



INDUSTRIAL SICKNESS (WITH SPECIAL REFERENCE TO LARGE AND MEDIUM SCALE INDUSTRIES IN ANDHRA PRADESH)

Dr. M. Nazeeruddin

Associate Professor & HOD, Department of Economics, Osmania College,
Kurnool, Andhra Pradesh

Cite This Article: Dr. M. Nazeeruddin, Industrial Sickness (With Special Reference to Large and Medium Scale Industries in Andhra Pradesh) International Journal of Interdisciplinary Research in Arts and Humanities, Volume 5, Issue 1, Page Number 11-14, 2020.

Abstract:

The industrial sickness has been growing in India year after year and hampering the growth of industrial development. This would be seen in most of the important industries like, cotton textiles, engineering, chemicals, agro based industries, cement and paper industries. The growing sickness among the large and medium industries has been one of the most persisting problems faced by the industrial sectors of the country. The sixth plan after making a careful analysis of the factors leading to sickness concludes, however, perhaps the most important of all causes of sickness is the incompetence or the cupidity of the management. Both prevention and cure of industrial sickness would depend on our ability to identify sickness as early as possible and analyze its causes. The causes which are mostly responsible for industrial sickness in India are broadly classified into a) external and b) internal causes. Industrial sickness has been resulting serious consequences under developed labor – surplus economy like India.

Key Words: Industrial sickness, Resource based and Demand based industries & Large and Medium scale Industries.

Objectives of this Study:

- To study the sickness of industries in Andhra Pradesh.
- To study sickness among large and medium scale industries in Andhra Pradesh
- To identify the factors which hampered the growth of industries in Andhra Pradesh.
- To gauge the various consequences of sickness
- To study causes of industrial sickness a) external causes b) internal causes.

Methodology:

The paper relies upon secondary sources. The data and information for this work have been collected from books,

- Industrial Sickness, special reference to Kurnool district by Dr. M. Nazeeruddin
- Resource based industries in Rayalaseema region by Dr. M. Nazeeruddin
- Demand based industries in Rayalaseema region by Dr. M. Nazeeruddin
- Economic survey of Andhra Pradesh.

Further, all the collected and collated data are posted with suitable tables, graph and diagram. So that, meaningful inferences would be drawn.

Review of Literature:

- The study on Industrial Sickness, special reference to Kurnool district by Dr. M. Nazeeruddin throws light on relating to Industrial Sickness of Large and Medium scale Industries in Kurnool district.
- Dr. M. Nazeeruddin works on industrialization and economic development says “the main objective of industrialization programme is to raise the standard of the living of the people. This means industrialization to be sound at a balance development of agriculture and manufacturing industry. Most of the economists spinned their emphasis on one or the other factors viz., low level of technological skills, low level of capital formations and dearth of natural resources, disproportionate growth in population to be responsible for the low level of industrialization.
- The study of Dr. M. Nazeeruddin on resource based industries in Rayalaseema region, Resource based industries are started around the location of the available natural resources, they are namely agro based, forest product, live stock products(fish, marine, poultry) leather and mineral products.
- Dr. M. Nazeeruddin, in his study on Demand based Industry in Rayalaseema region, speaks that Demand based industries are those industries which can be established in any place or region viz., metal and metallurgical, chemical and allied industries, textile products, electrical and electronic products and miscellaneous.

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 natural resources, disproportionate growth in population to be

responsible for the low level of industrialization. The industrial sickness has been growing in India year after year and hampering the growth of industrial development. This would be seen in most of the important industries like resource based namely agro based, forest product, live-stock products, leather and mineral products, demand based industries like metal and metallurgical industry, chemical and allied, textile products, electrical and electronics and miscellaneous. The growing sickness among the large and medium industries has been one of the most persisting problems faced by the industrial sectors of the country. In 1985 the sick industrial industries (special provision) act 1985 was enacted. This act offered a definition of sickness. According to this act, "Sick industrial companies indicates an industrial company (registered for not less than seven years) which is showing accumulated losses equal to or exceeding its net work at the end of any financial year and has suffered cash losses also during the financial year and immediately preceding year. Here the cash loss indicates computer loss without making provision for depreciation and net worth means the total amount of capital and free reserves.

