



Chapter IV

Industrial Growth of Aurangabad City



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1. Introduction

Industrialisation has changed the mode of production. Gandhiji rightly said, “The poor of the world cannot be helped by mass production, but only by production by the masses”. But, fortunately, mass production and not production by masses has been the core of strategy of industrialisation, and as a result, the rural family is being transformed from a unit of production to a unit of consumption. As a study conducted by National Institute of Nutrition, Hyderabad clearly brings out, it is shocking to find out that even the food consumption pattern of different Socio-Economic Groups in India present the naked reality of the impact of Industrialisation and Urbanisation.

The Per Capita consumption of farm products is much higher of the urbanite people as compared to villagers. The growers i.e. villagers consume less as compared to urban population. Even the industrial labour intake is higher as compared to that of rural people. The rural people mostly are consuming less farm output and this is because of marketing of the farm output.

The concentration of industry and population has robbed the rural area of their youth and energy for growth. Fundamentally,

migration is a change of location of a person or group of persons. Migration includes permanent change of residence from one country, state, community or farm to another, or the seasonal movement of people in want of occupation.

Alteration and compulsion are the two factors that influence migration. Industries provide jobs in the cities in which factories are located. Rapid expansion of the industrial cities attracts migrants in great numbers from the rural sector of the economy.

The process of urbanisation removes surplus people from land, providing them with better avenues of employment in urban industries. Growth of rural sector is adversely affected for want of vim, vigour and vitality of the youth. Forests are shrinking, many species of flora and fauna are extinct and many are on the verge of extinction.

Industrialisation should be viewed primarily as a means of improving the condition of work and living standards of Poverty-stricken masses the world over, and not merely as a means of producing a wider variety of products by application of modern technology. If this is not kept in mind, efforts to industrialise may leave the lives of the majority of the people untouched.

Introduction of modern technology has decreased the job opportunities. Unskilled class cannot opt for jobs other than those of labourers. So the introduction of modern technology into rural regions for agricultural sector is not profitable at all relation to meeting the unemployment problem. These labours are forced to migrate to urban centres in search of decent living, where they contribute to the informed sector, but a very small percentage of them gets proper shelter except in the low lying and unhygienic conditions, thus creating slums.

2. Features of Industrial layout of Maharashtra :

- I. Maharashtra is industrially developed state in India. Mumbai the capital place of Maharashtra is called as Industrial capital of the country.
- II. In Maharashtra Mumbai – Thane – Pune belt is industrially far developed. There is centralisation of industries in these areas. The area of this belt is 8 % but population is 23% of the total state. 70% of industries are located in this area and 62% industrial employment. In Aurangabad there are 195 medium

and large size industries are located with 19829 small industries are located.

- III. During last 20 years the industrial development is taking place in other areas, other than Mumbai – Thane – Pune belt. As a result of the total industrial employment more than 90% is employment generated out of this areas.
- IV. Private industries contributed for the better development of Maharashtra. In Maharashtra these are only 3% industries having more than 500 employment opportunities, but the capital invested in these industries is 57%. These industries provide 48% production of the total production in the state.
- V. The industries having capital more than Rs. One Crore is only 9% but 75% of the total industrial output is obtained from these industries.
- VI. The sugar factories in co-operative sector have played vital role, especially in the development of the rural sectors.

- VII. Cotton industries of Mumbai have a unique feature of Maharashtra industrial sector. The cotton industries are located at Solapur, Nagpur, Chalisgaon and Aurangabad apart from Mumbai.
- VIII. In the industrial development of Maharashtra, Maharashtra State Finance Corporation, Maharashtra Industrial Development Corporation is some of the institutions, which have played vital role in the development of Maharashtra.
- IX. The areas occupied by Maharashtra are 9.36% and the population contribution 9.30%, but Maharashtra contributes 23% industrial output.
- X. In Maharashtra there are 25000 industrial unit producing industrial production worth Rs. 33000 crore. The capital invested is 16500 crore Rs. And more than 12 lakh workers are work in these industries. To reduce the imbalance industrial development 75 industrial estates are established in Nagpur, Aurangabad, Nasik, Bhandara, Raigad and Solapur districts.

- XI. Due to the establishment of the industrial estates the new era has begun. The new industrial belt is being developed in the region of Aurangabad – Jalana. By the means of this new belt the industrial development is being started rapidly.

Taking into consideration various industrial development corporations, finance corporations, has played a vital role in the development of Maharashtra. Mumbai, Pune, Thane Aurangabad, Nasik are some of the developing cities in Maharashtra. In Maharashtra Textile Industry, Oil, Tobacco-processing are industries based on agricultural products, Iron and Steel, Cement, Crude Oil, Paper and Pulp Industry, Pharmaceuticals, Leather, are some of the major industries developing in Maharashtra. Maharashtra is not a traditionally Sugarcane producing region even then more than 24 Sugar Factories the maximum six of them is in Aurangabad District.

By the establishment of Industrial Estates, the new Era in industrial development in Maharashtra has started already. To overcome unhealthy competition in industrial belt of Mumbai, Thane, to make it possible balance growth of all regions within Maharashtra, the concept of industrial growth through Industrial Estate has become of prime importance. Kokan, Vidharbha,

Marathwada are industrially backward areas as a result, Aurangabad-Jalna new Industrial Zone is developing fast. This has also helped in development of Marathwada. Industrial Estates are established at Aurangabad, Chikalthana, Paithan and Waluj. The industries developed include Paper and Pulp, Scooter, X-Ray Film, etc. In Jalna District the Industrial Estate is established at Jalna, Partur and Ambad. Tourism Industry is also developed at Aurangabad. This has also helped in development of rural and Handicraft industry.

