INTRODUCTION
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Development can be defined as the dynamic change of a society from one state of being to another. The goals, values and strategies of change may vary but there are generic processes through which agreement on goals is reached and plans, process and programmes are formulated and implemented. In a way the development process involves developmental strategies and development administration to achieve the target laid down for development.

In this perspective we have to examine the impact of developmental strategy of U.P. before we discuss its sectoral development by examining the role of public sector in it.

Let us first go through the economy of U.P. and the developmental strategy adopted to boost it up during the recent past.

Uttar Pradesh covers an area of 2,94,416 Sq.Kms. This constitutes about 8.9 per cent of the total geographical area of India. From the point of view of area, it occupies the fourth position in the country after Madhya Pradesh, Rajasthan and Maharashtra. But since it has the highest
16.5 per cent share in the total population of India, the State occupies the first place in the country in terms of population. According to 1981 Census, the total population of the State was 11.09 crores which rose to 13.87 crores in 1991 registering an increase of 25.10 per cent. Consequently, the per square kilometre density of population also increased from 377 in 1981 to 471 in 1991.

According to 1991 Census out of the State's total population, 7.37 crores (53.2 per cent) were male and 6.50 crores (46.8 per cent) female. Accordingly, the male-female ratio stood at 882 females per thousand of males. Out of the total population of the State 11.14 crores (80.1 per cent) persons were rural and 2.73 crores (19.9 per cent) were urban.

According to 1991 Census, there were a total of 448.61 lakh workmen in the State. Out of these, 413.42 lakhs were main workmen and 35.19 lakhs marginal workmen. Thus the share of workmen in total population was 32.27 per cent. Agriculture is the mainstay of the State's economy. According to 1991 Census, of the main total workmen, 72.1 per cent were agricultural workmen; and the contribution of 44.5 per cent increase from farm and animal husbandry sector to total State income in 1990-91 at 1980-81 fixed prices was the highest. In this
back ground, all possible efforts are being made by the State Government for the all-round development of the State's agricultural sector. The government is giving more and more emphasis on agricultural development. The total irrigated area of the State also increased from 127.31 lakh hectares to 143.75 lakh hectares during the period (1985-90), recording an increase of 12.9 per cent.

The use of chemical fertilizers, improved seeds, pesticides and insecticides has increased. In view of the preponderance of small and marginal agricultural holdings in the State, effective steps were taken by the State Government to maximize agricultural production. These steps include distribution of mini-kits of seed, fertilizers and pesticides and supply of farm inputs at subsidized rates to resourceless and economically weaker farmers, arrangement of cheaper cooperative credit and community irrigation sources. Besides, Special Foodgrains Production Programme and programmes like Technology Mission on pulses and Technology Mission on oilseeds are also being implemented in the State. These efforts have shown encouraging results and barring certain extraordinary bad years, increase is discernible in the total production and average yield of almost all the agricultural items.
With the development of economy the power consumption also increases. The power generation in the State sector in the State went up from 1133 crore units to 1886 crores units during in 1985-90 with an increase of 66.5 per cent. With a further increase of 4.4 per cent, it rose to 1969 crore units in 1990-91. Similarly, power consumption also went up during this period from 1074 crore units to 1808 crore units registering an increase of 68.3 per cent. It further rose by 7.4 per cent and went up to 1942 crore units in 1990-91. Accordingly, per capita power consumption in the State increased from 109 units in 1984-85 to 159 units in 1989-90 and about 168 units in 1990-91. However, this is still 86 units less than the national average.

The State is keen to develop industries. During the VII Five Year Plan an amount of Rs. 658.77 crores was spent on programmes connected with development of industries against an outlay of Rs. 595.13 crores fixed for them. An amount of Rs. 130.63 crores was spent under this head during 1990-91 which is about 0.9 per cent less than the average annual expenditure in the Seventh Plan.

Sugar, cement, Vanaspati and cotton textile are the State's traditional and important industries. Statistics
regarding production in these industries are shown in the table below:

