

CHAPTER : 3

REVIEW OF INDUSTRIAL DISPERSAL POLICIES

As per the Constitution of India, the responsibility of industrial development is shouldered upon the Central Govt. But Central Government has shared it with the state government. It is observed that due to the availability of infrastructure facilities in certain areas these areas are more developed than the other parts of the nation. So the Industrial Policy 1956 suggested to remove this gap and to secure a balanced and co-ordinated development of the nation.

1. INDUSTRIAL POLICY 1977 :¹

Though it was suggested there was not much change in the situation. So Government decided to licensing and financial assistance to new industrial units within certain limits of large metropolitan cities having a population of more than one million and urban areas with a population of more than five lakhs as per the 1971 census.

2. INDUSTRIAL POLICY 1980 :²

This statement emphasises on the generation of higher production and employment and evercoming the problems of poverty and back-wardness. For this a new dispersal policy must be adopted which will help to utilise the local materials and available man power. Capital investment was the problems and so the Government, "Proposes to encourage investment by public and private sector which will meet these criteria and would also promote a network of sprad out ancillaries.

3. PLANNING AND THE PROBLEM OF THE DISPERSAL :

(1) FIRST PLAN :³ As per the page 8 and page 442 (para 49) of the 1st plan we come to know that the Government had taken into the consideration the exact condition of the industrial development and suggested that there must be balanced

Ref : 1 -
Ref : 2 - Page 28
Ref : 3 - 1st Plan page 442 para 49

regional and industrial development of the nation. Under the Industries (Development and Regulation) Act, the Govt. has powers to regulate locations. At that time the infra-structural facilities were not easily available and so Government decided to expand the existing industrial units for a time being. But Government know that, "There are large potentialities of industrial development in several other states, and it is desirable in order to secure a balanced regional development in the country, to give increasing preference to such areas in the matter of location of new industrial undertaking.

(2) SECOND PLAN :⁴

This plan stressed upon two factors - (1) Promotion of basic industries and (2) Promotion of labour intensive consumer industries. This plan stressed the need of manufacturing of such a machinery which would help in future for the further development. It was also observed that the basic industries were neither supplying the required consumers goods nor observing the large quantities of labour. So this plan suggested that, " A balanced pattern of industrialisation requires a well organisation to utilise labour for increasing the supplies of much needed consumer goods in a manner which economises the use of capital.

This plan suggested a programme for setting up decentralised industrial production. It also suggested to consider

the needs for developing a balanced economy in different parts of the country.

(3) THIRD PLAN :⁵

This plan agreed with the view that due to the establishment of basic and capital industries the living standard of the surrounded population rises. But it is not true in many regions of the country. The fuller utilisation of local natural and human resources can rise the living standard though the industries are not big ones. According to this plan, " there are other industries whose possibilities need to be fully explored such as labour intensive industries of the modern type, agricultural processing industries, forest industries, assembly operation and recreational industries.

This plan emphasised the importance of location decisions in the public sector and licensing policy as instruments for promoting industrial dispersal. This plan pointed out that the development of small-scale industries has so far been by and large in as near the cities and the larger towns. " Since one of the principle objects of programmes in this field is to provide opportunities of income and employment in a dispersed manner all over the country.⁶

(4) FOURTH AND FIFTH PLANS

The Fourth plan, in addition to earlier policy package introduced capital subsidy and a concessional finance scheme for industries in backward areas. The fifth plan pointed out, in past no effort is made to find out the remove the obstacles in the backward regions. This plan suggested to do so and asked the state level agencies to get themselves involved in this programme and remove the obstacles by supplying the necessities.

(5) CONCLUSION :

It is found that the problem of industrial dispersal has always been recognised but received very limited attention in the 1st phase of planning. The promotion of village cottage and small units was also expected to lead to a more dispersed pattern of industrial employment.

DISPERSAL POLICIES IN THE STATE OF MAHARASHTRA AND POSSIBILITIES AND PROSPECTS OF INDUSTRIAL DISPERSAL IN KOLHAPUR - DISTRICT

1. LOCATIONAL POLICY OF MAHARASHTRA 1965 :

(1) Starting new units or expansion of existing units in Greater Bombay to be permitted only on a selective basis and in general was to be discouraged.

(2) Such activities were expected to be located in other higher to backward parts of the state bringing about

speedy balanced regional development.

(3) Textile industry was made an exception and a soft view was taken about it.

(4) Various incentives schemes were formulated for units being located in developing areas.