For rapid industrial growth in Maharashtra and the development of the infrastructure facilities the following Corporations are working and playing their role, these corporations are:

- i) Maharashtra Industrial development Corporation (M.I.D.C.)
- ii) S.I.I.C.O.M.
- iii) Maharashtra Small Scale Industries Development Corporation (M.S.S.I.D.C.)
- iv) Marathwada Development Corporation

The investment in Capital in Maharashtra can be listed as follows :

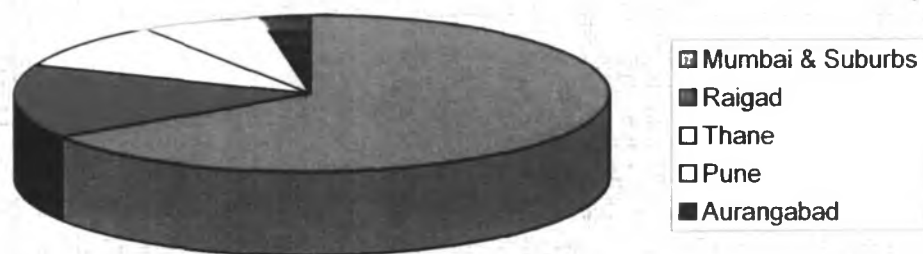
Table 10

Sr. No.	Name of the City	Investment (In Crores Rs.)
1	Mumbai & Suburbs	28682
2	Raigad	6650
3	Thane	4123
4	Pune	2932
5	Aurangabad	1157

Source : Economic survey of Maharashtra 2001 – 02)

Graph 10

Investment of Capital in Maharashtra



(Source : Economic survey of Maharashtra 2001 - 02)

For expanding development of Maharashtra “Mega Project Policy” is being introduced by Government of Maharashtra. The number of Mega Projects in Maharashtra is twelve, for which Rs. 1,06,544 crores of capital is invested. The number of mega projects in Thane districts is 370 with the capital of Rs. 16.91 crores. Pune stands second in number i.e. Rs. 231. Mumbai suburban has 137 Mega Projects and the lowest number of mega projects at Parbhani, Beed, Osmanabad and Gadchiroli.

As per the statistical data of 1995, small - scale industries registered in Maharashtra is 159910 (approximately 160000) of which permanent small - scale industries are 98095 and temporary small - scale industries are 61825. Pune has the highest number of SSI units, nearly 23000 followed by Thane at 5300 units, Kolhapur 11600, Nagpur 9000, at Solapur 8400 units.

Agro-based industries get raw material from the agricultural sector and that is why industrial growth depends upon agriculture production. The purchasing power of the majority of the consumer will increase only when agricultural production increases, thus industrial products will find market when the agricultural production will increase. This will lead to rapid industrial growth.

Urbanisation should lead to raising the living standards, quality of life, better education facility and so on.

To meet out unemployment problem in rural areas, introduction of modern technology may not be useful as it will remove the working unskilled labours from one field and convert them as jobless labours.

The labours are forced to migrate to urban areas for the want of job. The 1983-84 estimates (Planning Commission) had shown that 40.4 % of India's rural production is below poverty line. In the rural regions for agricultural production modern technology has had negative impact upon the agricultural labours. Hence, requirement of labour for agricultural work has declined, leading to exploitation of this class. Because of Industrialisation, people are migrating to big industrial sectors.

Industrialisation is worth while from the point of view of Indian Economy, where more than 70 % of population lives in rural India, has 40 % people below poverty line, suffers from unorganised employment set-up, inadequate basic services and inferior standards of living.

The showing down of the tempo of migration will mean added misery in the rural areas, as there is every possibility of rural wage rates getting depressed. The rural population being migrated to urban areas also releases the excess pressure on agricultural land. For better wages and continuous employment there is a trend of being migrated to urban areas. This even continues further that from less developed areas to more developed areas.

At the same time, the presence of a large surplus population in the rural areas constitutes a standard threat to the comparative high wage rate in the urban areas. There is every possibility that rural-urban migration may force these wage rate down and thereby add to the urban misery as well. While the pressure of population and land goes on increasing the channels of rural-urban migration are closed or narrowed down on account of the 'push-back' factor from urban areas.

Industrial development of any state is planned process. The industrial development has resulted in the urbanisation. Maharashtra Govt. has tried to develop the industries in the State through various Corporations such as M.I.D.C, M.S.F.C., etc. The role of these organisations in the development of industries should be taken into consideration. Maharashtra is industrially developed state in India, and the industrial set-up in Maharashtra has its own

features. The Maharashtra is the state which is speedily developed in industrialisation and the service sector. So the various corporations are given proper backing by the government.

3. Nature of Industrial Growth.

Industrial growth of any region has some special consideration. The industrial growth of Aurangabad city has also some special consideration. Government of Maharashtra has declared some industrial estates as reserved for the various industrial units. Aurnagabad is having special growth of computer software technology development. Some units are working in this direction.

Industrial growth should have some economic considerations. So the nature of industrial growth of any region should be studied in the light of change in economic activities.

Following is the nature of industrial growth of Maharashtra in general and Aurangabad in particular.

1. Taking into consideration the production value (1992-93) of Industries the first six industries are as follow.

(a) Chemical and Chemical Bi-products (Rs.14859 Crores)

(b) Petroleum, Rubber and Plastics (Rs.9942 Crores)

(c) Metal, Metallic Products and Spare Parts. (Rs. 8850 Crores)

(d) Food Industry (Including Sugar) (Rs.8659 Crores)

(e) Textile and Artificial Textiles (Rs.6664 Crores)

(f) Transportation & Spare parts (Rs. 5370 Crores)

The total production value cost of Maharashtra industries amounts to Rs. 80,000 Crores.

