



CHAPTER -I

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A) PART-I

INTRODUCTION :

No country can make its progress and achieve the goal of economic development without industrialisation. Industrialisation is the catchword of the modern world. Now what is meant by Industry ?

" The word Industry refers to production of goods through utilisation of the available material resources". Growing of crops on a farm, processing of raw materials, manufacturing a finished product or fabrication of parts and components of goods are all grouped under the category Industry.

Industry creates from utility. This means that it aims at ensuring supply of goods in that form which suits the objects, needs and convenience of the persons expected to use them.

Industry is classified on the basis of goods produced as under :-

1. Genetic
2. Primary
3. Entractive
4. Manufacturing
5. Construction

India as a developing country is in need of rapid industrialisation but at the same time, the fact should not be forgotten that basically India is an agricultural country. The main occupation of a large number of Indians is farming or based on farming. So only loopsided development with the help of industrialisation and neglecting the agriculture wouldn't prove beneficial to India. The second thing is for such type of industrialisation India has to depend on the foreign help say in the form of technical know-how, different machinery and parts and sometimes financial assistance also. Without neglecting the importance of industrialisation one can definately say that it is desirable for India to concentrate on industries which are based on agriculture that is Agro-based industries, such as cotton, Jute, oil seeds , sugar and so on. With the help of these agro-industriew India can achieve balanced and self-relient development and at the same time the agriculture production cab be used as a raw material in a proper manner. The farmers can get used to take cash crops like cotton, sugarcane etc. Because of these agro-industries there are chances of social as well as economic development of the rural area.

Sugar Industry is one of the important Agro-Industries. India has been the home of sugar cane. Vishwamitra provided Sugarcane a lunury to Trishanku- Cane has been grown in India from time immemorable. Mention of it occurs in the Vedic literature (500B-C). Chinese writers of the 8th century B.C. have recorded that knowledge of sugarcane and its products was derived from India. In 600 AD, the Chinese Emperor Tsai Heng sent agents to Bioar in India to learn the art of Sugar manufacture. Alexander the Great and his soldiers took back with them sugar cane. So it can be believed that India is the original home of sugar cane.

Production of sugar from sugar cane is very old process in India. In olden days sugar cane was cultivated in almost all the parts in the country and was turned into " Gur". For consumption by ordinary people, certain quantity of sugar-cane was also used for making " Khandsari" i.e. " Deshi Sugar " for confectioning and other similar use.

In-spite of this fact it was only at the end of the 19th century sugar factories in the modern sense commenced operating in India. It is said to have been first introduced by the Duchin North Bihar in about 1840.

But this was an unsuccessful attempt. Successful attempts have been first made in 1903 by the Britishers. Until 1930 India's Sugar Industry was in its infancy and could not compete with the foreign sugars. The Government decided to grant protection to the home industry.

PART-II

Seasonal workers :-

In this research work, the attempt has been made to study the seasonal workers.

It is a clear fact that for any production four factors of production are needed namely land, labour, capital, enterprise.

Without neglecting the importance of other factors, we have to accept the fact, that labour as a living being is more important than other factors. The proper utilisation of other factors depend on the quality and quantity of labour.

Now what is meant by Labour ? In this research work the word worker is used instead of labour as it is comparatively more common, but the term labour, labourer, worker, workmen, employee are synonymous.

Labour means " any work whether manual or mental which is undertaken for a monetary consideration is called Labour " .

Labour may be defined as " workers who do not have any other source of livelihood except the sale of their labour power " (i.e. capacity to work either physically or mentally).

In sugar industry, number of workers are working at different levels.

Some workers are permanent workers, but large number of workers are seasonal workers, they are appointed only during the season and when season ends, they are discontinued.

Definition of Seasonal worker :-

Definition of Season :

" Season" means the period or periods each year during which sugarcane is crushed and sugar manufactured and " off season" means the period of each year other than the season.

Definition of Seasonal employee, or worker :-

" Seasonal employee " means an employee who is appointed in writing by the Managing Director to do the

seasonal work mainly and/or also for the period necessary for cleaning and other hauling either before and/or after the season.

B) Progress of Sugar Industry in India.

The tariff Board of 1931-32 recommended that, protection should be granted to the industry for a period of 15 years. With the grant of protection there was a remarkable development of the sugar industry. In 1931-32 there were only 31 factories with a total production of 1,58,000/- tonnes with the grant of protection the number of factories rose to 135 with a production of 9,19,000/- tonnes in 1935-36. As a result of increase in production, there had been a sharp decline imports. The protection continued till 1950 as the result of the Tariff Board's recommendation from time to time.

Due to world War-II the growth of industry was regarded. A Sugar famine developed during t war period. The Govt. was forced to introduce sugar control. It continued until 1947. Production declined in this period. Due to restriction consumption also declined.

