.	Sector	2006-07	2007-08	2008-09	2009-10	2010-11	Average
1.	Primary Sector	298667 (-)	387757 (29.8)	375298 (-3.2)	476638 (27.0)	534386 (12.1)	414549 (13.1)
2.	Total Secondary Sector	360958 (-)	464222 (28.6)	681471 (46.8)	743630 (9.1)	903853 (21.5)	630827 (21.2)
3.	Total Tertiary Sector	776629 (-)	892352 (14.9)	1007687 (12.9)	1201564 (19.2)	1435437 (19.5)	1062734 (13.3)
	Total District Income	1436255 (-)	1744331 (21.4)	2064456 (18.4)	2421831 (17.3)	2873676 (18.7)	2108110 (15.2)

Source: District Social and Economic Survey (2012)

Note: figures in bracket shows per cent growth rate to previous year.

The base year total income of Jalgaon district shot up by 21.4 per cent during the year 2007-08. Further it showed fluctuating trend in growth rate. The average annual growth rate in net total income of Jalgaon district worked out at 15.2 per cent p.a.

iv) Dhule District Sector wise Net Income at Current Prices:

Following is the Table 4 containing the details of sector wise net income at current prices of Dhule district. The average growth rate is calculated by the researcher to present the data.

The base year primary sector of Dhule district shot up by 65.2 per cent during the year 2007-08. The average annual growth rate in Primary Sector worked out at 23.8 per cent p.a.

The secondary sector showed increasing trend continuously which was fluctuating in nature. The average annual growth rate in secondary sector worked out at 17.5 per cent p.a. Tertiary sector even showed rising trend and the average annual growth rate in it is calculated at 13.2 per cent p.a.

**Table 4: Dhule District Sector wise Net Income at Current Prices
Average Growth Rate (Rs. in Lacks)**

Sr. No	Sector	2006-07	2007-08	2008-09	2009-10	2010-11	Average
1.	Primary Sector	88369 (-)	145969 (65.2)	103909 (-28.8)	152203 (46.5)	207015 (36.0)	139493 (23.8)
2.	Total Secondary Sector	115070 (-)	136985 (19.0)	162947 (19.0)	190360 (16.8)	252506 (32.6)	171574 (17.5)
3.	Total Tertiary Sector	363956 (-)	417577 (14.7)	467948 (12.1)	557738 (19.2)	669193 (20.0)	495282 (13.2)
	Total District Income	567396 (-)	700531 (23.5)	734804 (4.9)	900301 (22.5)	1128714 (25.4)	806349 (15.3)

Source: District Social and Economic Survey (2012)

Note: figures in bracket shows per cent growth rate to previous year.

The base year net total income shot up by 23.5 per cent during the year 2007-08. During the year 2009-10 and 2010-11 the growth rate again rise by 22.5 per cent and 25.4 per cent respectively. The average annual growth rate in net total income of Dhule district worked out at 15.3 per cent p.a.

v) Sector wise Net Income at Current Prices of Nandurbar District:

Following is the Table 5 containing the details of sector wise net income at current prices of Nandurbar district.

**Table 5: Nandurbar District Sector wise Net Income at Current Prices
Average Growth Rate (Rs. in Lacks)**

Sr. No.	Sectors	2006-07	2007-08	2008-09	2009-10	2010-11	Average
1.	Primary Sector	110590 (-)	107984 (-2.4)	107062 (-0.9)	131455 (22.8)	348613 (165.2)	161141 (37.0)
2.	Total Secondary Sector	36920 (-)	43735 (18.5)	53076 (21.4)	63537 (19.7)	80286 (26.4)	55511 (17.2)
3.	Total Tertiary Sector	187090 (-)	214166 (14.5)	240872 (12.5)	285937 (18.7)	341490 (19.4)	253911 (13.0)
	Total District Income	334600 (-)	365885 (9.3)	401010 (9.6)	480929 (19.9)	770387 (60.2)	470562 (19.8)

Source: District Social and Economic Survey (2012)

Note: figures in bracket shows per cent growth rate to previous year.