2. The industries are centralised in Maharashtra at Mumbai, Mumbai suburbs, Thane and Raigad belt with Pune and Pimpri-Chinchwad area. These cities occupy 8 % of total areas of Maharashtra and 25 % of total population. There are 70 % of total industries in these cities and 62 % industrial employment.

3. During the last 20-years the planned efforts are being made to develop industries in rest of Maharashtra, other than the above mentioned cities. Thus generating employment opportunities outside above industrial belts, which is hopeful and good picture.
4. The private sector has played vital role in industrial development of Maharashtra, only 3 % of the industries provide more than 500 industrial employment. But in these 3 % industries and 57 % capital of state is invested. And these 3 % industries provide 42 % industrial employment and 48 % industrial production is obtained.
5. There are only 9 % of the total industries having more than Rs. 1 crore of capital. But even then 75 % of the total industrial product is obtained from these 9 % industries. This industrial setup in Maharashtra has resulted in industrial growth. But apart from the industrially centralised zone of Mumbai - Thane – Raigad - Pune. These are only 48 % industrial employment and the area of such under development sector is 92 % and the population is also 75 % of the total population.

Thus we can conclude that, majority of the population and area is deprive-off from the industrial development. So

there is need of planned industrial development of the under developed areas. Accordingly Govt. of Maharashtra has undertaken steps for the development of industries. Aurangabad-Jalna belt is one of such example in Maharashtra.

In Marathwada industrial development started from 1970 when SIICOM settled this area for planned development. Aurangabad, Chikalthana, Waluj, Chitegaon, Paithan are the areas where industrial estates are established. Such industrial development resulted in the creation of the job opportunities. That also resulted in flow of rural population to urban areas for want of job and the conversion of land under cultivation to land for industrial development, school, colleges, hotels, residential blocks and like-wise.

Thus, urbanisation is increasing due to the establishment of the industrial units. There were in total 362 registered industrial units in Marathwada as on 1/4/1985, of which 110 were in Aurangabad District. Industrial labour 3877 were from Aurangabad district out of 23,174 from Marathwada. Thus, in Marathwada region, Aurangabad is a district, which is speedily developing.

4.Industrial Growth & Its Effects on Rural Sector.

Urbanisation and industrialisation results in gradual decline in the activities related to rural crafts, cottage and agro-based industries. That may result in environmental problems. The rural areas of the country can face three main problems due to urbanisation and industrialization.

- I. Large scale land acquisition.
- II. It may affect socio-economic lives of the people.
- III. Migration of rural people to urban area.

In any country the industrial development takes place in the region where there is potentiality for such development. The rural unemployment youth and educated unemployed from various regions are attracted towards the industrial sector. So the population in these areas increase. In Maharashtra the density of population is high at Mumbai, Thane-kalyan, Thane – Panvel - Khopoli, Pune – Pimpri - Chinchwad Industrial Zone, Nasik and now at Aurangabad - Jalna Industrial belt. In urban areas various industries are established, which generates the employment.

So the movement of the people for want of job takes place towards the industrial zone. The urbanisation and industrialisation go hand in hand and thereby develops the amenities in urban sector, such as education entertainment, health facilities and administrative set-up, which are some other consideration for the movement (migration) of the people towards the industrial sectors.

Industrial development is, also, the result of the technical development. Science and technology development is a continuous process and with this development, Industrial development is also continuous process. The only matter of concern is this industrial development should be equally stored up in all areas and the generation of job opportunities should be the prime important factor. In light of this discussion, we are to decide the industrial growth of the Aurangabad city alongwith educational growth, and its impact on urban as well as rural population.

Share of Maharashtra in Industrial output is 23 % of total production in India. However, the area of Maharashtra is 9.36 % and population 9.30 %. These are near about 25,000 industries and industrial production of the value of Rs.33,000 crores. The industrial imbalance, Govt. has planned for industrial development of Nagpur, Aurangabad and other cities.

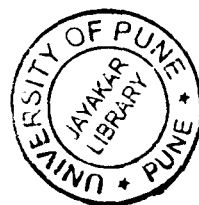
Industrialisation result in the process of urbanisation. Government is planning for the industrial development of the country. All state Governments are also taking part in the development of the urban areas through industrialisation. Various Corporations are playing vital role in establishment of industrial units.

Some organizations are functioning for infra-structural development of the region without which, the planned development cannot take place, Road, Water, Electricity, Market Communications, Transportation are the key factors for development and the Govt. of Maharashtra is working in these areas for necessary development. Maharashtra is the developed State in India. The organisations are established with the viewpoint of development of economically backward regions.

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However, their exist the regional imbalance, Marathwada is a backward region. So the Govt is developing Aurangabad, the capital place of Marathwada. This has resulted in the process of urabanisation.

The rural industries should also be responsible for the suitable role to play in the economic development of the country.



However, we can say that such development of rural areas is not sufficient in order to stop the flow of the rural youths to urban areas in search of jobs. We can observe from various studies that, rural area is deprived-off from the facilities of the development of the areas.

On the other hand, the shift of population from rural to urban areas also created over burden on urban amenities thereby increasing the over pressure on urban administration. Not only that it is also becoming a cause of social unrest and the development of slums in urban centers. Shift of population is not always a negative consideration it has some positive effects. These are for example optimum utilisation of manpower, optimum utilisation of natural resources and increase in per capita income of the developing area. The rural sector is benefited as excess burden is utilised for economic earnings and total family income increases.

The development of urban centers is ultimately resulting in two way disadvantages :

- (i) There is overburden on the urban land and this increasing the cost of living of urban living.
- (ii) The working youth on the farm is shifting their occupation as – industrial labour.

5. Industrial Growth & Economic Activities

The industrial and educational growth can be stated to be the root cause of urbanisation. The various corporations working on behalf of the government tried their level best to incorporate new industries and they're by the upliftment of the rural poor. The marginal workers working on the farm are shifting with improved education. The following table shows the working of industries in Agurangabed city and average daily attendance of workers.