**TABLE No. 1.1**

*Production in Traditional Industries in Uttar Pradesh*

<table>
<thead>
<tr>
<th>Year</th>
<th>Production ('000 Tonnes)</th>
<th>Cotton Textile (Lakh Mtr)</th>
<th>Cotton Yam ('000 Tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sugar</td>
<td>Cement</td>
<td>Vanaspati</td>
</tr>
<tr>
<td>1984-85</td>
<td>1736</td>
<td>948</td>
<td>137</td>
</tr>
<tr>
<td>1985-86</td>
<td>1554</td>
<td>1146</td>
<td>145</td>
</tr>
<tr>
<td>1986-87</td>
<td>2104</td>
<td>1049</td>
<td>154</td>
</tr>
<tr>
<td>1987-88</td>
<td>2606</td>
<td>1165</td>
<td>153</td>
</tr>
<tr>
<td>1988-89</td>
<td>2684</td>
<td>1101</td>
<td>156</td>
</tr>
<tr>
<td>1989-90</td>
<td>2512</td>
<td>965</td>
<td>165</td>
</tr>
<tr>
<td>1990-91</td>
<td>3050</td>
<td>757</td>
<td>148</td>
</tr>
</tbody>
</table>


The statistics in the above table show that the sugar production continues fluctuated during the Seventh Plan period, the 25.12 lakh tonnes of sugar produced in 1989-90 was 6.4 per cent less than in the preceding year. In 1990-91, 30.50
lakh tonnes of sugar produced was 21.4 per cent more than in
the preceding year and 13.6 per cent more than the record
production achieved in 1988-89. Cement production showed
decline after 1987-88 and 7.57 lakh tonnes of cement produced
in 1990-91 was 21.6 per cent less than in the preceding year
and 35.0 per cent less than the production level achieved
in 1987-88. In all 1,48,000 tonnes of Vanaspati was produced
in 1990-91 which was 10.3 per cent less than in the preceding
year. Cotton textiles production started to decline from
1985-86 and showing constant decline, its production came down
to 11.02 crores metres in 1989-90 and 10.48 crore metres in
1990-91. Cotton textile produced in 1990-91 was 4.9 per cent
less than in the preceding year and 47.8 per cent less than
the level achieved in 1985-86. Production of cotton yarn
continued to show a mixed trend. Cotton yarn weighing 127000
tonnes produced in 1990-91 was 9.5 per cent more than in the
preceding year.

Besides these traditional industries, new industries
are also coming up and developing in the State. For an idea
of the total progress in the industrial sector, the industrial
production index is an appropriate yardstick. The industrial
production index (1970-71 = 100) in the State was 276.6 in
1984-85. This went up to 421.2 during the Seventh Five Year Plan period (1985-90) registering an increase of 52.3 per cent. In the next year, with an increase of 5.9 per cent, it rose to 445.9. This gives an indication of the expansion and progress in the State's industrial sector.

About Rs. 113 crores are expected to be spent on development of industries in 1991-92. Of this, an amount of Rs. 47.68 crores is likely to be spent on development and expansion of medium and small industries. It is estimated that this will result in establishment of 30000 new units and provide employment to 1.50 lakh persons in the State. Besides, an amount of Rs. 11.50 crores is estimated to be spent on electronic industry, Rs. 15.00 crores on sugar industry and Rs. 0.75 crores on textile industry.

Uttar Pradesh occupies the fourth place among the States of the country in terms of area and first position in terms of population. Hence, to provide it employment is of utmost importance. The rate of industrial growth in the State, which was 2.3 per cent in the first Five Year Plan, touched the level of 12.5 per cent in the Seventh Plan. Up to March 1992, as many 2.80 lakh small units with an investment of over
Rs. 1670 crores, had been set up in the State, providing employment to 17.11 lakh persons. Till then, 1125 medium and heavy industries had also been set up in the State with an investment of Rs. 92,87 crores which provided employment to 4.66 lakh persons. As a result, the rate of industrial growth went up from 2.3 per cent to 12.5 per cent. Simultaneously, while the share of income from agriculture and allied sector to gross internal product came down from 60.2 per cent in 1970-71 to 38.3 per cent in 1986-87, the contribution of income from industry and allied sector rose from 14.4 per cent to 22.1 per cent.

As a result of it the per capita income in the State as per 1989-90 estimates is Rs. 3,072 as against the national per capita income of Rs. 4,252. As yet the credit deposit ratio of commercial Banks in the State is 46.2 per cent against the national average of 63.5 per cent. This indicates that there is need to increase the contribution of industrialization in the State’s economic development. Special attention has been paid by the Government towards industrialization for strengthening the State's economy and improving the level of its development.
The Eight Five Year Plan of Uttar Pradesh 1992-97 has not made a separate mention of the industries as public and private sector ventures.

At present there are 50 industrial units under public sector in U.P. The importance and need of public sector had been emphasized repeatedly by various authorities, at various forums. The Industrial Policy Resolution adopted assigned a key role for the public sector and reserved some core sectors for development only under public sector. There was important role of public enterprises in the economy of Uttar Pradesh. During the First Five Year Plan there was only one industry i.e. textile industry in the State. Later on, it has increased continuously upto Seventh Five Year Plan. But now the situation has been reversed and the role of public sector has decreased because most of the enterprises are running in losses.