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 1

Table 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 2: Data relating to industrial unrest in Andhra Pradesh

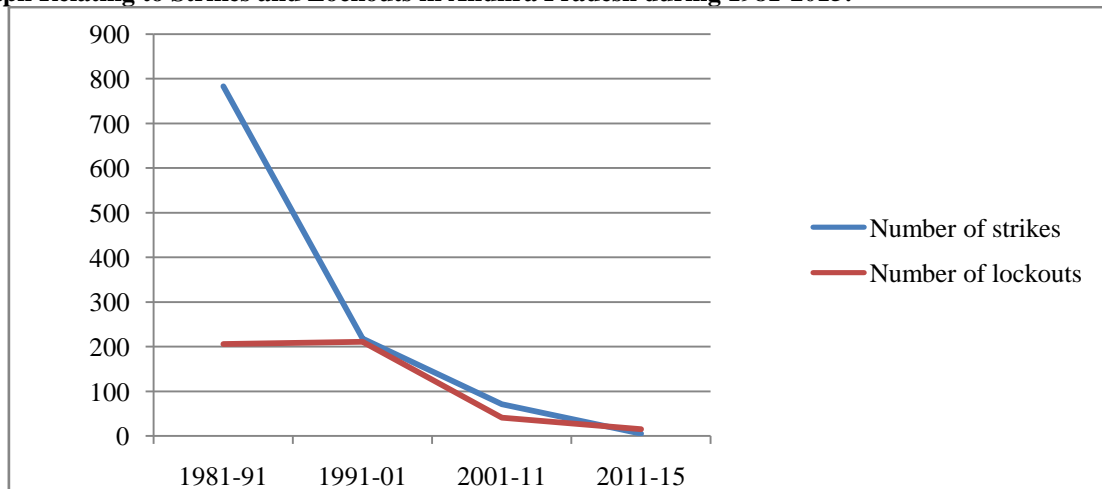
S.No	Year	Number of Strikes	Number of Lockouts	Number of Non-Participant Workers
1.	1981-91	783	206	15,61,000
2.	1991-01	218	211	1,95,000
3.	2001-11	71	41	1,94,000
4.	2011-15	5	15	26,000
Total		1077	473	19,76,000

Source: A.P. socio-economic survey-2011-12 and department of planning 2015-16.

The data relating to industrial unrest in Andhra Pradesh is shown in the above Table No 2. It is observed that during the year 1981-91,783 strikes were taken place in industries across the state which was the highest in number as compared to the remaining years of our study. It is also noted the strikes, lockouts and non-participation of workers were gradually declined from 1991 to 2015 in industrial units. The major reason was that most of the large and medium scale industries were closed down during 1981-2001. Subsequently some of the large and medium scale industrial units were locked down. The total number of lockouts in the state was 473 out of which 417 and nearly 17 lakh workers were not participated in the work during 1981-2001. This obviously speaks that the industries which were established way back to 1950 and 1960 were almost closed down. This is because of more strikes, lockouts and non-participation of workers were witnessed. Interestingly noted that in the last four years there was a significant decline in the industrial unrest. This indicates that only recently established industries are working. On the other hand, major and old industries which were either

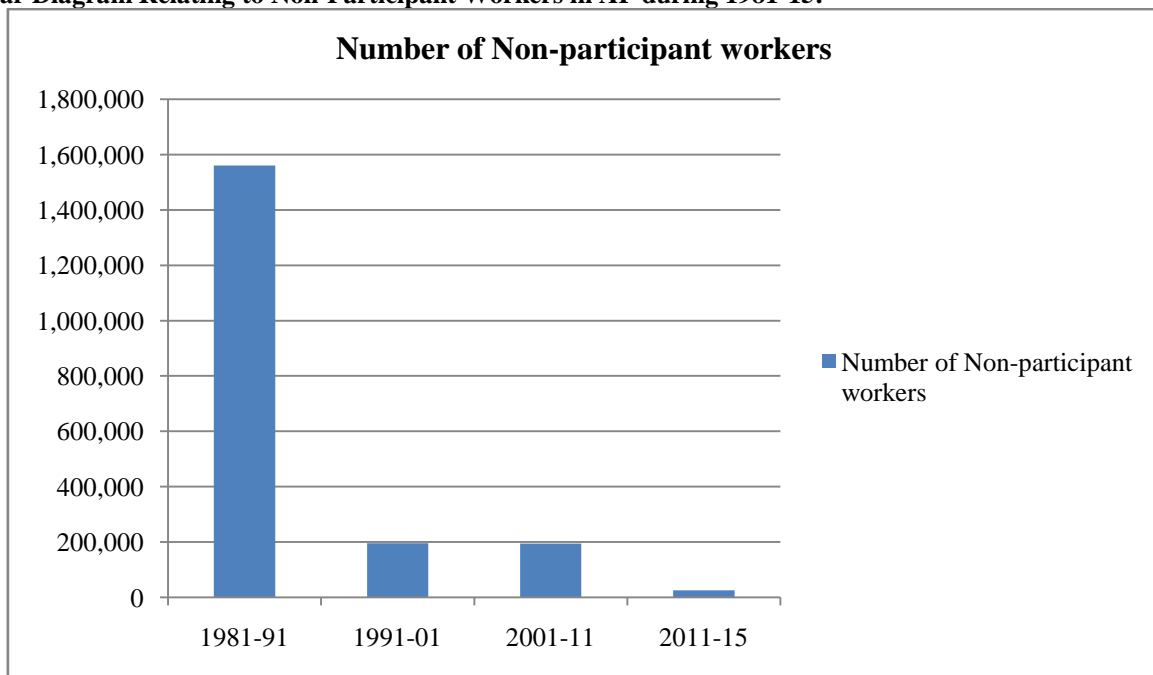
completely close down or converted into non-industrial economic activities like shopping malls, convention halls etc.