Average daily attendance of workers in working in industries can be stated to be the indicator of shift in occupation of the working force available in the area. The registered working industries in the area can be the another indicator showing growth of industrial activity and there by economic activities. Aurangabad being a developing city has shown industrial growth and also has helped in generating the employment in industries.

The various studies show that there is an optimum use of working force in secondary sector. Some times the working force, which is normally unskilled in nature, is used from rural areas. That is the reason why there should be proper development of

educational and technical knowledge and training in surrounding areas.

The number of workers in industries is consistently increasing due to the industrial development. The requirement of industries should be taken into consideration and the skillful workers should be made available for industrial units. Average number of workers working in industrial units and the number of industrial units from 1984 – 85 to 1991 – 92 is shown in the following table. The average number of workers means the number calculated on the basis of number of working days and the work available to the workers. The industrial units are working daily in shifts. This is also considered in average number of workers.

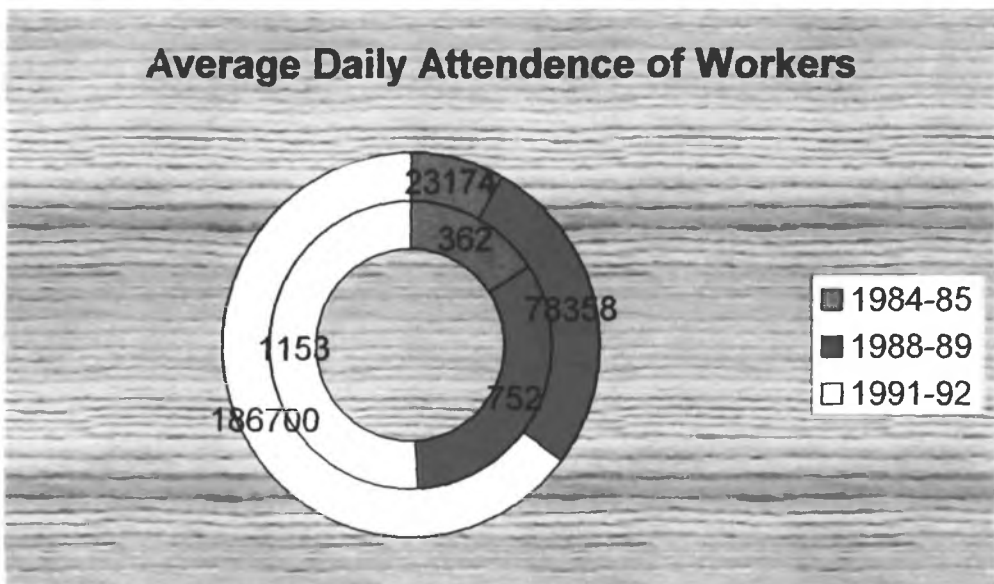
The industrial units are working in industrial estates and also some small units in and around the city of Auranganbad are working. Aurangabad – Paithan, Aurangabad – Jalana are the two main belts developing along with Aurangabad – Pandharpur – Waluj on Aurangabad – Ahmednagar highway. Due to such development the villages near these areas are getting speedily converted into urban areas. Some parts of these areas are included in Aurangabad Corporation. The working force from Agriculture is getting shifted to the urban areas for better working and life style.

Table 11

Particulars	1984-85	1988-89	1991-92
Registered working industries	362	752	1153
Average daily attendance of workers	23174	78358	186700

(Source : Marathawada 2001 – A. B. Devqirikar Publisher)

Graph 11



From the above table it is clear that during the period from 1984 – 85 to 1991 – 92 the industrial units increased 300% and from the average number of workers increased from 23174 to 186700 during the said period. This shows that there is change in occupation of the people due to industrialisation.

Taking into consideration the planned development of industrial and also the co-operative sector, the government has divided to decentralise the industrial establishment due to which of the total employment generated during the above period 90% and even more than that is generated outside the established developed industrial sector. (Reference : The Mega State Maharashtra by A. B. Sevedi). This is a very good indication of evenly spreading development.

The second fact to be noted that is the contribution of private entrepreneurs in industrial development is also worth nothing. In Aurangabad city and industrial estates Bajaj, Garware, Dhoot and many more private industrialists established their units which are generating good number of employment opportunities.

The planned industrial development of the city of Aurangabad has resulted in urbanisation process. These are large

acquisition of land and establishment of industrial, residential, educational and Government establishment. During the said period of development Land and Rail construction also took place, the Hotel and Tourism industry also developed as Aurangabad is a historical city visited regularly by many tourists from within the country and outside the country. Tourism is an important occupation in the city like Aurangabad. There are various places like Ajanta and Ellora caves, Bibi – ka – Makbara which are visited by the tourists from within the country and outside.

6. Industrial Units in Aurangabad City.

Aurangabad is a capital place of Marathawada, as compared to their districts in Marathawada, the industrial units working in Aurangabad is higher than any other district. Maharashtra has shown industrial progress if compared with the other states in the country. However the development of Maharashtra is not even. Western Maharashtra is far more progressed as compared to rest of Maharashtra. Similarly Aurangabad is developed with great space as compared to rest of Marathawada. Such an imbalance growth of any region is not healthy for any developing area and total state or country.

There should be even development of region. The Government of Maharashtra has to look into the matter for avoiding any further unrest in the society. The total national income is subject to increase only when all working force is optimally utilised. Industrialisation will provide base for even and balanced growth.

Industrialisation and the economic growth can be said to be the interdependent factors. No economic growth is possible without any industrial development. Economic growth include the opportunity of employment, increase in per capita income, increasing standard of living and better working conditions. Taking these factors into consideration we can say that there is a scope for development for industrial sectors. Economic activities in turn will have its own consideration.