The State Enterprises are mainly functioning in the area of developmental and promotional activities unlike the Central Public Sector Enterprises which are predominantly manufacturing and trading in nature. Central Public Enterprises have been set up mostly in accordance with the Industrial Policy Resolution of the Government of India. State Enterprises
are mostly either old units being run by the Government departments or extension of departmental services. The State Enterprises have been set up in Uttar Pradesh:

1) To provide infrastructural facilities in various sectors, like industries, agriculture, handicrafts, handlooms etc.

2) To manage the Public Utilities system.

3) To safeguard and expand employment opportunities and diversify the State's production potential in terms of value added.

4) To uplift and help the economically weaker sections of the society and minorities.

The basic philosophy for setting up these State Enterprises was to bring about a result oriented cost benefit approach to the developmental activities, accelerate growth in different sectors of the economy through specialized agencies and finally to ease the burden on State's financial resources through use of institutional finance. Setting up of these numerous enterprises reveals the State Government's desire and intention to bring about a rapid all round growth of the State with its meagre resources. The present study is
an attempt to evaluate, how far the State Government has been able to achieve this objective, particularly with the help of the public sector enterprises.

OBJECTIVE OF THE STUDY:

In many cases the same activities are undertaken by public, private and Co-operative sector. Uttar Pradesh public Sector is an example of the same. While establishing new enterprises the Government takes into account the question of balanced regional development, i.e. establishment of different types of factories in different Indian Units in order to reduce regional disparities.

In India and U.P. also where the public enterprises were playing a crucial role in various segments of the economy, the need to have a clear understanding of the functioning of Public Enterprises at the micro and macro level requires serious attention. The present work is a study of the contribution of Public Sector undertakings in U.P. to the developmental process.

The objectives of the study are:

(1) to study the Public Sector Enterprises - an overview.
(2) to study the growth and development of Public Sector Enterprises in Uttar Pradesh.

(3) to examine the impact of new economic Policy of Public Sector.

(4) to evaluate the financial performance of Public Sector Undertakings of Uttar Pradesh.

(5) to conclude the study and present the constructive suggestions in order to improve the functioning of Public Sector of Uttar Pradesh.

METHODOLOGY:

To conduct the present study following steps were taken:

1) Primary data was collected by conducting a survey at Bureau of Public Enterprises of Uttar Pradesh at Jawahar Bhavan, Lucknow.

2) Secondary data related to the topic was collected from the different organization's published and unpublished reports.

3) Finally, the data was classified, tabulated, analysed and edited.
LIMITATIONS OF THE STUDY:

The limitations under which the study was conducted were as follows:

The first limitation was the cost consideration, no scholarship and any financial support was given by the University for conducting the survey and collection of material. Further, researcher faced many problems in getting quantitative and qualitative data and information from the units under study. The officials and other respondents were hesitant in responding to questions. But once the initial suspicion and inter alia were removed, officers at the case studies units proved to be helpful. However, the above mentioned limitations had hardly any significant effect on the quality of the present study.

SCHEME OF CHAPTERIZATION:

The entire study has been divided into five chapters:

The first chapter "Public Sector in India", deals with the general idea of Public Sector, its genesis in India and the main organizational patterns as they operate in the country. It also examines in brief the deficiencies of public
Sector, as well as the New Industrial Policy, the logical result of these deficiencies.

The Second Chapter is "Performance Evaluation of Public Sector and New Economic Policy", which deals with the performance of Public Sector in general, the main features of New Economic Policy and what is the impact of this Policy on the Public Sector.

The Third Chapter "An Overview of Public Sector Undertakings in Uttar Pradesh", covers all the Public Sector Undertakings in the State in general. It provides a brief picture of these undertakings, classified into eight groups and examines their structure, capital and employment provided by them to the people.

The Fourth Chapter "Uttar Pradesh Public Sector Undertakings as a Means of Development". On the basis of available statistical data, it is an attempt of detailed analysis of some selected Public Sector Undertakings in order to evaluate their impact on developmental activities in the State.
The Fifth Chapter "Conclusion and Suggestions" analyses the various sources of the capital formation and its relation with economic development. The study reflects the deficiencies of Public Sector in the economic development of Uttar Pradesh. I have ventured to suggest some reforms, namely, proper preliminary planning, proper material and financial management and the tactful handling of industrial relation etc., which I am sure, will be helpful in the attainment of the desired objectives.