After Independence :-

In 1947, India got her freedom and accepted Mixed

Economy. Free India adapted socialistic pattern of society. For alround development of the country India accepted the policy of economic planning. The planning period starts from the year 1950-51.

Before planning period, the situation was some what satisfactory. With the control of the industry in December 1947 both the production and consumption promptly increased. But with the reimposition of controls, in Sept. 1948, improvement was lost, and also the sugar production was declined. There were two reasons of it.

1. In order to reduce the selling price of sugar, Govt. Of India reduced the price of sugar cane to be paid by the factories.
2. The percentage recovery of sugar declined. But subsequently the production of sugar improved, due to conserted action of Govt. and mill owners. In 1949-50 prior to the initiation of First Five year Plan, there were 158 sugar factories in Independent India with a sugar production of 11.16 lace tonnes against arated capacity of 1.54 million tonnes.

First Five year plan :

The production of the industry in 1950-51 was 11.14 lac tonnes of sugar. The measures were taken to utilise the idle capacity. Unfavourably located factories were shifted to more suitable sites. Efforts were made to increase the supply of the sugar cane to factories so as to raise the average number of working days.

The production was increased upto 14.94 lac tonnes in 1951-52. There was increase in production of sugar mainly due to introduction of free sales of sugar. Factories were allowed to sell in excess of 10.7% of production in 1948-49 or 1949-50. Prior to this, factories had to sell the entire output under controlled price which gave no incentive to increase production.

Production of sugar again declined in 1952-53 and in 1953-54 due to decrease in number of factories in actual operation from 133 to 113 and 86 and heavy opening stocks with the factories, the old and obsolete machinery and diversion of sugar cane to the production of "Gur" due to increase demand for liquor.

But in 1952 Govt. decontrolled the sugar. There was sudden increase in production and consumption of sugar.

Thus there were 160 sugar factories with an annual capacity of about 1.74 million tonnes of sugar per annum worked during 1955-56 season.

Second Plan :-

In the second Plan the target for sugar production was fixed at 22.5 lakh tonnes for which an installed capacity of 25.4 lac tonnes was envisaged.

The actual production of sugar was 30.2 lac tonnes and the installed capacity was of the order of 30.29 lac tonnes. It was not possible to attain target mainly due to acute shortage of foreign exchange which made it necessary to curtail imports of sugar mill machinery.

Third Plan :

The stage of self sustained growth was reached by the end of Second Plan period. But the production of sugar suffered a decline of 22.14 and 21.52 lac tonnes in 1961-1962 and 1962-63 respectively. This happened due to smaller availability of cane for crushing by the factories and because of lower cane crop and diversion of cane supplies to Joggery. The result is shorter duration of the season for sugar factories. The total production of sugar produced in the year 1965-66 is 35.4 lac tonnes.

Fourth Plan :

There was aim to achieve an output level of 47 lac tonnes by 1973-74. The production programme was partly through the expansion of existing units and partly through the establishment of next units. Primarily in the co-operative sector there was sugar production of 42.50 lac tonnes in 1969-70, but sugar production fell in 1970-71 and 1971-72 to 37.40 and 31.10 lac tonnes respectively. With the rise in open market price of sugar, its production in 1972-73 again shot-up and stood at 38.8 lac tonnes. In the final year of 4th Plan 1973-74, Sugar production further rose to 39.5 lac tonnes.

Fifth Plan :-

Expected to step-up sugar production to 5.70 million tonnes by the end of fifth plan. Additional capacity was to be encouraged prosperity into the co-operative sector, with emphasis being laid on integrated and larger plans to secure advantages of economics of scale.

This was to facilitate economic utilisation of byproduct of the industry, leading to an over all improvement in its performance. Diversification of raw material based on the production of beet sugar was also expected.

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The cultivation of sugar beet programme formed a part of agricultural developments.

In the year 1973-74 that was at the beginning of the fifth plan production was 39.5 lacs and by the year 1976-77 that is at the end of the fifth plan it was 48.4 lacs.

Sixth Plan :

The target of output for the sugarcane in the sixth five year plan period was under :-

	<u>1979-80</u>	<u>1984-85</u>	<u>Annual compound growth rate</u>
Sugarcane (Million tonnes)	128	200 to 215	9.3 to 10.9

Agricultural sector performed very well during the Sixth plan and some of the targets were overfulfilled for the first time since the first plan. Sugarcane production was almost on the target.

Seventh Plan :

During the Seventh Plan, the agriculture sector is expected to grow at an average annual rate of 4% in terms of gross output. The growth rate of output is expected to be 3.8% in sugarcane.

Target of sugar fixed for seventh Plan is as under :-

Commodity	Unit	1984-85	1988-90	Compound Annual Growth
Sugar	Million Tonnes	6.2	10.2	10.5

We will see whether targets will be fulfilled.

