

Globalization And Industrial Development In Thane District

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Abstract

The decline of the traditional industry and the rise of the modern industry in India were neither simultaneously nor casually connected. The beginning of modern large scale industry in India dates back to 1830 when the first charcoal fired iron making was attempted in Tamil Nadu. However this venture collapsed in 1866. Therefore the real beginning of the modern industry in India is recognized with the establishment of cotton textile industry at Mumbai in 1854. This industry grew tremendously in 1870 due to a spurt in demand in the wake of the American Civil War by 1875-76 the number of cotton textile mills rose to 47. Among the other industries appeared after Globalization (1991) was drugs, textiles, plastics, rubber, pharmaceuticals, engineering, fertilizers, electronics, chemicals, paper and breweries. The main industrial centres were port cities of Mumbai, Kolkata and Chennai. Thane is the third most industrialized district in the Maharashtra state and tenth in India. There are 1548 large and medium scale and 18480 small and micro scale industries in the district. The district is largely industrialized having 10 MIDC areas, 2 CO-operative industrial estate, as the district is very near to Mumbai the indigenous and international market facility is also available for products. Throughout this paper, there is an underlying focus on the development of Indian industry after globalisation with special case study of Thane district.

Keywords: *Post Globalization,Industrial Development in Thane*

Introduction

Indian economy had experienced major policy changes in early 1990s. The new economic reform, popularly known as, Liberalization, Privatization and Globalization (LPG model) aimed at making the Indian economy as fastest growing economy and globally competitive. The series of reforms undertaken with respect to industrial sector, trade as well as financial sector aimed at making the economy more efficient. Globalization has many meanings depending on the context. In context to India, this implies opening up the economy to foreign direct investment by providing facilities to foreign companies to invest in different fields of economic activity in India, removing constraints and obstacles to the entry of MNCs in India, allowing Indian companies to enter into foreign collaborations and also encouraging them to set up joint ventures abroad; carrying out massive import liberalization programs by switching over from quantitative restrictions to tariffs and import duties, therefore globalization has been identified with the policy reforms of 1991 in India.

The Rise of Modern Industry and Industrial Development in India:

The major policy changes initiated in the industrial sector in 1991 included removal of entry barriers, reduction of areas reserved exclusively for public sector, rationalization of approach towards monopolistic and restrictive practices, liberalization of foreign investment

policy and import policy, removing regional imbalances and encouraging the growth of employment intensive small and tiny sector. However, the growth rates quickly recovered and the index of industrial production increased by 6 per cent. The general annual growth rate in major sectors of industry was 12 per cent in 1995-96. Industrial growth improved marginally to 6.6 per cent in 1997-98 but fell to 4.1 per cent in 1998-99. This decline was probably caused by poor performance in mining and manufacturing sectors. The overall industrial output grew by 6.7 per cent in 1999-2000, which again fell to 4.9 per cent in 2000-01 mainly due to fall in manufacturing sector. The growth rate of consumer goods including durables and non-durables accelerated to 7.9 per cent during 2000-01. The growth rate of basic goods, capital goods and intermediate goods declined drastically and it was estimated at 3.8 per cent, 1.4 per cent and 4.5 per cent respectively during the year 2000-01. Six core and infrastructure industries, viz., electricity, crude oil, refinery, coal, steel and cement, having a weightage of 26.7 per cent in the average Index of Industrial Production (IIP) grew by 5.3 per cent and in 2000-01 compared to 9.1 per cent in 1999-2000. The main factors responsible for slowdown of industrial growth during the year 2000-01 were lack of domestic demand for immediate goods, low inventory demand for capital goods, high oil prices, existence of excess capacity in some sectors, business cycle, inherent adjustment lags in industrial restructuring and calamity like Gujarat earthquake, and high interest rate with an adverse impact on private investment, and slowdown in the world economy.

Table No.1
Industrial Growth in India (in %)

Year	General	Cotton Textile	Jute Textile	Steel	Chemicals	Sugar	Cement	Paper
1991	105.4	104.3	90.3	108.0	84.4	88.7	124.8	121.0
2011	160.0	180.0	84.4	242.9	234.1	185.5	296.6	296.5

Source: Computed by Author.

The Tenth Five Year Plan is still continuing. This plan targets a Gross Domestic Product (GDP) growth rate of eight per cent and the growth target for industrial sector has been set at ten per cent up to 2010. Presently, Indian Industry, especially the manufacturing sector, is recording a consistently high growth rate which shows robustness of Indian Industry, particularly automobile/auto components and pharmaceutical sub-sectors. For sustaining pace of growth and investment, several initiatives have been launched for modernizing, technology up gradation, reducing transaction costs, and increased export thrust, so as to enhance its global competitiveness and achieve balanced regional development. Further, in order to give export thrust, Department of Commerce has launched major initiatives such as Assurances to States for Infrastructure Development for Exports (ASIDE), Market Access Initiatives (MAI), Special Economic Zones (SEZs) Policy, Modernization of Director General of Foreign Trade (DOFT), etc. For a balanced industrial development, industrial policy packages have been announced for special category states of Uttaranchal, Himachal Pradesh, Jammu and Kashmir and North East states. Social scarcity issues have been addressed through insurance, cover for

workers in handloom, agro and rural industrial and processed marine product sector. Textile industry is a major employment intensive sector for which special schemes/packages were introduced. Technology Upgrading Funds Scheme (TUFS) is one such scheme which is expected to improve the access for decentralized power loom sector.

