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Growth and Structure of Large and Medium Scale Industries

(Special Reference to Before and After the Bifurcation of Andhra Pradesh State)

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ABSTRACT

The main objective of the industrialization program is to raise the stand of living of the people. This means industrialization to be sound at a balance development of agriculture and manufacturing industry. The industries are classified in to two categories 1) Resource based industries, are started around the location of the available natural resources like agro based, forest product, livestock products (fish, marine, poultry and leather, mineral products) 2) Demand based industries are those industries which can be developed in any place or region like metal and metallurgical, chemical and allied industries, textile products, electrical and electronic products and miscellaneous Andhra Pradesh is a state in the south-east region of India, bordering Telengana in the north, Tamilnadu in the south, Karnataka in the west and Odissa to the north east. Hyderabad is used to be the capital of Andhra Pradesh till state bifurcation of Telengana in the year 2014. Now, Amaravathi is the new formed capital of Andhra Pradesh, the population of the state in 2011 is 4.93 crores. With a geographical area of 1,60,205 sq kms. During the period of last five decades before the bifurcation of the state the performance of large and medium scale industries mainly resource based (cement industries) has grown impressively. Further demand based industries (textile, cotton, chemical and fertilizers industries) turned out as important industries in our state

Keywords: *Growth and Structure, Resource Based Industry, Demand Based Industry and Large and Medium Scale Industry.*

I. INTRODUCTION

The main objective of the industrialization program is to raise the stand of living of the people. This means industrialization to be sound at a balance development of agriculture and manufacturing industry. Most of the economists pinned their emphasis on one or the other factors viz. , low level of technological skills, low level of capital formulations and dearth of

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natural resources, disproportionate growth in population to be responsible for the low level of industrialization.

The industries are classified in to two categories 1) Resource based industries, are started around the location of the available natural resources, they are viz., agro based, forest product, live stock products (fish, marine, poultry and leather, mineral products) 2) Demand based industries are those industries which can be developed in any place or region, they are namely, metal and metallurgical, chemical and allied industries, textile products, electrical and electronic products and miscellaneous .

II. PROFILE OF ANDHRA PRADESH

Andhra Pradesh is a state in the south-east region of India, bordering Telengana in the north, Tamilnadu in the south, karnataka in the west and Odissa to the north east. Hyderabad is used to be the capital of Andhra Pradesh till state bifurcation of Telengana in the year 2014. Now, Amaravathi is the new formed capital of Andhra Pradesh, the population of the state in 2011 is 4.93 crores. With a geographical area of 1,60,205 sq kms. Further, this is the second largest state of our country in terms of coastal length with a long 974 K.M coastal belt. The population of Andhra Pradesh shown in Table No.1

Table No.1.

Andhra Pradesh Population – 2011

Total Population	4,93,86,799
Decadal Growth Rate	9.21
Males	2,47,38,068
Females	2,46,48,731
Sex Ratio	996
Rural Population	3,47,76,389
Urban Population	1,46,10,410
Density of Population	308 per sq km
Literacy	67.41
Male Literary	80.09

Female Literary	64.6
Total Area of Andhra Pradesh	1,60,205 sq kms
Total Child Population 0-6 Yrs	52,22,384

Source : Statistical Abstract of Andhra Pradesh 2011-2012

The population of Andhra Pradesh state has shown in Table No.1. In 1991-2001 decadal population growth rate in our state is less than that of India's population growth rate. According to 2011 census the state population is 4,93,86,799. The geographical area of state is 1,60,205 sq kms which is 8.37 percent of India's geographical area. Therefore, regarding geographical area and population of Andhra Pradesh occupies 5th in India. The above table reveals that the literacy rate of male is higher than the females.