D.R.GADGIL COMMITTEE ON METROPOLITAN : REGIONS 1965 :

This committee stressed (1) the need for avoiding over concentration of economic activities at any point and (2) development of depressed areas. It recommended decentralisation and dispersal of economic activities away from Bombay to other parts. The Bombay Metropolitan Regional Planning Board prepared the plan. One point was, "Dispersal and decentralisation of industries, should be achieved mainly through large incentives rather than compulsion should be the major guide lines in respect to industrial location".

(3) INDUSTRIAL LOCATION POLICY OF 1968 :

The policy declared by the Government of Maharashtra was based upon the recommendations of Barve Study Group and Gadgil committee. This liberal policy permitted small-scale units to come up freely and encouraging textile mills to take up expansion programmes.

(4) LOCATION STUDY BY TATA CONSULTANCY SERVICES :

The report endeavoured to determine the optimal location

pattern on the basis of two objectives. The first was a social objective to distribute industrial employment in Maharashtra in proportion to the anticipated growth in labour force and second was to develop a least-cost plan for this industrial growth. It was expressed the view that for 1980-2000, market oriented industries should be permitted in New Bombay to meet the needs of demands for consumer goods like bakery products, soft drinks, milk-bottling, printing etc. These industries have low location quotient and can be dispersed in industrially lagging regions.

(5) INDUSTRIAL LOCATION POLICY 1976.

The state was divided into 4 groups. The 1st group includes developed area and this is not to be given incentives, and the remaining areas were to be given graded incentives.

(6) PACKAGE SCHEME OF INCENTIVES 1983 :

This scheme was already working in Maharashtra since 1964, the aim of which was to attract the entrepreneurs to other undeveloped regions of the state. Now a modified 1983, package scheme of incentive has been introduced from April, 1, 1983, which was to remain in operation for a period of 5 years means upto March 31, 1988.

(7) CLASSIFICATION OF AREAS:

The areas in the state have been classified into 4 groups. Bombay Metro, area and Pune M.A. are covered under group 'A'

where no intensives are available of the states. The groups 'B' 'C' and 'D' are depending on industrial backwardness of the area concerned and the incentives are offered in these areas on graded scale minimum average of incentives being available in Group 'B' and maximum amount being available in areas covered under group 'D'. The industries covered under this scheme also covers Hotels, Cold-storage, poultry along-with the vermal manufacturing industries.

(1) ELIGIBILITY

New Units : A proprietary concerned/partnership/ com. in private sector/state sector/ co-op. society/Trust/pro- posing to set up the industrial unit in any of the talukas where no existing units of the same entity prior to March 1983, will be considered eligible.

(2) EXPANSION/DIVERSIFICATION :

An existing unit, in any other 3 groups, desirous expansion/diversification in the same taluka where the existing unit is located, will also be considered eligible for incentives under the 1983 scheme. It is satisfied the conditions in the Government Reso. dated 4th May 1983.

(3) TYPES OF INCENTIVES :

Part I : It is called special capital incentives. A new eligible unit under this part will be entitled to (a) Sales tax incentives either by way of exemption or by way of difference (b) S.C.I.

Part II : An existing unit satisfying the condition will be concerned under this part, for setting up a new unit abite intensives.

(a) The existing unit has for the 3 years immediately prior to the year, in which the application for eligibility certificate is filed paid in respect of the products in Maharashtra Sales Tax in excess of Rs. 15/- lakhs (if the existing unit is located in group 'B' 'C' and 'D' areas) and

(b) The unit has not obtained Part I.

The eligible unit under part II, will be eligible as per the scales mention G.R. dt. 4th May, 1983.

This scheme will be implemented by SICOM, in so far as medium and large scale industries, the scheme will be implemented by the Regional Development Corporation viz- western Maharashtra Development Corporation ltd. for Kolhapur District.