Post Globalization Industrial development in Thane District:

Thane is third most industrialized district in the state. There are 1548 large and medium scale and 18480 small scale industries in the district. The main products of these industries are drugs, Textiles, plastics, Rubber, steel pharmaceuticals, engineering, fertilizers, electronics, and chemicals. The Thane-Belapur- Kalyan industrial belt is the centre of highly sophisticated modern industries. In Ambernath, Bhiwandi, Belapur, Tarapur and Murbad these are nearly 4000 industries which contributes towards the industrialization of the district manufacture of machinery, machine tools and parts except electrical machinery together with the iron and steel industry and metal products are the most important and the biggest group of industries in the district and includes manufacture of prime movers, Boilers, Refrigerators, machine tools, computing and accounting machinery. Industries machinery for food and textile industries, machinery for chemicals and paper industries. These industries are mainly concentrated in the Trans- Thane creek and Belapur road industrial area.

In 2011- 12 Thane district have 20,028 industries and total workers was 3, 17,744 and total investment was Rs. 3330 carore in all industries in Thane district. The maximum workers are engaged in manufacturing industries. Because most of the manufacturing industries of Thane are concentrated in Thane, Kalyan, Dombivali, Ulhasnagar, Bhiwandi tahsil. This uneven distribution of manufacturing industries of Thane is due to the geo-economic factors which vary from Tahsil to Tahsil. Further this factor will be discussed in detail while emphasizing the spatial distribution and location of industries.

Table No. 2

Talukawise Distribution of Large, Medium, Small & Micro Scale Industries

Taluka	Micro	%	Small	%	Medium	%	Large	%
Ambernath	507	5.71	574	5.98	46	6.17	41	5.11
Mokhada	15	0.17	13	0.14	7	0.94	3	0.37
Bhiwandi	1022	11.51	1305	13.59	98	13.15	157	19.55
Dahanu	139	1.57	68	0.71	9	1.21	4	0.50
Jawhar	12	0.14	11	0.11	7	0.94	3	0.37
Kalyan	648	7.30	494	5.14	21	2.82	19	2.37
Murbad	149	1.68	189	1.97	10	1.34	8	1.00
Palghar	511	5.76	895	9.32	57	7.65	67	8.34
Shahapur	217	2.44	267	2.78	10	1.34	4	0.50
Talasari	40	0.45	63	0.66	3	0.40	1	0.12
Thane	3327	37.47	3379	35.19	299	40.13	319	39.73
Ulhasnagar	304	3.42	220	2.29	3	0.40	4	0.50

Vasai	1642	18.50	1497	15.59	95	12.75	91	11.33
Vikramgad	26	0.29	30	0.31	3	0.40	0	0.00
Vada	319	3.59	597	6.22	77	10.34	82	10.21
Total	8878	100.00	9602	100.0	0	745	803	100.00

Source: District Industries Center (DIC), Thane.