The technological and industrial development of the Aurangabad city and surroundings from 1985 to 1995 has given Aurangabad the honour of industrial city. The city was popular for its historical and cultural inheritance now it is also called as industrial centre. The Aurangabad – Jalna belt, Aurangabad – Paithan area, Aurangabad – Ahmednagar Road area developed speedily.

This development has shown better prospective for financial upliftment of the residents residing in these areas. Thus the urbanisation is because of the technological and the industrial growth of any city. This also help in the establishment of various civil amenities such as colonies for residential purposes and schools / colleges, restaurants, hotels which make possible for the social and financial upliftment of people living in these areas. There are various schemes implimented by the government for the development of urban and rural people. Such as EGS (Employment Guarantee Scheme), Assitance to unemployed youth etc.

The development of urban sectors should be proved useful for the development of rural sectors also. Thus for the development of urban and rural sectors both there should be industrial development of the region. Economic activities are supposed to increase with the industrial development.

For rural development the credit facilities should be extended by means of credit societies. This will provide the development of rural sector and the excess pressure on urban area will be reduced. The Marathwada rural bank has provided better financial help to the rural sector. This rural bank is working for the upliftment of rural areas under the control of Bank of Maharashtra.

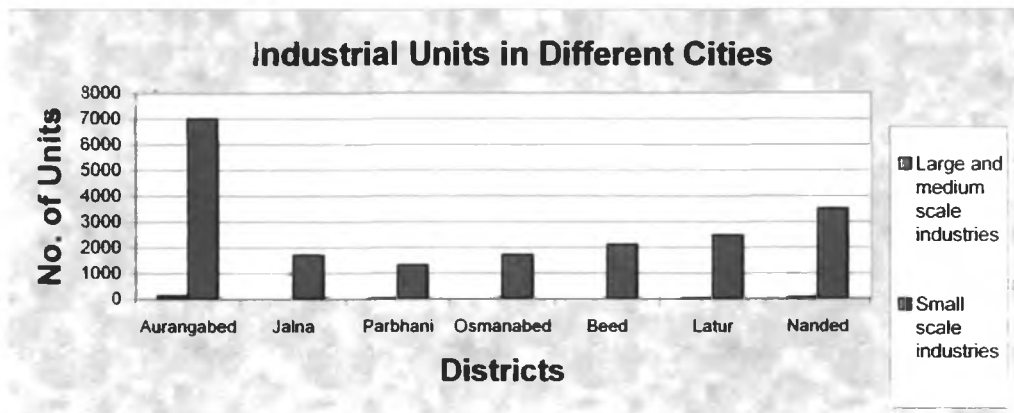
The following table shows this fact.

Table 12 (No. of Industrial Units as per the date of 1995)

Sr. No.	Name of the district	Large and medium scale industries	Small scale industries
1	Aurangabed	125	6999
2	Jalna	6	1704
3	Parbhani	8	1317
4	Osmanabed	6	1709
5	Beed	6	2112
6	Latur	9	2481
7	Nanded	35	3507
	Total	195	19629

(Source : Maharashtra key data 1997 – 98. Page No. 63, 64, 68, 69)

Graph 12



From the above data the fact can be underlined that in the region of Marathwada during the period from 1981 to 1995, there is a industrial growth of Aurangabed city. But even this growth of the alone district Aurangabed is much lower as compared to Mumbai – Thane belt and Pune and other cities. The number of large industries in Mumbai and suburban area is 1069, Thane 296, Raigad 158, Pune 144 and Nasik 137 after that Aurangabad ranks at 125 industries. This fact concludes following important considerations :

- i. 75% of large and medium scale industries are established at Mumbai and Pune belt.
- ii. The capital investment in these industries is also high Aurangabad ranks 5th in terms of capital invested, as against other cities in Maharashtra, as per the date of the year 1995.

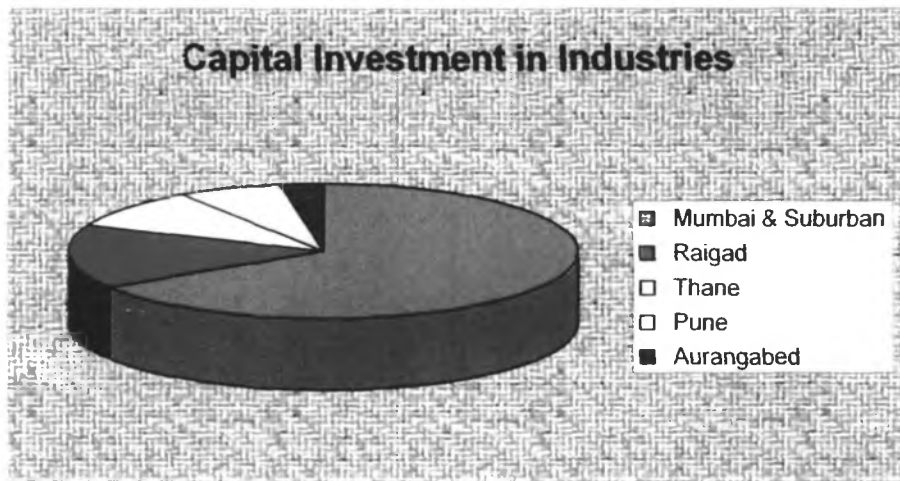
Investment in capital for the development of industries is supposed to be the important aspect. However in comparison with the rest of Maharashtra investment in capital of Aurangabad city is very low. The percentage investment in Aurangabed industries in terms of capital is 2.65%. The capital investment in term of percentage of Mumbai and suburban is 65.86%, which is far more as compared to the city of Aurangabed.

