Chapter VII

THE CONSTRAINTS
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1.0 **Introduction**:

1.1 Each region or a State or a country has some incentives as well as constraints for the industrial developments. Therefore, in any country or region the path of the industrial development cannot be taken for granted as easy and smooth. Reviewing the underdeveloped status of the Marathwada region's economy which is indicated by a number of indicators as stated in Chapter 2, it can be said that the path of the industrial development is not easy.

The working force has declined from 33,09,632 to 28,85,941 in the Marathwada region from 1961 to 1971. The working force during 1971-81 has increased from 28,85,941 to 45,54,631 in the region. The working force has declined from 8,10,834 to 7,30,677 in Aurangabad district, from 7,69,319 to 6,40,858 in Osmanabad district during 1961-71. The working force during 1971-81 has increased from 7,30,677 to 11,02,828 in Aurangabad district, from 6,40,858 to 10,02,028 in Osmanabad district.

Nearly 81.23% of the working population is engaged in agricultural activities in the Marathwada region. The self employment operators and the
agricultural labours do not get gainful employment throughout the year and consequently the standard of living of the people is low. Some factory workers also do not get gainful employment throughout the year, for example sugar factory workers, dal mill workers, ginning and pressing factory workers. Their standard of living is very low due to the seasonal employment opportunities.

1.2 Agricultural sector is very rich in the Marathwada region. It has been able to gear up the economy either to the State level or to the national standards. There are numerous constraints in the form of less urbanization, transportation facilities, absence of technical skill, entrepreneurs, resources, market facilities. It is necessary to assess the magnitude of the negative environment for industrial development.

2.0 Urbanization:

2.1 It is accepted fact that urbanization and industrialisation go hand in hand and both are inter-related processes—one complimenting the other. During the last three decades urbanization in the Maharashtra State has been increasing at a faster rate. But in the Marathwada region particularly all districts failed to show any improvement except Aurangabad. There were 53 towns in the Marathwada region
in 1951. At present there are 53 towns in this region. Most of these urban centres are located at the taluka places and district places. Out of the total population nearly 18.31 percent population is living in urban area (Chapter II) in this region.

2.2 It is seems rather difficult to establish observed casual relationship between urbanization and industrialisation in the Marathwada region except Aurangabad, Jalna and Latur cities.

Most of the towns and cities of the Marathwada region are facing various problems, like water, infrastructural facilities, lack of railway transport etc.

However, in the case of certain industries it can be said that urban services has become a cause for their development. Printing Press is the effect of urbanization, whereas engineering industry is the cause of urbanization. Engineering industries are largely concentrated in the Aurangabad City. Hence, industrialisation is essential for the development of urban centres. In the Marathwada region it is observed that all urban centres, except Aurangabad, Jalna, Latur, Nanded are not increasing and thereby causing a constraint for the development of certain industries.
3.0 **Resources**: 

3.1 All manufacturing industries perform some operations or a series of operations on raw materials. All establishments are, therefore, concerned although in widely varying degrees, with their location relative to their materials and to the cost of procuring them.

3.2 Marathwada region is devoid of forest and mineral resources. Important minerals are not found in this region i.e. coal, iron ore etc. Those found are limestone, jaspers, agate and precious stones etc. The minerals available in the Nanded district are lime stone and clay used for Manglore tiles, Felspor used in ceramics and available in Kinwat and Biloli talukas respectively.

Marathwada region has an area of 2,710.20 hectares under forests which makes 4.21 percent of the total geographical area of the region. Particularly forest is concentrated in Kinwat, Jintur, Hingoli, Khuladabad, talukas of the Marathwada region. Other talukas have scattered forest. Forests of the Marathwada are not economically valuable except Nanded district forests.

3.3 There is very little scope for forest based industries in the region. Fishing activity in all
districts of the region is restricted to inland waters only. Rivers and various tanks are the chief sources of fishing industries.