Table No.2

Growth and Structure of Large and Medium Scale Industries

(Before the bifurcation of Andhra Pradesh state)

S.No	Year	No. of Units Proposed	Investment (In Crores)	Employment	Per Unit Employment
1	1991-96	1039	11,196	1,81,542	174
2	1996-2001	975	10,469	1,26,395	129
3	2001-2006	369	7,206	54,765	148
4	2006-2011	630	34,612	1,00,227	159
Total		3013	63,483	4,62,929	153

Source : Ministry of Industries, Government of Andhra Pradesh

Table No.2 has Shown that the growth and structure of large and medium scale industries before the bifurcation of Andhra Pradesh state. In the above table that number of units proposed were 3013 with an investment of Rs 63,483 crores by providing employment to 4,62,929 and per unit employment was 153. The growth of large and medium scale industries during the post reform period shows that during the period of 2001-2006 where 369 units were established. This is the lowest number of establishment of industries in our study. During the period of last

five decades before the bifurcation of the state the performance of large and medium scale industries mainly resource based (cement industries) has grown tremendously. Further, demand based industries (textile, cotton, chemical and fertilizers industries) turned out as important industries in our state

Table No.3

Growth and Structure of Large and Medium Scale Industries in Coastal and Rayalseema Region

(After the bifurcation of Andhra Pradesh State)

S.No	Region	No of Industrial Units	Investment In Crores	Employment	Per Unit Employment
1	Coastal Andhra	1349	56,800	3,32,553	246
2	Rayalseema	435	24,461	1,02,953	236
Total		1784	81,261	4,35,506	244

Source: Statistical Abstract of A.P.2015

Table No.3. Exhibits the growth and structure of large and medium scale industries in coastal Andhra and Rayalaseema regions of Andhra Pradesh, after the bifurcation of the state. It is noted that since the coastal region is bigger than the Rayalseema region, therefore the number of units are more than thrice of Rayalseema region. The above table obviously shown that the post reforms industrialization in the state have fluctuations in the establishment of industries. During 2015-16 after the bifurcation of the state 1784 industrial units are there with an investment of rupees 81,261 crores and by providing employment to 4,35,506 and per unit employment was 244. Further, the above table tells that in Rayalaseema region only 435 industrial units were established with an investment of Rs.24,461 crores and providing employment to 1,02,953 and per unit employment was 236. The data clearly indicates that Rayalaseema region is the most backward region as compared to coastal Andhra. It is interestingly noted that, after the bifurcation of the state most of the important resource and demand based industries goes in favor of Telangana state. The major reason was, the then policy makers focused on Hyderabad as its capital. So, majority of resource and demand based industries were established at Hyderabad and its surrounding districts. It is a irreparable loss

for Andhra Pradesh state and pushed its industrial sector in neck deep crisis in general and more particularly large and medium scale industries.

III. CONCLUSION

Among the south Indian states namely Tamilnadu, Karnataka and Kerala, Andhra Pradesh is the most potential industrial hub of our country. Since the formation of the state of Andhra Pradesh and Hyderabad its capital city, the policy makers and planners were totally focus towards Hyderabad and established more and more large and medium scale industries with an intention to develop the capital and wholly neglected the other two regions, coastal Andhra and Rayalseema. However, the growth of these industries in other two regions i.e coastal Andhra and Rayalseema were almost paralyzed. The bifurcation of the state is the wakeup call for the policy makers of Andhra Pradesh and established number of large and medium scale industries in various districts of coastal Andhra and Rayalseema regions.

I found that in my study most of the large and medium scale industries in the state either locked down or closed down or defunct. It is pitiable that some of the oldest industries in the region which were started in 1950 and 1960 were providing employment to tens of thousands, were converted into real estates, shopping malls and others into convention halls. It all happened because of the flawed policies and gross negligence of the previous governments. However, A.P is the potential industrial hub of large and medium scale industries and government should invite and encourage foreign investors and producers to come forward and established more and more large and medium scale industries in our state. The recent establishment of Kia Motors Automobile industry is a demand based industry at Penukonda, speaks about Andhra Pradesh state has the favorable atmosphere to established resource and demand based industries.

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