Table 13 Showing Capital Investment in Industries

Sr. No.	Name of the city	Capital invested (Crore Rs.)
1	Mumbai & Suburban	28682
2	Raigad	6650
3	Thane	4123
4	Pune	2932
5	Aurangabed	1157

(Source : Maharashtra key data 1997 – 98 Page no. 82 – 83)

Graph 13



- iii. As the other districts in Marathawada are undeveloped the number of youth migrating from these districts to Aurangabad city and near by area (where industrial units are established) is large, which is creating pressure on the civic amenities of the Aurangabad city.
- iv. The small - scale industries are large in numbers in Pune district, followed by Thane, Kolhapur, Nagpur, Solapur, Sangali, Nasik and Aurngabad. Thus Aurangabad ranks 8th in this criteria. The establishment of the small - scale units is more beneficial for the development of any economy because this helps in generation of self - employment and also provides employment to other unemployed youths. The small-scale units registered in the city of Aurangabad and around its periphery are 6999 as against 23085 in and around Pune. If we compare the progress with western Maharashtra or Mumbai – Thane belt the progress of Aurangabad city may not seem to be satisfied but taking into consideration the period of progress it is satisfactory as the period is short. Secondly the development of small - scale units are always benefited to the educated unemployed youths.

The finance to establish these units is being obtained from Maharashtra State Finance Corporation or various Banking Institutions. Thus it can be said that the financial

upliftment of the rural poor or rural educated unemployed is because of these small sector development. One fact should not be undermined that the development of rest of Marathawada should also be taken with the same space to stop the flow of rural youth to the developing city of Aurangabad.

v. Other Industrial Units

Engineering industries are located at Aurangabad and Jalna. There are also cement pipe industries and Pharmaceutical industries located in this belt. 'Paithan' is the cottage industry working with Himroo Shawls, and other small home hold industries. These sectors are under-developed because of lack of Infrastructure facilities. Some industries are working under co-operative sector units.

In Aurangabad district special incentives are given to start the industrial units at Paithan, Soigaon, Vaijapur and in Jalana district at Ambed, Jalana, Jafrabad and Bhokardan. The new development of industrial centers generate opportunity for the development of economically backward regions. Aurangabad and surrounding areas are subject to industrial growth.

The industrial development of the city of Aurangabad and the surrounding areas resulted in many social / economical factors, which can be stated as follows :

- i. Development of Infrastructure facilities
- ii. Establishment of the Residential zones
- iii. Generation of employment opportunity
- iv. Migration from rural areas to the urban areas
- v. There is shift of the occupation from primary to secondary sectors.
- vi. The population of urban sectors (Aurangabad city) is consistently increasing due to migration from rural areas.
- vii. The industrial sector is being developing speedily in the areas of developing city of Aurangabad.

For any region to be industrially developed it is necessary that there should be the infrastructure development and the development of service sector. Shift in occupation is due to the establishment of industrial units in and around the rural sectors. The city of Aurangabad is developing towards the area of Paithan road, Jalna road, Jalgaon road and other sectors.

The CIDCO has developed new residential colony on Aurangabad – Jalna road, and HUDCO has also developed new residential colony on Aurangabad – Harsul road near and around T.V. centre. This development is useful for urban settlement. Especially the new population migrating from rural areas is getting settled in these new colonies, which makes it possible better living standards. CIDCO and HUDCO are acquiring the large number of land for the development of residential colonies, schools and colleges in these areas. Thus urban settlement is because of industrial development.

6. Industrial Growth & Contribution by Various Corporations.

Role of Government and various corporations in the development of Aurangabad can be stated as follows :

❖ Maharashtra Industrial Development Corporation (M.I.D.C.)

M.I.D.C. has tried it level best to develop the state of Maharashtra in industrial sector. The M.I.D.C. has acquired in 12 sectors near Waluj and Hingoli (Dist. Parbhani) now a separate

district 3765.40 Hectors of land. The M.I.D.C. binder took the development of the Infrastructure facilities for which the corporation expanded an amount of Rs. 4367.39 lakh i.e. five times by 1991.

M.I.D.C. is the corporation working for industrial and infrastructure development in Maharashtra. For Marathawada region the contribution of M.I.D.C. is worth noting. Of the total investment in infrastructure facilities near about 80% of the amount is spent by M.I.D.C. in the development of Aurangabad city. The other districts in Marathawada are backward and less developed. Due to such imbalance industrial growth there is a flow of various people from rural areas and from Marathawada to the city of Aurangabad.

MIDC has created the infrastructure required for the development of industrial units. Two divisional offices are being established in the M.I.D.C. area for the administration of distribution of industrial shed, that the authority of divisional officer is increased. M.I.D.C. as per the policy of the Government started the small - scale industrial estates at 21 places in Mahathawada, which includes Khultabad and Soigaon from Aurangabad district. The establishments of industrial units is after taking into consideration the local requirements.

❖ Maharashtra State Finance Corporation (M.S.F.C.)

MSFC extends long term finance to the small - scale industries. In the year 1981 MSFC extended a loan of Rs. 30.07 crore to 2433 units of which the loan of Rs. 17.04 is actually disbursed. The same figure in the year 1991 is increased to 4617 and the amount of finance is increased by 324%.

Maharashtra State Finance Corporation has various schemes for the upliftment of industrial units. The entrepreneurs are help by the M.S.F.C. by providing capital, seed money to the various industrial organisations. Aurangabad city is developed because of finance provided by M.S.F.C.