3.4 As far as water resources are concerned they are not sufficient for the all round development of industries in the region. Most of the rivers of the Marathwada region are seasonal, hence there is problem of water supply in summer in the various towns and cities of the region. M.I.D.C. has its own water supply schemes to provide the water to the MIDC's areas of the region. But at present there is problem of water supply in Jalna MIDC area. Some times such problem is also created in MIDC area of Bhir, Osmanabad districts.

3.5 Marathwada region has good agricultural potential. There is wide scope for agro-based industries in the Marathwada region; such as oil mills, dal mills, ginning and pressing etc. But agriculture is largely depend on monsoon rainfall. Due to uncertainty of monsoon rainfall production of industrial crops is affected to a large extent.

3.6 Marathwada is also rich in live-stock (Chapter VI). However the scientific management of cattle and dairy development are almost absent in the region.
3.7 Most of the engineering and chemical industries import raw materials from Bombay, Pune and other parts of the State and other States of India.

3.8 If we observe resource conditions in the Marathwada region except agricultural resources, we can come to the conclusion that resources are causing constraint for the industrial development of the region.

4.0 Transportation and Communication:

4.1 It is an accepted belief that the well being of a region depend on the transport and communication. It is also a fact that a well developed region with a prospective future provided a strong incentive to the growth of upto-date transport facilities. Broadly speaking growth transport and well-being of a region are interdependent.

4.2 The transportation with the markets and raw materials sources contains considerable advantages and disadvantages. The main reason for emphasizing the role of transport in industrial development is that all the industrial units of the modern age have vast potentialities of production and to feed their manufacturing operations. They have also to distribute the huge quantities of
finished goods to distant centres of consumption. So in both these fields transport plays a vital role. Therefore, transport is one of the factor which plays a dominant role in the determination of the site of industrial locations. In the brief the loads of the modern industries either for the assembling of raw materials or for the distribution of finished products, must be transported economically if the industry has to profit and so that transport facilities have become the life blood of industrial operations in the modern age.

4.3 The total road length in the Marathwada region is 3,783 Kilometers (Chapter II Table No. 2.10). The road length per 100 Sq. Km. was 6 Kilometers in 1985. Marathwada has only 18 Kilometers cement road. The district head-quarters in the region are linked by tar roads. Roads in the Marathwada region are qualitatively poor.

Most of the roads are unmetalled and are not fit for all weather traffic.

4.4 In Marathwada there are 7,994 villages of which only 12 percent villages are located on the main roads. In all, about 16 percent of the villages had 'Pacca' approach road (non-seasonal), 40 percent had 'Kaccha'
(seasonal) road and the rest did not have a proper approach road as per 1981 census. Most of the roads in the region either taluka roads or village roads, are not pliable in rainy season. Moreover, they require frequent repairs. In certain hilly areas, approach roads are altogether lacking. Many of the market places are not yet connected by 'Pacca' approach roads.

4.5 Among the different man-made assets Marathwada is poorly served by railways as compared to other regions of Maharashtra. Not only is the rail route length, at 1.37 Kilometre per 100 Square Kilometres of area, is less than in western Maharashtra (1.8 Km.) and Vidarbha (1.82 Km.), but almost 80 percent of the rail length in the Marathwada consists of meter and narrow gauges.

Even though the construction of the Hyderabad-Godavari valley meter-gauge railway at the beginning of this century opened up the region, the railway has failed to provide the essential transport links within the region so as to integrate the regional economy. Again, because of the delays and losses involved in trans-shipment, the movement of commodities by railway remains cumbersome. Even today, one of the important causes of the under-utilization of the existing
industrial capacity in the region is reported to be the problem of bringing in the raw materials or essential components involving transportation by railway.

4.6 On account of the inadequacy of road transport and lack of railway transport, the Marathwada region has remained backward in industrial development as compared with the other regions of Maharashtra State.

4.7 There was poor communication system in the Marathwada under the Nizam rule. Even present position is not satisfactory. In 1984-85 there were 18,632 telephones, 248 telegraph offices, 2,063 post offices, in the Marathwada region (Chapter II). In 1984-85 there were 7,994 villages in the region. Out of the total villages 28.26 percent villages were having post offices during 1984-85. It is clear from above discussion that the communication facilities are not yet developed in this region. In all respect the Marathwada region is backward and there is great need for making available those services for the sound development of industries in the region.

