

# Chapter - 5

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**Conclusions and Suggestions**

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5.2 Suggestions

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The present study of estimating income generated by the secondary sector of the Kolhapur district for the year 2000-01 and its thorough analysis reveals the following important and major conclusions.

1. During the period of three years from 1999-2000 to 2001-02 the district income of Kolhapur district, both the gross and net income have increased significantly, which is an indicator of rapidly growing economic growth of the Kolhapur district economy. It stood at 13% and about 14% respectively.
2. Kolhapur district economy is a service sector growth oriented economy. Because, it mainly depends upon service sector, for its economic growth after that the secondary sector ranks at second position. During the period 1999-2000 to 2001-02 the income from service sector of Kolhapur district rose at 24% and the secondary sector grew at about 8% growth rate, when Kolhapur district income at current prices is taken into account.

3. Only growth rate is not adequate to identify the dependency of the economy on a specific or particular productive sector. For this the relative share of the different productive sector in the district income is necessary to be taken into consideration. The ratio analysis of the Kolhapur district income reveals that the same conclusion is drawn in the components of economy of the Kolhapur district. Of three productive sectors, the service or tertiary sectors was the major contributor in the district income of Kolhapur. On an average the service sector has contributed by 45% in the Kolhapur district income.
4. With regard to relative contributions of different productive sectors primary sector stands at second position than the secondary sector. Because on an average primary sector has contributed by about 27% during 1999-2000 to 2001-02. In the primary sector agriculture played a very vital role in economic development of the Kolhapur district economy. Its share in income from primary sector stood at 96% on an average. This clearly indicates the dependence on agriculture for the development of primary sector in general and economy as whole of Kolhapur district. The allied activities to agriculture are not developed to the extent expected.

5. It is revealed that, the secondary sector of the Kolhapur district economy is growing significantly after the service or tertiary sector. Our study gives emphasis on estimating the income generated by secondary sector. The conclusions regarding that will be enlisted latter on.
6. Basically, Kolhapur district economy is a service sector growth oriented economy. It is the service sector, which has been playing an important role materialising the growth of Kolhapur district in terms of both the growth rate as well as the relative share. The service sector of the Kolhapur district grew at 24% growth rate during the period under our study. Likewise, its relative contribution to the income of Kolhapur district was more than 45% on an average.
7. The in detailed analysis of the service sector reveals that banking and insurance, trade, hotels and restaurants are the major players in generating income by the service sector. This adequately reveals that Kolhapur district economy greatly depends upon banking and insurance, trade, hotels and restaurants to generate income from service sector in general and district income in particular.
8. Secondary sector and its relative contribution in generating district income and development of the district economy is so much important because our study tries to estimate income generated by the secondary sector and it's

components. It is found that secondary sector stands at the second position in generating Kolhapur district income as well as its economic growth in terms of both the growth rate as well as relative share. The secondary sector showed the growth of 7.5% during the period 1999-2000 to 2001-02. Moreover, its percentage share in district income of Kolhapur stood at 25% on an average.

9. The study of composition of secondary sector shows that registered manufacturing industry, unregistered manufacturing industry, construction activities, electricity, gas and water supply are the major sources or activities of generating income from secondary sector and consequently the district income of Kolhapur.
10. The analysis of secondary sector income of Kolhapur district reveals that manufacturing sector or industries have been playing an important role in generating secondary sector income of the Kolhapur district. Thus, both contribute by about 70% share to the secondary sector income of Kolhapur district. It is the fact that comparatively registered manufacturing industries have been contributing a major share (45%) to the income from secondary sector of Kolhapur district. This reveals that the dependence of the Kolhapur district economy on generating income from secondary sector as well as the economy as a whole, on the

sub sectors of secondary sector like construction, electricity, gas and water supply.

11. Our study estimates income generated by secondary sector, and also makes comparison with the secondary sector income estimated by DES (Directorate of Economics and Statistics, Government of Maharashtra). The study shows that there is under estimation of income generated by the secondary sector, which is estimated by the DES. This may be due to difficulties in collecting the necessary data and information.
12. The striking feature of comparison of secondary sector income estimated by the DES and our study is that the estimates of income generated by the sub sectors of the secondary sector such as construction, electricity, gas and water supply are over estimated.
13. Our study draws a conclusion that secondary sector of Kolhapur district is mainly depending upon manufacturing industries both the registered and unregistered. Its comparison shows that the role of unregistered manufacturing industries is more important than the registered manufacturing industries. These industries that the number of unregistered manufacturing industries is greater than the registered and they have been playing

a significant role in the development of secondary sector as well as the total economy of the Kolhapur district.

14. District income has a special importance in Economics, because it works as an indicator of economic growth of the district. Our study reveals that Kolhapur district is a developed district as indicated by the size growth and ratio analysis of the district income.
15. However, estimation of district income is a very difficult task as far as individual attempts are concerned. Because it requires a lot of information and data to be collected. At the same time, there is absence of adequate availability of the necessary data.
16. Our attempts to estimate the secondary sector income of the Kolhapur district for the year 2000-01 showed that it is very pains taking and time consuming work particularly for an individual researcher, but it is not impossible.
17. The analysis of secondary sector income of the Kolhapur district estimated by our study indicate that manufacturing sector have played a very vital role in generating income from secondary sector of the Kolhapur district.
18. In the manufacturing sector of the secondary sector of Kolhapur district, unregistered industries are very much important. Because they have shouldered an important



responsibility of this sector as well as the whole economy of the Kolhapur district.

19. Our study adequately reveals that construction activities have not played much important role in the generation of income from secondary sector of the Kolhapur district.
20. The same is the case of the sub sectors of the secondary sectors such as electricity, gas and water supply their role in creating secondary sector income of Kolhapur district is comparatively better but not good like that of manufacturing sector.

## **5.2 Suggestions**

The indetailed study of the Kolhapur district with more emphasis on income of the secondary sector of Kolhapur district suggests following important suggestions so as to overcome difficulties in estimation of district income as well as the use of the district income for various purposes.

1. It is inadequate availability of data and information required. It has become very difficult to estimate the district income and the income of the different sub-sectors. The state government should make provision of the availability of the necessary and required data.

2. The DES is not maintaining accounts of economic activities and transactions at district level properly. The DES should be made compulsory to maintain such records properly.
3. The DES does not much take into account the productive activities at Tehsil and grassroot level (village). As the result of which, the measurement of the village, taluka and district income is very difficult. The DES should attempt to collect and publish data of the economic activity and economic transactions for the tehsil and village level along with the district level.
4. The NSSO tries to estimate the income at national and state level in India. However, it does not deal with the income of district, tehsil and village level. It is the need of the hour to estimate income for the above said levels as well as publish the necessary economic data for the same.
5. The DES at state as well as district level does not cooperate in supplying the necessary data and information concerning the district and grassroot levels. It should be made compulsory to DES to maintain such records as well as supply them to needy people.
6. In the era of 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments the local governments rural as well as urban are far away from measurement of district as well as income generated by its sectors and sub sectors. The important role should be

assigned to the local governments such as Municipal Corporations, Municipal Councils, Zilla Parishad, Panchayat Samities, Village Panchayats with regard to information about district and taluka and village level incomes and information.

7. The NGOs should be given some responsibilities in monitoring and collecting the information and data about the district income and economic activities.
8. The participation to the university and big colleges in the estimation of district and taluka income will be useful and should be given them this responsibility.
9. The officials of the state government such as collector, tehsildars and others should be involve in creating the database of the district, taluka and village income and economic activities.
10. It should be made compulsory to the DES and other departments of the state government to publish the data as well as supply them to the researchers.