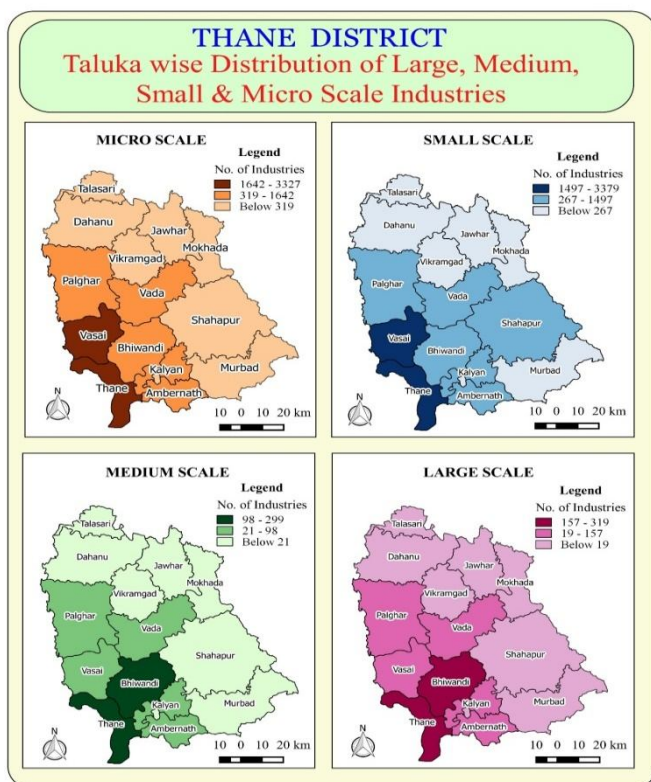


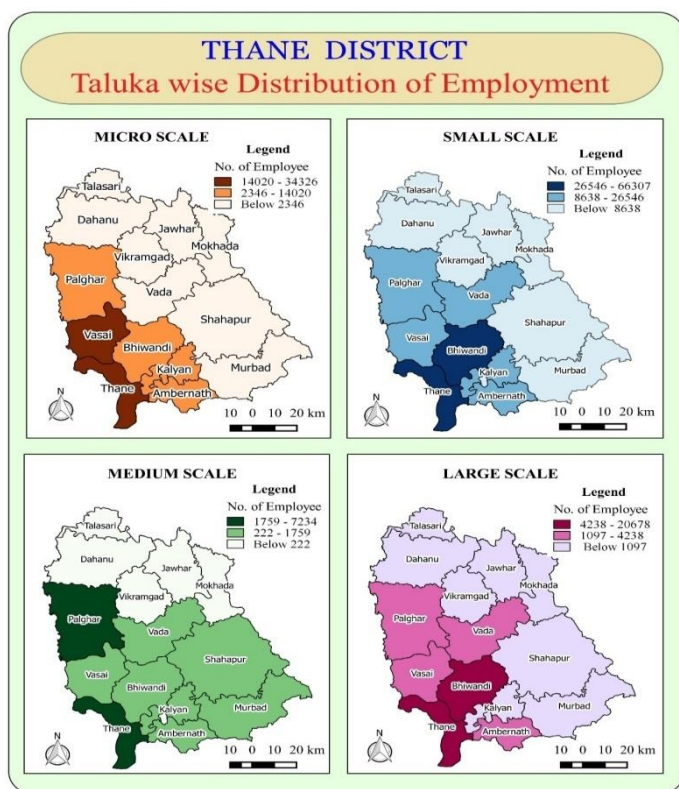
Table No.3

Talukawise Distribution of Employment In Large, Medium, Small & Micro Scale Industries

Taluka	Micro	%	Small	%	Medium	%	Large	%
Ambernath	5168	6.17	10812	5.89	685	4.59	1097	3.11
Mokhada	40	0.05	44	0.02	0	0.00	170	0.48
Bhiwandi	9112	10.87	26546	14.45	1004	6.72	4238	12.00
Dahanu	2009	2.40	448	0.24	0	0.00	0	0.00
Jawhar	86	0.10	60	0.03	0	0.00	0	0.00
Kalyan	5535	6.60	8638	4.70	588	3.94	703	1.99
Murbad	1222	1.46	3589	1.95	630	4.22	494	1.40

Palghar	5322	6.35	23202	12.63	1759	11.78	3029	8.58
Shahapur	1761	2.10	4173	2.27	222	1.49	230	0.65
Talasari	455	0.54	1499	0.82	0	0.00	0	0.00
Thane	34326	40.96	66307	36.10	7234	48.44	20678	58.57
Ulhasnagar	2346	2.80	2233	1.22	60	0.40	120	0.34
Vasai	14020	16.73	22757	12.39	1002	6.71	1097	3.11
Vikramgad	114	0.14	312	0.17	163	1.09	0	0.00
Vada	2291	2.73	13079	7.12	1586	10.62	3449	9.77
Total	83807	100.00	183699	100.00	14933	100.00	35305	100.00

Source: District Industries Center (DIC), Thane.



Consequences of Industrial Development

Industrial development which took place in the Thane region during the four phases as mentioned earlier has changed the cultural landscape of the Thane district. However this is particularly true in the case of Thane Bassein, Ulhasnagar, Kalyan, Bhiwandi and Panvel Talukas in the district. Where the large number of industries have developed. Due to the establishment of industrial estates and industrial areas.

Due to the industrial development a definite change seen in the artisan’s class. Before the industrialization craftsman and artisan’s wasted their time in futile get together. This may also be due to the reason that in some cases they did not have any pressing work which would

keep them busy for them whole day. The cultivators depended on the carpenters and the black smiths who usually took their own time. The increases industrialization put a check on such a waste of time and man power of the handicraft³² consequently the diversion of man power of the craftsman / workers took place in the region. Because the workers in the village industries and village artisans who could not complete with foreign and modern factory goods competition. The industries which declined due to growing urbanization and changes in the tastes and fashion were industries of clay images, toy making, wooden toy making, handlooms, cart and Tonga making of the region. The main reason behind the decline of the wooden toy making industry was developed in the region. During the industrial development initially agricultural community of the region got disturbed in two ways. In the first place there was an increase in the pressure on land because of decline in the number of workers engaged in whole time cottage industry and secondly under employment increased because of the decrease in subsidiary occupation. But later on cottage industry's worker attracted towards the manufacturing industry and due to the manufacturing industry become a subsidiary occupation to agriculture. As a result of the industry the industry developed both the above mentioned problems were solved. The growth of town in a particular region is the barometer of the industrial development in the region before 1950. Thane district had five towns. Due to the industrial development during the last three decades in Thane district. Additional new town are developed the growth of towns in Thane district is nearly five times. Besides in recent year's towns³⁴ such as Thane, Kalyan, Bhiwandi, Ulhasnagar talukas have grown rapidly. The main reason behind it is the industrialization of the area. Due to the industrial development several villages of Thane district have becomes industrialized. This has resulted in rapid increase in the population of those towns and villages.

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