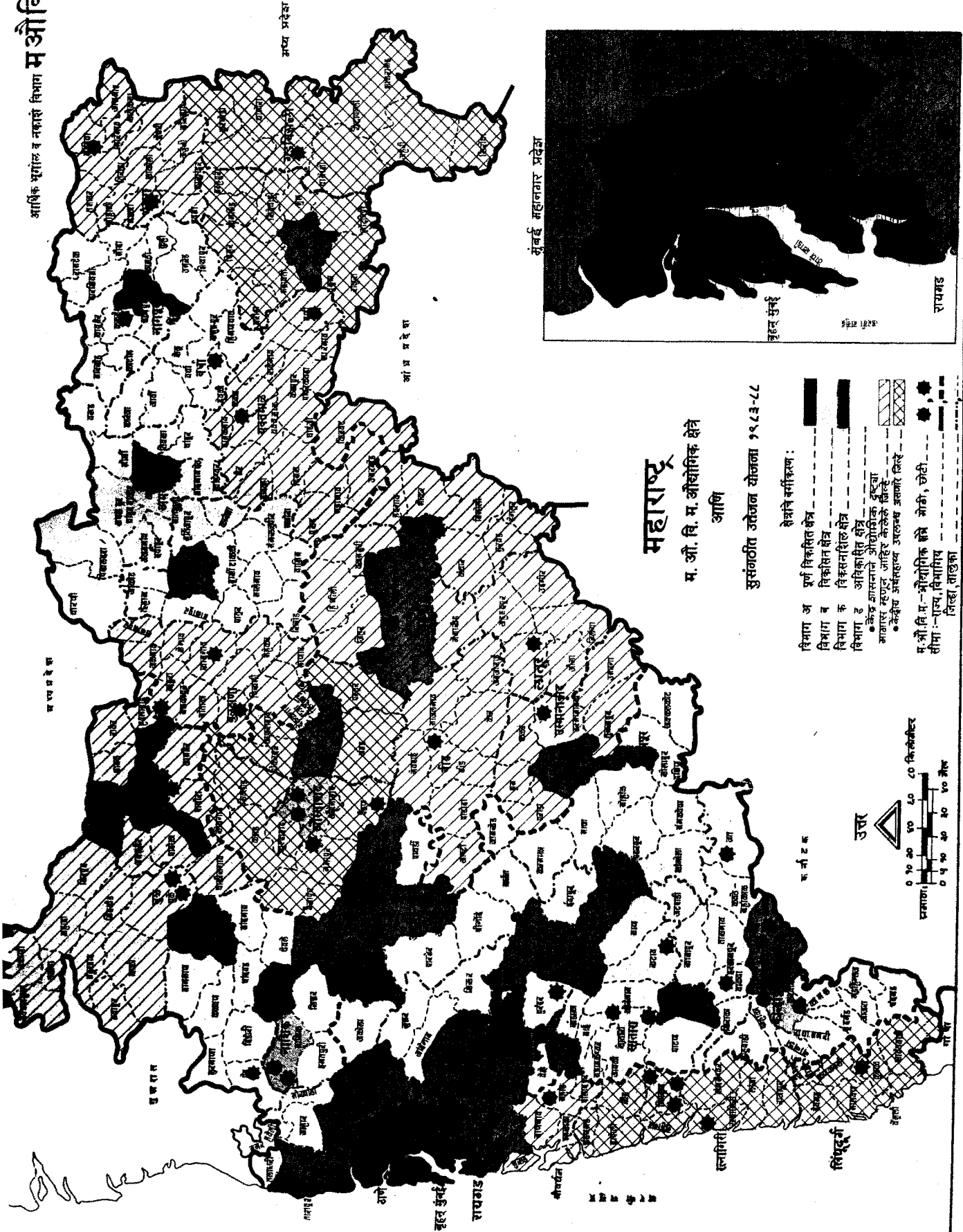
Besides, the Development Institutions set up by Union Government some Development institutions have been set up in Maharashtra. They are -

- (1) DIRECTORATE OF INDUSTRIES : Its major role is in SSI sphere (1) assisting the units in securing land, water power and transport facilities (2) developing industrial estates.
- (3) granting financial assistance and subsidy on power.
- (4) securing imported and indigerous machinery materials per units (5) assisting them in marketing etc.

The other important Institutions are M.I.D.C., M.F.S.B.C. and SICOM.

8. CONSLUSION

Inspite of these afforts it has been pointed out that backward areas have failed to develop. The ability to derive the economics of scale of these units is less, and that is the main reason along with the lack of infrastructural facilities and experienced entrepreneurship for their backwardness.