The net income under primary sector showed negative growth rate by 2.4 per cent during the period 2007-08 taking base of year 2006-07. But during the year 2009-10 it shot up by 22.8 per cent. The average annual growth rate in primary sector worked out at 37.0 per cent p.a.

The average annual growth rate in secondary sector of Nandurbar district worked out at 13.0 per cent p.a. the total net income of Nandurbar district showed increasing trend and the average annual growth rate in it worked out at 19.8 per cent p.a.

vi) Sector wise District Income in North Maharashtra:

Following is the Table 6 containing the details of sector wise district income in North Maharashtra containing five districts.

Primary sector includes Farming and farming related activities. Ahmednagar District stood first in primary sector contribution from the year 2006-07 to 2010-11. It contributes Rs. 28, 98,476 Lakh representing 31 per cent share in North Maharashtra. Nashik district stands second followed by Jalgaon and Dhule. Nandurbar district stood last in entire North Maharashtra for contribution in primary sector. During the year 2010-11 North Maharashtra has showed remarkable growth representing 31.4 per cent to total. Total primary sector in North Maharashtra showed remarkable growth from the year 2006-07 till 2010-11 and thus development thereby.

Secondary sector includes industry and related activities. North Maharashtra showed remarkable growth under secondary sector during the year 2010-11 representing 22.7 per cent share to total. It also showed continuous rising trend from the year 2006-07 to 2010-11. Among the five district under North Maharashtra Nashik district showed highest contribution under secondary sector followed by Jalgaon, Ahmednagar, Dhule and at last Nandurbar District.

Table 6: Sector wise District Income in North Maharashtra at Current Prices (Rs. in Lacks)

Sr.No	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11	Total
A.	Primary Sector						
1	Nashik	545600 (5.8)	518356 (5.5)	574079 (6.1)	439155 (4.7)	797598 (8.5)	2874788 (30.7)
2	Ahmednagar	364390 (3.9)	468525 (5.0)	535387 (5.7)	483890 (5.2)	1046284 (11.2)	2898476 (31.0)
3	Jalgaon	298667 (3.2)	387757 (4.1)	375298 (4.0)	476638 (5.1)	534386 (5.7)	2072746 (22.2)
4	Dhule	88369 (0.9)	145969 (1.6)	103909 (1.1)	152203 (1.6)	207015 (2.2)	697465 (7.5)
5	Nandurbar	110590 (1.2)	107984 (1.2)	107062 (1.1)	131455 (1.4)	348613 (3.7)	805704 (8.6)
<i>Total Primary Sector</i>		<i>1407616 (15.1)</i>	<i>1628591 (17.4)</i>	<i>1695735 (18.1)</i>	<i>1683341 (18.0)</i>	<i>2933896 (31.4)</i>	<i>9349179 (100)</i>
B.	Secondary Sector						
1	Nashik	907598 (6.8)	1251696 (9.3)	1372036 (10.2)	1535202 (11.5)	1874955 (14.0)	6941487 (51.8)
2	Ahmednagar	326591 (2.4)	435483 (3.2)	376335 (2.8)	440097 (3.3)	597246 (4.5)	2175752 (16.2)
3	Jalgaon	360958 (2.7)	464222 (3.5)	681471 (5.1)	743630 (5.5)	903853 (6.7)	3154134 (23.5)
4	Dhule	115070 (0.9)	136985 (1.0)	162947 (1.2)	190360 (1.4)	252506 (1.9)	857869 (6.4)
5	Nandurbar	36920	43735	53076	63537	80286	277554

