CHAPTER IX
PROBLEMS, CONCLUSION AND SUGGESTION

9.1 Introduction

The main objective of this chapter is to sum up main conclusions of the study. Some suggestions are also given in this chapter to change situation and to improve development of industries in the study region. Research work helps to focus attention on industrial areas. It also helps to have an overall better planning and management in the study region.

9.2 Problems

Each region or a country has some incentives as well as constraints for the industrial development. Therefore in any country or region the path of the industrial development can not be taken for granted an easy and smooth.

The hilly region having steep slopes, rugged topography is responsible for increase the constraints of industrial development in the eastern part of study region.

The monsoon rains, though generally plenty in Ratnagiri district, show considerable variation in the time of arrival, amount and duration. The result of such erratic behavior of monsoon is clearly visible in the yield and production of selected industrial crops in all tahsils.

Net sown area covered only 31.46% to the total geographical area of Ratnagiri district in 2005-06. It is clear that agriculturally study region is handicapped because about 70% area in the study region cannot be used for cultivation.

One of the major problems which entrepreneurs face today is related to availability of labour. Many of the young male working people from this region prefer to work in mills, factories and offices in Mumbai and other urban areas. As a result, farming in this picturesque land is
almost entirely managed by female, children and old workers. The inadequate working force is a major problem.

Financial weakness of most of the industrial concern is the major drawback which retards the growth of industrializations in the study region. Most of the entrepreneurs from Rajapur, Sangameshwar, Lanja, Guhagar, Mandangad and Dapoli tahsil have started their small scale and Khadi and village industries. They are facing this problem. Due to the shortage of working capital they cannot adopt new technique regarding their plant.

Industries also face the problem of poor transport facilities. Development of transport facilities is inadequate. In many tahsils, there are no proper roads to transport the output of industries. The cost of transport also results in an increase in prices. Hence, the products are sold in local areas at low price. The transportation relation with the markets and raw material contains considerable advantage and disadvantages. Transport is one of the factors which play a dominated role in the determination of the site of industrial location. Physiography is indirectly influences the industrial development of the region through transport. Generally rugged topographic region has always remained backward in transport network development.

Ratnagiri district is moderately served by road and rails. The total road length was 7409 km and railway length is only 140 km which is in form of broad-gauge line. At present along the Ratnagiri coast there are about 15 ports but a large majority of them are small. Seasonal and suffer from the breaking of the land connection in rainy season.

There are numerous constraints in the form of less urbanization. Influence of physiography through transportation difficulty, skilled workers, market inadequacy, few particular resources, absence of technical skill and entrepreneurs problems which are analyzed here to
assess the magnitude of the negative environment for industrial development. There were 10 towns in the study region. Most of towns located in northern Ratnagiri near the Koyana project due to the increasing industrialization. But in other area urbanization is very slow so it observed less industrialization.

Most of the small scale units and large scale units have been closed due to lack of working capital. 17 large scale units were closed.

In Ratnagiri district educational facilities are not sufficient. There are ten governmental training institutes, six poly techniques and four engineering colleges in Ratnagiri. And most of the educated persons are migrated for service to other cities like Mumbai, Pune, Thane etc.

Marketing is also having major problem for small scale and khadi and village industries. In all respect the study region is backward and there is great need for making available this service for the sound development of industries in the region. In the study region market facilities found in towns and tourist centres. Main market centres are Ratnagiri, Ganpatipule, Chipalun etc. These are not sufficient, more market facilities are essential for finished products.

Sometimes the demand is seasonal in the sense that it is available during a particular period of the year and naturally during the rest of the period the unit remains idle. This seasonal nature of demand has certainly affected the survival of unit. This is mostly affected by Agro Industries in the district. Fruit and food processing, oil mills, cane and bamboo unit workers are suffered from seasonal work. They are also getting less salary from the entrepreneurs. Due to the seasonal nature of job many workers are facing economic problems.

Importantly, many of the agro-based industries find it difficult to obtain the right type of raw materials at the right time and at moderate prices. Agricultural produce are seasonal products. Agro-based industries
suffer from this problem due to their poor financial position. They cannot stock adequate raw materials when they are available. Agro-based industries obtain their inputs from agricultural sector. The output of agricultural sector depends upon the soil, climatic conditions, rainfall, use of fertilizers, pesticides etc. Therefore, agricultural output cannot be increased according to the demands of agro-based industries. Therefore, agro-based industries fall the problem of inadequate raw materials. Many of the industries in the district face shortage of raw materials. The indigenous material is generally poor in quality. Industries in the district also face the lack of material management techniques, high cost of transportation and middleman problems.