5.0 Less Technical Development and lack of Skilled Labour:

5.1 Industrial development of any region is also dependent upon the technical development of that region
and skilled labours. Marathwada has been singularly backward in education for a number of decades. Till 1941, the proportion literates was very small among males and negligible among females. Although there has been rapid expansion in educational facilities in the region after 1951, the facilities for technical and professional education are still quite limited. At present there are 20 Technical and Industrial Training Centres, 12 Polytechnic Colleges, 2 Government Engineering Colleges, 5 private Engineering Colleges in the Marathwada region. Private Engineering Colleges are not useful to the region because, most of the students are coming from out the Marathwada region in those colleges.

In 1965-66, 4,442 students were taking education in I.T.I. Centres, 2,494 students in Polytechnic Colleges and 840 students in Engineering Colleges in the Marathwada region. Apart from the limited extent of the formal technical educational facilities, the scope for on-the-job training or apprenticeship is almost absent due to lack of development of large industry in the region.

5.2 The people of the Marathwada region are poor and extreme poverty of them has affected their level of
education. Due to poverty most of the people of the Marathwada region are under-educated and migrate outside the region on the principle of economic advantage as there is lack of employment opportunity. Most of the unskilled labours are migrated to the Bombay, Pune cities from Bhir, Osmanabad, Nanded etc. districts of the Marathwada region. Because of less technical development and low employment opportunities, per capita income of the Marathwada is also low. Most of the skilled workers are migrated from various parts of Maharashtra State in the Marathwada region. This is a vicious circle which is supposed to be one of the major constraints for the development of industries in the Marathwada region.

6.0 **Entrepreneurs:**

6.1 Marathwada region has no tradition of entrepreneurship as for example Gujarat or Bombay - Thane-Pune zone. The reason being that for a long time the region had been under the princely rule of Nizam (from 1724 to 1948) which was hardly interested in promoting industries in the Marathwada region (Chapter III). Another reason for lack of entrepreneurs in the Marathwada region is economic condition of the people, disinterestness of rich people and less credit facilities.
6.2 Most of the entrepreneurs who have invested their capital in large and medium scale industries in the Marathwada region are coming from Bombay, Pune and other districts of Maharashtra State and other States of India, for example Bajaj Auto-Engineering Industry, Garware Plastics, Greaves Lomberdiani, Anil Chemical Industry etc. Therefore, local entrepreneurs is also causing constraint for the industrial development of this region.

7.0 Market:

7.1 Availability of market is very essential for the development of industry, because finished products of any industry are finally brought to the market for sale. Therefore, if the region has several and large market centres, then the region receives more incentives and has good scope for the development of industries.

7.2 There are three types of markets i.e. (1) General markets, (2) Regulated markets and (3) Middlemen markets.

7.3 Marathwada region is rich in live-stock resource. In the initial stages, development of dairy farming is subjected to serious problem of making of marketing of milk. Availability of a nearby urban market helps dairy development. The demand for milk from the urban centres
in Marathwada is yet quite limited. It is not feasible to send the milk to major urban centres outside the region mainly because of the distances involved.

7.4 The most difficult job for small scale industries and large and medium scale industries is to get the marketing facilities in the region. Maharashtra State small-scale industrial development Corporation is providing marketing facilities to the small-scale industries of the region. Most of the agro-based industrial finished goods are sold out in the local markets. Engineering goods and chemicals have no sufficient local marketing facilities, hence, they are exported to the various districts of Maharashtra State and to other States of India. Even leather is exported by LICOM to the United Kingdom. Greaves oil engines and Bajaj Autorikshaw are exported to the various States of India due to lack of local market.

7.5 The Marathwada region has not sufficient marketing facilities for the finished industrial goods, therefore, marketing is a great hinderance for the development of industries in the region.

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