		(0.3)	(0.3)	(0.4)	(0.5)	(0.6)	(2.1)
<i>Total Secondary Sector</i>		1747137 (13.0)	2332121 (17.4)	2645865 (19.7)	2972826 (22.2)	3708846 (22.7)	13406796 (100)
C.	Tertiary Sector						
1.	Nashik	1183318 (5.1)	1364804 (5.9)	1570581 (6.8)	1841058 (8.0)	2208823 (9.6)	8168584 (35.5)
2.	Ahmednagar	842069 (3.7)	968613 (4.2)	1128868 (4.9)	1301252 (5.6)	1564745 (6.8)	5805547 (25.2)
3.	Jalgaon	776629 (3.4)	892352 (3.9)	1007687 (4.4)	1201564 (5.2)	1435437 (6.2)	5313669 (23.1)
4.	Dhule	363956 (1.6)	417577 (1.8)	467948 (2.0)	557738 (2.4)	669193 (2.9)	2476411 (10.8)
5.	Nandurbar	187090 (0.8)	214166 (0.9)	240872 (1.0)	285937 (1.2)	341490 (1.5)	1269555 (5.5)
<i>Total Tertiary Sector</i>		3353062 (14.6)	3857512 (16.7)	4415956 (19.2)	5187549 (22.5)	6219688 (27.0)	23033766 (100)
Total Income of North Maharashtra		6507815	7818224	8757556	9843716	12862430	23033766
Total State Income		52690997	61988353	67778112	78776101	98245229	359478792
Per cent of Total North Maharashtra to State Income		12.4	12.6	12.9	12.5	13.1	6.4

Source: District Social and Economic Survey (2012)

Note: Figures in bracket shows per cent share to total.

Tertiary sector includes income from Railway, Transport and Warehousing, Transportation, Trade and Restaurants, Banks and Insurance, Trading Services, Public Administration and income from Other Services. Many of these services are dependent on industries at large. This sector even showed rising trend in North Maharashtra from 2006-07 to 2010-11. During the year 2010-11 its growth rate stood maximum 27.0 per cent to total. Among that Nashik district stood first representing 35.5 per cent followed by Ahmednagar, Jalgaon, Dhule and then Nandurbar at last representing 5.5 per cent to total.

North Maharashtra showed continuous rising trend in calculation of per cent of total North Maharashtra to state income except during the year 2009-10. The total share of north Maharashtra in state income worked out at 6.4 per cent during the entire study period.

1.7 Conclusions:

- 1) The average annual growth rate in secondary sector of Nashik districts worked out to 16.3 per cent p.a. which is highest as compare to remaining other two sectors. And the average annual growth rate in net total income of the Nashik district for entire study period worked out at 13.5 per cent p.a.
- 2) The average annual growth rate in secondary sector of Ahmednagar district worked out at 14.5 per cent p.a. and the average annual growth rate in net total income of Ahmednagar district worked out at 16.9 per cent p.a.
- 3) The average annual growth rate in secondary sector of Jalgaon district worked out at 21.2 per cent p.a. and the average annual growth rate in net total income of Jalgaon district worked out at 15.2 per cent p.a.

- 4) The average annual growth rate in secondary sector of Dhule district worked out at 17.5 per cent p.a. and the average annual growth rate in net total income of Dhule district worked out at 15.3 per cent p.a.
- 5) The average annual growth rate in secondary sector of Nandurbar district worked out at 13.0 per cent p.a. and the average annual growth rate in it worked out at 19.8 per cent p.a.
- 6) Among the five district under North Maharashtra Nashik district showed highest contribution under secondary sector followed by Jalgaon, Ahmednagar, Dhule and at last Nandurbar District.
- 7) The total share of North Maharashtra in state income worked out at 6.4 per cent during the entire study period.

References:

- 1) Economic Survey of Maharashtra 2012-13
- 2) Sundaram, Satya 'Excess Growth of Tertiary Sector in India', Services Sector in the Indian Economy pp. 13 - 19, edited by Gandhi, P. Jegadish and Cancun, (2002), Deep and Deep Publications Pvt. Ltd. New Delhi
- 3) Seth Anuradha, 'Cost - Efficiency of small manufacturing enterprises implications for employment policy', - Economic and Political Weekly, November 25, 1995 pp m-130 to m-134
- 4) Kala Seetharam Sridhar, 'Firm location decisions and impact on local economies', Economic and Political Weekly, Sept 27, 2003, pp 4121- 4130
- 5) Rath Nilkanth. (2013), Loksatta Newspaper, 24th Feb 2013, p.7