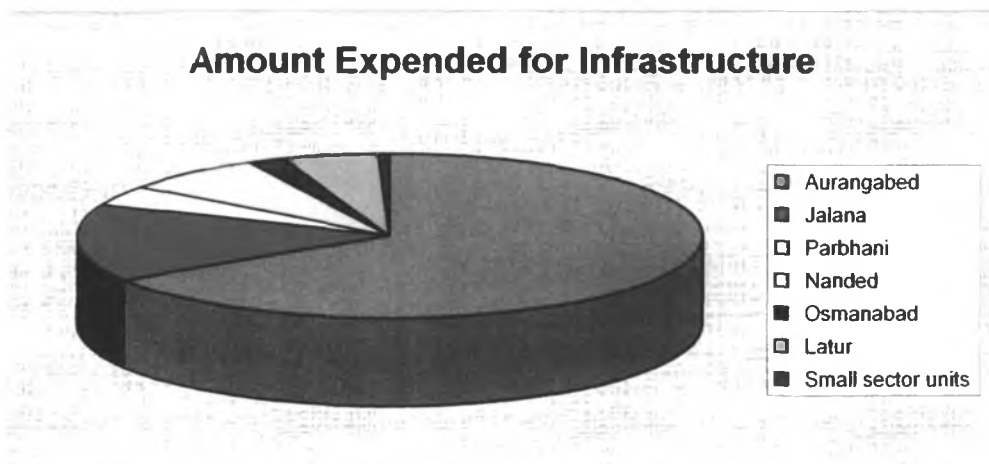
Maharashtra state finance corporation provide fianance to the industrial units for the purpose of errection of machinaries and purchases of raw materials. This finance is extended by the corporation on the mortgage of property created by the finance given by M.F.S.C. Thus the contribution of M.S.F.C. industrial development is substantial for the growth of the region. From 1992 if the data analysed it can be stated that there is a scope for further development. Because the secondary sector has a low percentage of contribution in the income of Marathwada region.

The amount expended by M.I.D.C. for the development of infrastructure facility can be shown as follows :

Table 14

Sr. No.	Name of the District	Amount in lakh
1	Aurangabed	3294.44
2	Jalana	756.65
3	Parbhani	193.65
4	Nanded	371.44
5	Osmanabad	94.57
6	Latur	246.68
7	Small sector units	26.95
	Total	5247.38

Graph 14



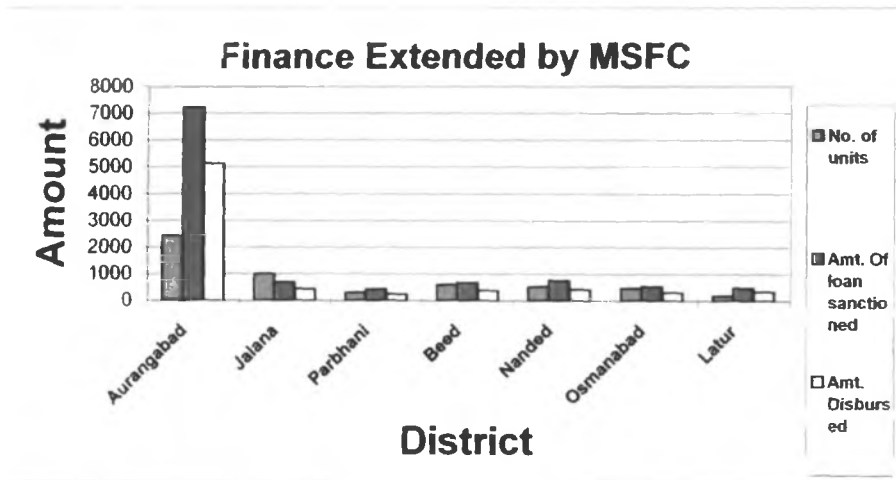
Finance extended by MSFC (as on 31-3-91) (in Lakh)

Table 15

District	No. of units	Amt. Of loan sanctioned	Amt. Disbursed
Aurangabad	2422	7215.39	5128.51
Jalana	994	686.49	421.63
Parbhani	295	428.29	238.79
Beed	593	671	374.46
Nanded	527	751.65	416.88
Osmanabad	475	533.94	302.91
Latur	191	487.07	336.4
Total	4617	10744.48	7216.78

(Source : Daily Lokmat – Dashak Purni Edition Page No. 351)

Graph 15



❖ **State Industrial & Investment Corporation of Maharashtra (S.I.I.C.O.M.)**

The loan extended by SIICOM has generated employment for 71057 employees. The corporation has started the industry of Paithan Weaving near Paithan. The said organisation has also started the training centre for the purpose of Paithani waving which is traditional occupation of this area. From the above data it is clear that SIICOM has worked for the development of the backward region of Marathawada, in general and Aurangabad in special.

Of the 232 units finance extended by SIICOM 188 i.e. 81% is for the units alone in Aurangabad and of the total employment generated i.e 71057 90% i.e. 63900 is generated alone in the district of Aurangabad. This shows that there is development of the city & fringe area of Aurangabad with a greater speed. The occupation pattern is changing marginal agriculture labour is getting converted into industrial labour.

By the year 1991 (Upto 30-06-1991) SIICOM has extended help to the 232 units in the region of Marathawada of Rs. 109.31 crore. The following are the details of such financial assistance to various districts in Marathwada.