Problem of uneven distribution of industries are found in the study region. About 76.62 % large and medium scale units were recorded in Khed tahsil, 11.69 % in Ratnagiri tahsil and 10.39% in Chiplun tahsil during 2005-06. High numbers (406) of small scale industries was found in Ratnagiri tahsil whereas 18 industries were recorded in Mandangad tahsil of the study region.

Khadi and Village industries are facing some problems like working capital, training facilities, proper management, social problems, less market price, shortage of raw material etc.

Lack of commercial activities in rural areas, on the one hand and a rapid pace of industrialization in the urban areas created a smooth passage for urbanization in the Ratnagiri district.

9.3 Conclusions

It is evident from the proceeding chapter that Ratnagiri has a large Industrial potential. From the geographical point of view the district is endowed favorably for the industrial development. As has been stated earlier, extreme regional polarization of industrial activities at Ratnagiri and Chiplun in the district has created numerous problems. The aim of
regional planning would be to affect a balanced economic development of different parts of the region. From the earlier discussion following conclusions are drown.

1. The Ratnagiri district is broadly divided into three subdivisions based on the elevation - Sahyadri Region, low level lateric Plateau, riverline and esturing level surfaces. The above mentioned physiography has influenced on the settlement, harbors’ and net sown area of the region. Due to the uneven and undulating topography land less available for cultivation.

2. In many Industries, as a result of new technology the demand for water has increased greatly. Water is also essential for the development of agriculture. It affects on direct agro based industries. In Ratnagiri district fishing industry is very important. All rivers are fast flowing and seasonal. The rivers in this district are of great value from the point of view of navigation and fisheries.

3. Success or failure of cropping season is determined by the intensity of the climatic factors. The climate of the Ratnagiri district is generally moist and humid. Ratnagiri district being a coastal district, the variation of temperature during the day and through the seasons is not large. Climatic conditions of the districts are favorable for the growth of industrial crops like mango, cashewnut, coconut etc.

4. Below 15% rainfall variability was shown in Khed tahsil whereas 15% to 20% rainfall variability was found in Mandangad, Chiplun, Sangameshwar and Lanja tahsils. Above 20% rainfall variability was experienced in Ratnagiri, Dapoli, Rajapur and Guhagar tahsils.(1982-2002)

5. In the Ratnagiri district large area (50% to 60%) area covers by the laterite soil. Laterite soil is found in Khed, Chiplun, Sangameshwar, Lanja and Rajapur tahsils. Ratnagiri, Lanja, Guhagar,
Dapoli and Rajapur tahsils covers some area of Coastal alluvium soil. They support the famous garden crops. It means agro based units are located in this study region.

6. Manganese, iron ore and Bauxite are found in southern and northern part of study region. There are also occurrences of copper salt, limestone, clay, building stones etc. Radioactive minerals like Uranium oxide are also found in some parts of the district. There is wide scope for mineral based industries in Ratnagiri district. Viz. Laterite stone, Clay pots manufacturing, Sand, Glazed Articles, Sodium Silicate, Play Articles etc.

7. The proportion of forest area is uneven. Area under forest decreased from 1.04 to 0.74% to the total geographical area during the period of investigation. In the study region indicated forest area was decreased except Khed tahsil. Khair, Anlali, Apta, Bel, Chinch, Hirda, Jambhul, Kinjal, Amba, Moha, Palas, Phanas, Pimple, Sag, Shiras etc. are the important trees. They provide raw material to forest based industries in the region.

8. All physiological conditions indicate that there is wider scope for the small scale industries and khadi and village industries in study region.

9. The study of general landuse, agricultural land use is essential as base for agro based industries. Net sown area was increased by 1.79% during the period of investigation. In Guhagar tahsil highest net sown area was increased by 6.02%. But 70% of the total land area is not used for cultivation owing to dearth of cultivable land. Fallow land in the all tahsils decreased by slowly. Area under forest varies from tahsil to tahsil due to variation in hilly area and rainfall variability.