Graph Relating to Strikes and Lockouts in Andhra Pradesh during 1981-2015:



In the above graph, on OX axis years, and on OY axis strikes and lockouts are shown. The blue and red lines indicates strikes and lockouts respectively. The line of strike was highest at 783 during the year 1981-91 and thereafter the trend was declining at 5 strikes were observed in the year 2015 while the lockouts was recorded highest at 211 during 1991-2001 and gradually declined subsequently to 15 in 2011-15 under the study.

Bar Diagram Relating to Non-Participant Workers in AP during 1981-15:



In the above diagram on OX axis years and on OY axis indicated years and non-participant workers are presented. It is obviously shown that more than 15 lakh non-participant workers were recorded during 1981-91, while it has come down to 26,000 only during 2011-15 of our study.

Causes of Industrial Sickness:

The causes which are mostly responsible for industrial sickness in Andhra Pradesh are broadly classified into a) external and b) internal causes. The following are some of the external and internal causes of industrial sickness.

External Causes:

The external causes of sickness include, power cuts imposed by the states government, scarcity of raw materials and other inputs due to its erratic supply, recession in the markets resulting from steep fall in the quantum of demand for industrial products aggravated by credit restrains and resulting in unsold stocks and losses to industrial units and frequent changes in the government policy in connection with industrial licensing,

taxation, power tariff, imports, exports all these external factors are equally responsible for growing sickness among the industrial units of the country.

Internal Causes:

The internal causes which include various factors related to the industrial units itself include, faulty location of industrial unit, faulty planning of the production in the absence of market analysis, defective selection of plants and machineries and adoption of absolute technology, acute financial problems due to weak equity base and lack of adequate support from banks, incompetent entrepreneurs having no knowledge about costing, marketing, accounts etc, labor problems like strikes and lockouts arising from strained industrial relation over the issues like wages, bonus, industrial discipline, management problems resulting from managerial decisions in connection with production, marketing, finance, materials, maintenance, personnel management etc.

Consequences of Industrial Sickness:

Aggravating unemployment problem through the closure of industrial units, wide spread labor unrest due to closure, threatening industrial environment of the country, wastage of huge resources invested in these sick units, creating disincentive among the entrepreneurs and investors due to wide spread closure of units, creating adverse impact on the other related units through backward and forward linkages, causing huge financial losses to banks and other term ending institutions and locking of huge funds into these sick industrial units and resulting huge loss of centre, state and local governments.

Result of the Study:

The findings of the paper are that most of the large and medium scale industries in Andhra Pradesh are facing several problems and some were either closed down or defunct. Further, found that because of the flawed policies of the government were closed down and converted into shopping malls and convention halls.

Conclusion:

It is observed that most of the large and medium scale industries are facing innumerable problems in Andhra Pradesh. Resource based industries like sugar industries and paper industries are facing countless problems like shortage of raw materials, no proper encouragement to farmers from the government to grow sugarcane in and around the industries, revenues are declining, excise and other duties increasing, import of new machines, lack of financial support from the government are the major problems facing by these industries. The demand based industries like cotton textiles and cement industries etc. are also facing several problems. Most of the cotton textile industries were closed down because of shortage of required raw materials, low production, there is no demand for textile products at international market, increase of cost of production are the major reasons for the close down of large and medium scale industries. On the other hand the cement industries in recent times are facing problems like non-availability of raw materials, regional disparities or inequalities, transportation, electricity, problems relating to the establishment of industries and financial support. Apart from this chemical and fertilizers, engineering, metal and metallurgical industries are also facing problems. It is noticed that from the above study, most of the large and medium scale industries in Andhra Pradesh are facing organizational and long term problems.

References:

1. Industrialization and Economic Development by Dr. M. Nazeeruddin, International Journal of Humanities and Social Science Research, volume 5, issue 6, 2019, page no: 26-27.
2. Industrial sickness, special reference to Kurnool district by Dr. M. Nazeeruddin page no: 6-14, books. google, published Dec 2019.
3. Resource based industries in Rayalaseema region by Dr. M. Nazeeruddin, page no: 86, books. googlecom, published 2020.
4. Demand based industries in Rayalaseema region by Dr. M. Nazeeruddin, page no: 87, books. googlecom, published 2020.
5. A.P. socio-economic survey-2011-12
6. Department of planning 2015-16.