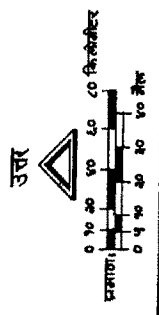
महाराष्ट्र महानगर प्रदेश

महाराष्ट्र

म. ओ. वि. म. औद्योगिक क्षेत्रे आणि

सुसंगठीत उद्येन योजना १९८३-८८

- वेगवेगळे वर्गीकरण :
- विभाग अ - पूर्ण विकसित क्षेत्र
 - विभाग ब - विकसित क्षेत्र
 - विभाग क - विकसनशिल क्षेत्र
 - विभाग ड - अविकसित क्षेत्र
- केंद्र आसनास औद्योगिक इच्छा
 * आंतर प्रदेशीय जाहिर केलेले शिबरे
 * अर्थीय अर्थीक उद्येन इच्छा
- म. ओ. वि. म. - औद्योगिक क्षेत्रे मोठी, जेठी
 सीमा - राज्य, विभागीय शिबरे, गाडिका





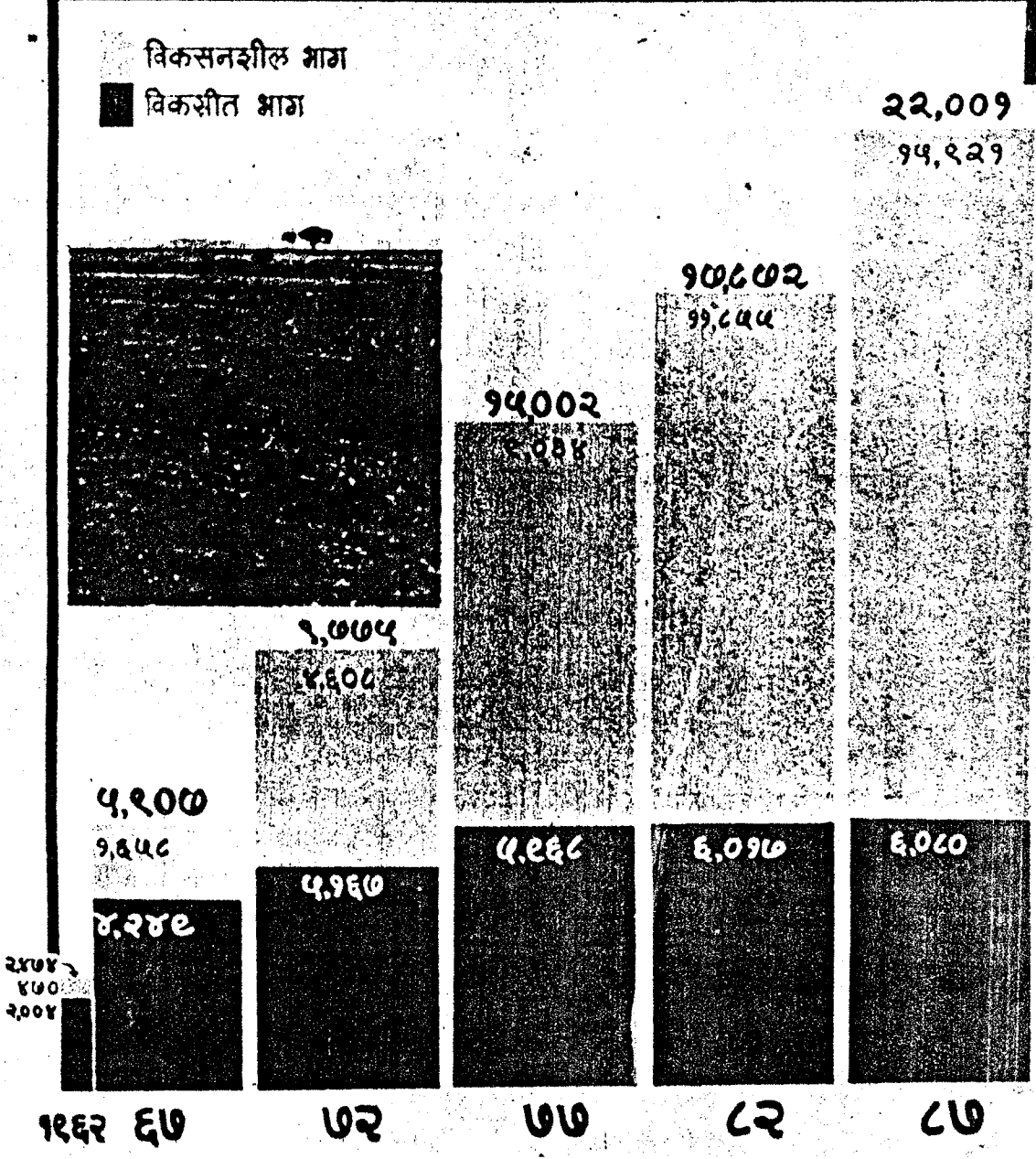
महाराष्ट्र सहकारी साहित्य अकादमी

औद्योगिक विकासाची २५ वर्षे

सोळाव्या



ताब्यातील जमीन (हेक्टर)