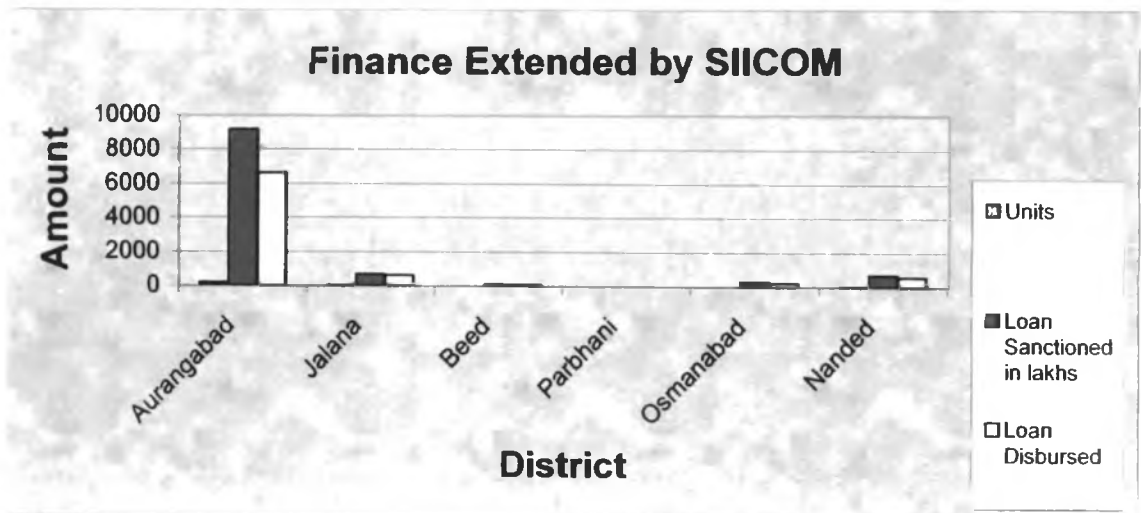
There is a divisional office functioning at Aurangabad Headquarter.
the loan is sanctioned upto 7.50 lakh and disbursed upto Rs. 20.00
lakh.

Table 16

Sr. No.	Name of District	Units	Loan Sanctioned in lakhs	Loan Disbursed
1	Aurangabad	188	9152.09	6616.51
2	Jalana	14	694	625
3	Beed	6	98.68	87.25
4	Parbhani	2	3.67	0.24
5	Osmanabad	9	294.83	220.85
6	Nanded	13	687.79	577.5
	Total	232	10931.06	8127.35

(Source : Daily Lokmat Dashakpurti Visheshank Page no. 251)

Graph 16



❖ **Marathawada Development Corporation (M.D.C.)**

This is the corporation for the development of the Marathawada region. The contribution made by the M.D.C. in the development of the said region can be highlighted as follows :

- i. The corporation has extended financial assistance to 20141 educated unemployed youth. This amount to Rs. 1077.13 lakh seed capital assistance.
- ii. To the 3104 units the organisation has extended financial assistance of Rs. 1516.52 lakh.
- iii. The corporation has given assistance for the establishment of industrial units.
- iv. From the year 1988 to the year 1995 the corporation has undertaken responsibility to provide the employment to the local uneducated youth.
- v. M.D.C. by the end of 30/06/91 disbursed following amount to the various units in Marathawada to the district of Aurangabad alone the corporation has extended the financial help of Rs. 806.03 lakhs i.e. 53% of total finance to the Marathawada region. The total amounts to Rs. 1516.52 crores.

- vi. SIICOM and MDC jointly worked for the upliftment of backward region, i.e. Marathawada.
- vii. SIICOM selected Aurangabad as a developing center during first five years (i.e. from 1970) the industrialisation process started in and around Chikalthana and Paithan industrial estates. HMT, EPBX, Machinery Manufacturing, LORCOM, Devgiri Textile, BCL Springs Gas Bottling Projects, Cusmo Films, Nath Paper Pulp, Aristocrat are some of the major projects started in this area.
- viii. By the year 1985 – 86 the development of Paithan was stagnant as it was saturated totally.
- ix. MIDC acquired land of near about 1600 Hectors 10 km away from Aurangabad at Walunj for industrial development. This land was acquired in the year 1984. Gareware already acquired private land near this place in the year 1979 for Polyester Industry. The infrastructure here was totally available as a result even this place was better utilised and developed.
- x. Bajaj also acquired 1000 acres of land for its Bajaj Auto Industry in this region. Nearly 300 crores of capital is invested in this project.

- xi. Cropmtoon Greaves, Johnson and Johnson, Birla Ken Metal, Carona Puma, Rallies India, Colgate Palmolive, Dyper India, Siemens Ltd., J.K. Chemicals, Ceat are other major projects in this area.
- xii. Many industries working in Chikhalthana Industrial estates started functioning at Walunj also, for e.g. Wochart started Pharmaceuticals plant at Walunj. For the development of Walunj due to industrialisation Govt. of Maharashtra has authorised CIDCO for planned urban development of Walunj and 18 nearby villages.
- xiii. Videocon also established their plant in this area of Television set by acquiring more than 100 acres of land.

The above details related to the industrial development of Aurangabad city and fringe area show following important considerations.

- i. The urban amenities are over burden by the industrial development as a result of that CIDCO started developing township for Walunj and 18 small villages.

- ii. The employment opportunities are being generated for these industrial units require skilled, semi skilled and unskilled labour class.
- iii. The occupational pattern is undergoing change because of industrial development
- iv. The cost of land is consistently increasing from last 30 years especially from when the industrial development has been started.
- v. The development of infrastructure facilities in these areas is considerably increased.
- vi. Govt. of Maharashtra and various corporations through their developmental schemes contributed to the better development of these areas.
- vii. The urbanisation no doubt is useful for the development of the country, at the same time the overpressure on urban land should be reduced for future plans.
- viii. The industrial unrest may cause the disturbance in social life of the region, which need to be controlled.

- ix. Unplanned growth of urban cities and migration from rural areas is the serious cause of urban unrest.

Thus the industrial growth during the period upto 1995 has shown the development of economic activities of the area. These are a shift in employment. The industrial growth of Aurangabad city now has reached an optimum level and there is a chance to develop new industrial belt of Aurangabad and Jalna city. Which in turn shall extend its benefits to industrially and economically backward Marathawada region. The growth of the city depends upon the local market and availability of infrastructure facilities.

The education is another concept that helps the progress of the city. The educational growth of the city of Aurangabad is studied in next chapter.