10. Area under Rice crop showed positive change in eleven years from 1982-83 to 2001-02 in study region and index number of area
under same crop was found near about 100 per cent during the period under study. Indices of area under ragi and vari crop decreased by 32.28% and 54.7% respectively from 1992-93 to 2001-2002. Index of area under other cereals and pulses was increased by 36.29% and 3.39 per cent respectively during the period of 1982-83 to 2001-2002. Area under Spices and Candiments was decreased by 17.51%. Index number of fruit and vegetable crops area showed tremendous growth, it is increased by 207.30 % during the period of investigation. Index of oil seeds and fodder crop area was increased by 71.79% and 28.40% respectively from 1982-83 to 2001-02. Area under industrial crops like fruits and vegetables, oil seeds and fodder crops was increased.

11. An Annual rice, maize, tur, other pulses and coconut production of increase of 1.19%, 2.9%, 10.14%, 2.61% and 9.61% for the respectively. The annual decrease percentage of production was change 2% and 2.47% respectively for the crops of ragi and other cereals. The physical and non physical factors affected for increase and decrease in selected crop production during the period of selected triennium.

12. The study region had negligible area under irrigation till recently, due to uncompleted construction work of three medium out of four irrigational projects. It is essential to increase irrigation facilities in the Ratnagiri district from the view point of industrial development.

13. Cattle population and fodder crop area increased in every tahsil during the period of investigation. There is also wide scope for dairy industries in Ratnagiri district.

14. Pophali, Alore and Kolakewadi project supported to create electricity and ultimately benefited to industries. Due to these projects cropping pattern has changed from food crops to cash crops (industrial crops) since last fifteen years. Out of the total electric consumption nearly
58% electricity was consumed in industrial sector and agriculture sector only 1% electricity was used.

15. Density of population in every tahsils has increased due to the increased in population in 2001. Urban population of Ratnagiri district is tremendously increased by 39.23% during the period of last decade. In study region as a whole there are 1136 females per thousand males, this is significant higher than that of the state average sex ratio of 922 in 2001. In the over all district literacy rate was above 71% in 2001.

16. In India industrial policy is that some activities are left for the private capitalist. Since Independence India has announced many times their industrial policies according to changing socio-economic conditions of the country. More weightage was given to private sector. Mostly all policies were given to highest priority to cottage and small scale units.

17. New Industrial Policy is more globally oriented while the previous policies were protective in nature. According to the new policy private sector has been assigned for leading role. In the previous policies public sector was assigned new and leading role. Previous policies were selective and shy for foreign capital while new industrial policy was opened the door for foreign capital even in core and infrastructural sector. New Industrial policy intends to make Indian industries globally competitive while the previous policies were restrictive in nature.

18. The Secondary sector has shown a steady increase from 16.1% of G.D.P. in 1950-51 to 20.8% in 2007-08. The service sector has increased in G.D.P. 70.4% in 2007-08.

19. A review of the progress of the industrial growth during the Nineth plan (1997-2001-02) industrial growth slumped to 4.6 per cent per annum, reviewing the internal and external factors for the slowdown during the Nineth plan e.g. manufacturing, electricity and mining and all
end-use based groups such as capital goods, intermediate goods & consumer goods. But during the 10th plan (2002-03 to 2007-08), it picked up significantly to 8.9 per cent per annum. This is a healthy development. Due to industrial performance employment in non-agricultural sector is to be generated. The manufacturing sector, accounting for 77 per cent of industrial output has shown significant growth acceleration. Eleventh Plan intends to improve the growth rate of industry from 8.90% realized in the 10th plan to 10.11%.

20. The total number of SSI units has increased from 79.6 lakhs in 1994-95 to 123.4 lakhs in 2005-06 indicating an annual average growth rate of 4.1 per cent. As a consequence of the increase in SSI units more especially in the unregistered sector, employment increased from 191.4 lakhs in 1994-95 to 294.9 lakhs in 2005-06. There is very high concentration of SSI units in seven states, viz. Maharashtra, Uttar Pradesh, Punjab, Haryana, Tamil Nadu, Andhra Pradesh and West Bengal. These states account for 53% of the total units in small sector, 55% of the total employment, 68% of total fixed investment and 60% of the total production.