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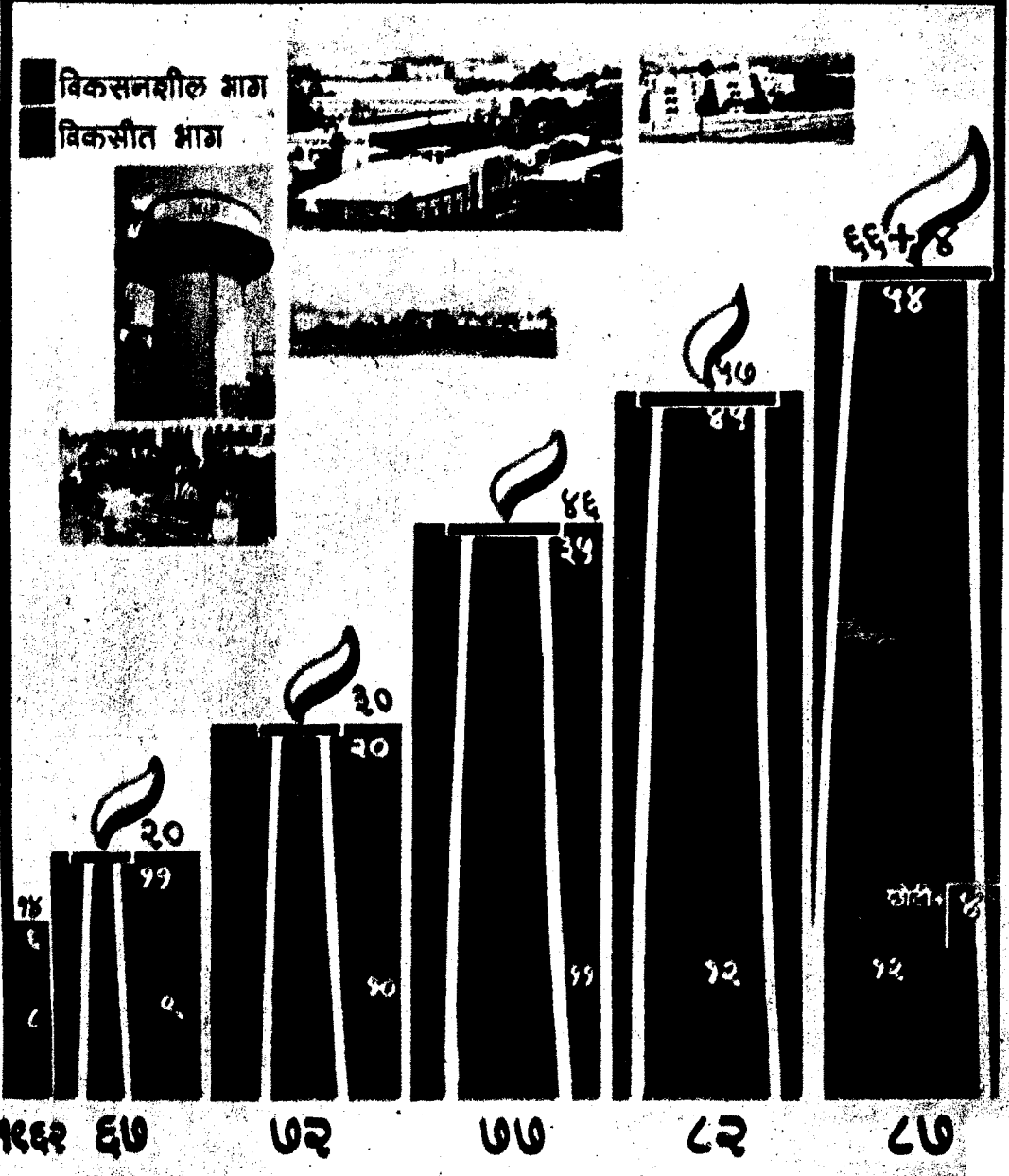


महाराष्ट्र सरकार १९८५-८६

औद्योगिक विकासाची २५ वर्षे



औद्योगिक क्षेत्रे (जमीन ताऱ्यात अगस्त)



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