Sugar Industry in Maharashtra :

Out of the total sugar factories in Maharashtra more than 85% are in co-operative sector. These factories have made enormous progress in sugar business.

The first co-operative sugar factory viz. Pravara Sahakari Sakhar Karkhana started by ordinary sugarcane cultivators by purchasing the shares of the establishment. It was against the socio-economic background that the cultivators in Maharashtra revolted against the exploitative move of the private enterprise. They started everything to get their own factory and Govt. considered the fact and cultivators were fortunate enough in getting active support and assistance of the Maharashtra State Co-operative Bank and other enlightened leaders working in co-operative movement.

Between 1933-1953, there were 100 sugar factories set up in Maharashtra state, hardly 13 had come up and these were in private sector upto 1961-62, the central Govt. granted industrial licence to 67 co-operative sugar factories in Maharashtra. Total sugar production of this stage in the year 76-77 was 19.7 lac tonnes and sugarcane area in those years was 5,95,000 acres..

Co-operative sugar factories in Maharashtra being an agro-based industry have ample scope in socio-economic development of the countrymen.

Importance of sugar industry in India.

Sugar industry occupies a prominent position in the Industrial sector of the country. India is agricultural country. Agriculture is the backbone of Indian economy. The sugar industry in India is the biggest agro-based industry in the economy of the country.

1. Employment :

Sugar Industry gave employment to nearly 3 lac persons including skilled, unskilled, seasonal, permanant, technicians etc. Besides about

3 crores of agriculturists and persons engaged engaged in transportation and harvesting cane. The annual wage bill works out to Rs. 850/- millions approximately.

2. Prosperity :

Sugar Industries are playing important role in promoting the prosperity of the country. The capacity of producing sugar in India is the highest in the world. India produces comparatively more white sugar than any other country in the world.

There are number of industries based on sugar industry such as sugar machinery manufactures, engineering industries, distilleries, paper industry, pesticides, fertilizers, chemicals, pharmaceuticals etc. Not only the prosperity and development but mere existance of some of these industries depend on sugar industry.

There are several by products of sugar industry. The main by-product of sugar industry is press-mud, which is used in preparing the compost manure, animal food etc. In the manufacture of paper cardboard, Insulation board, there is need of bagasse. Molasses

have demand in the preparation of plastics, synthetic rubber, chemical and power alcohol.

There are about 124 distilleries in India. The annual licensed capacity of these distilleries is 6,43,962 Kilo-litres. There are various subsidiary industries such as confectionary. The total capital outlay of sugar industry is ever increasing. Sugar Industry is one of the largest paymasters.

Sugar industry ranks third largest industry in terms of its contribution to the net value added by manufacturer and has a total capital investment over 120 crores.

3. Revenue :

Industry's contribution to the revenue of the state and the central governments in the form of excise duty, cane-cess, income tax, purchase and sur-tax is remarkable.

4. Foreign exchange :

India also gets foreign exchange from the export of the sugar. The exports of sugar from India were not permitted for a long time. But in recent years, restricted exports of sugar have been taking place to some of the neighbouring countries. Sugar export

promotion Act was announced in 1958. India joined the International Sugar Agreement and also common-wealth Sugar Agreement. It increases India's foreign exchange.

Export of Machinery :

With the know-how and the experience, India has not become self-sustained in its requirements of machinery and equipment for the sugar industry, but has been exporting substantially to the middle East countries.

5. Close Link between factory and cane growers :

Sugar industry is different as compared to other agro-based industries such as Jute-production, cotton and vegetable oil etc. The unique feature of sugar industry is the close link between the factory and the cane growers within its reserved areas. The two are interdependent and the welfare as well as prosperity of each is closely connected with that of the other. Sugar cane is perishable product and it has been essential to start sugar factories in the rural areas itself or near it. It has become the well organised business in the rural areas. This business has also helped to develop several other trade and industries such as paper mill and distilleries etc.

6. Labour Force in Sugar Industry :

At about 60% employees working in sugar industry are employed from local sources. Generally these employees are semi-skilled and un-skilled. As such their wages are low. They could not maintain themselves with their insufficient wages. The sugar factories therefore being an agro-based industry have a great responsibility towards socio-economic development of the rural areas, as well as their employees. The type of training given to the sugar industry workers is entirely of a different nature and it is tough too, when this is the case of the workers in sugar industry, their personality which will be developing as a 'Sugar Worker' and the life pattern which will be moulded as ' Sugar workers' will be quite different than those of other workers in other industries. The ultimate conclusion of it is that, socio-economic conditions of sugar factory workers will naturally and logically be altogether different from those of labour force working in other industries.

From above points, it is quite clear that sugar industry has got important position in the agricultural country like India.