21. Maharashtra occupied a pride position in the industrial map of India. The industrial sector played a very vital role in the industrial development of the economy as well. Success or failure of cropping season is determined by the intensity of the climatic factors. The climate of the district is moist and humid. Temperature is favourable for the growth of industrial crops in study region. The rainfall is not uniform throughout the district.

22. Ratnagiri district have been made several efforts for industrial development by the Government, cooperative societies and individual entrepreneurs. There has been difference between paper plans and their implementation. Most of the resources of the Ratnagiri district
are still unused. Different government agencies and industrial estates indicate very sound potential in the study region. So in many cases, local resources utilization and generation of job opportunity are missed. In spite of these efforts excluding Ratnagiri, Chiplun and Khed tahsils remaining tahsils are industrially backward because of the several reasons.

23. As a result of these efforts in recent years there has been expansion of industrial activity in the study region. This increase also marked a change in the industrial pattern of the study region with an addition of certain units producing heavy industrial products like cement, engineering, chemicals, food products etc.

24. In the district, there are six industrial areas developed by Maharashtra Industrial Development Co-operation. Which are (Viz. Ratnagiri-Mirjole/Zadgaon, Khed-Lote Parshuram, Chiplun-Kherdi, Ganekhadpoli, Sangamshwar-Devrukh-Sadavali.) There are two co-operative industrial areas which are located at Ratnagiri and Chiplun tahsils. These play important role in the development of industries in the Ratnagiri district.

25. Seven units of large and medium scale industries units were observed in 1991-92 whereas it was increased up to seventy seven units in 2005-06 in the study region. It means that large and medium scale industries increased by 11 times during the period under study.

26. Index number of large and medium scale industries increased from 100% in 1991-92 to 962.2% in 2005-06. Government was announced subsidy for industrially backward districts. So from 1991 to 1996 most of industries are registered.

27. There is uneven distribution of large scale industries in the study region. About 76.62%, 11.69% and 10.39% industries were recorded in Khed, Ratnagiri and Chiplun tahsils respectively in 2005-06.
28. The highest share of chemicals units to the total units was recorded 45.45% in 2005-06. The share of Engineering, food products, Plastic/poly/pvc, fabrics and drugs were 10.39%, 10.39%, 5.19%, 5.19%, 3.90 and 1.30% respectively.

29. The share of investment in Plastic/Poly/PVC (47.88%) and Chemical units (37.17%) was recorded in 2005-06. Only 0.14% investment was observed in paper and board industry.

30. The highest proportion of workers was engaged in Chemical units (25.18%) on the other hand the lowest proportion of workers was engaged in Paint industry (0.41%) in 2005-06.

31. Number of small scale units increased from 496 to 1177 from the period under study. Small scale units, investment amount, production capacity and labour force were increased by 2.37, 31.21, 28.77 and 4.92 times respectively.

32. Indices of Small Scale units were constantly increased between base year and last year. Overall picture of units, investment, production capacity and labour force show that small scale industries made tremendous change in the study region.

33. Out of the total small scale units 19.71% units were agro based units whereas other units were 18.69% units in 2005-06. Below 5% were electrical, electronics, textile and leather units. There is tahsils to tahsils variation in small scale industries due to physical factor, raw material, skilled labour, capital investment, marketing facilities etc.

34. Nine to eight unit combinations were observed in Chiplun tahsil whereas eight to seven unit combinations were registered in Lanja tahsil. Five to four small scale industrial combinations were observed in Mandangad, Rajapur and Guhagar tahsils. No change was experienced in remaining tahsils during the period of investigation.
35. Above 10 Small scale units per 100 sq. km was observed in Ratnagiri, Chiplun and Khed tahsils in 2005-06.

36. According to small scale industrial concentration index formula high to low and moderate, low to moderate and high, moderate to low and high SSI concentration change was observed in case of selected units due to the physical and non physical factors in all tahsils of Ratnagiri district during the period under study. Mostly low SSI concentration was observed in Mandangad tahsil.

37. Moderate to high small scale industries diversification were recorded in Guhagar tahsil whereas low to moderate SSI diversification was found in Dapoli and Lanja tahsils. Moderate to low small scale industries diversification was found in Chiplun tahsil. No change in SSI diversification was experienced in Sangameshwar, Mandangad, Rajpur, Khed and Ratnagiri tahsils during the period under study.

38. The Khadi and Village industries programmes play a predominant role in providing employment opportunities to rural artisans more especially among the social economic weaker strata of the society. These units increased from 14562 to 14806 during the period of under investigation. The proportion of investment was increased from Rs. 2511 lakh to Rs. 2596 lakh in Khadi and Village industries from the period under investigation.

39. Previously most of the cottage and village industries were seasonal in character. At present only processing agro based industries like food processing, fruit processing, oil ghanis etc. are seasonal in character and the remaining (rice mill, poha, leather, cane and bamboo) industrial work throughout the year, due to the perennial availability of raw material from local as well as outside source throughout the year.

40. In Ratnagiri district village and cottage industries are entirely based on the local raw materials and chiefly cater to the
requirements of the total population. As these industries are less capital intensive and more employment oriented, these village and cottage industries become boon for the rural economy of the Ratnagiri district.

41. The industrial development has taken a forward leap. Thanks to the tremendous encouragement by the government agencies in the form of financial help. The cultivators also have taken benefit from these agencies to develop the horticultural crops such as mango, cashewnut, coconut etc. There is a rapid and dramatic increase in the area under fruit crops because of the demand of national and international market. Large areas of varkas land have been brought under these plantations.

42. In order to encourage the dispersal of industries to the less developed areas, the State Government has been giving a package of incentives to new/expansion units set up in the developing regions of the State. The State Government has declared revised Package Scheme of Incentives 2007 (PSI 2007) from 1st April, 2007 which shall remain in operation upto 31st March, 2011. Eligible units in the private sector, State Public Sector/Joint Sector and Co-operative Sector but not in the Central Public Sector are being considered for providing incentives under PSI 2007.

43. The review of the resources potential of Ratnagiri presented in the foregoing pages reveals that the district has diverse and rich industrial resources which, if properly used, can propel it to become a major industrial district. The large area of the district is itself a great asset as it also determines the size and variety of natural resources. Resources such as agricultural raw materials, water, forest, livestock, minerals and fisheries are basic to any industrial development; these resources are available in good measure in the district. It is in the quality of the land resource that the fortunes of the district are mixed. The efforts made
towards improving the productivity of land during the planning period hold considerable promise in that direction.

44. The diversity of resources obtaining in the district provides both a challenge and an opportunity to achieve a high material standard to the toiling peasants and workers in the district. The undulated nature of the terrain and uneven distribution of rainfall clearly indicate that the future of agricultural development lies in the promotion of dry farming combined with modern agricultural practices. On the other hand, the large potential of forest, mineral resources points out the possibilities which these offer for industrialization. If these possibilities are to be realized, it is essential that efforts are made to disperse the development of industries and to encourage entrepreneurship among the technically qualified and educated population in the district. With the proper motivation and encouragement, the talents of the versatile man-power can be canalized towards the promotion of modern industries in the small sector.

9.4 Suggestions

To solve financial problem Government of Maharashtra should have given sufficient loans to the entrepreneurs through different financial agencies so that entrepreneurs will get lot of loan to run their unit smoothly.

It can be solved the problem of transportation by improving road and rail network.

Hence number of industries, industrial development, transportation and communication facilities, market centre are increased in the study region.

Banks, co-operative sector should provide sufficient working capital to all types of industrial units.
Government should have given training to the entrepreneurs during every year. Entrepreneurs should be given proper training regarding their industries by expert.

Government should have fixed marketing price of finished goods so that entrepreneurs will be benefited.

To solve problem the workers should have given half salary during the period of off season period.

For the proper and balanced industrial development of each tahsil some fruitful suggestions like need to industrial permission in every tahsil, new industrial establishment, launch an active programme of organizing industries.

To solve KVI industrial problems following remedies are implemented. Rural banks, bank of Maharashtra and other banks should given loans to the entrepreneurs at the lowest rate, proper training by government agencies, improved management, educational facilities and different government agencies provide sufficient raw material etc.

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The State Government has undertaken a programme of developing industrial estates in areas other than MIDC on a co-operative basis with the view to generate more employment opportunities in rural areas. The State Government is providing several facilities in terms of contribution to share capital and technical guidance for establishing industries in co-operative industrial estates.