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## **GROWTH OF INDUSTRIAL UNITS IN HARYANA (1966-2000)**

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### **Abstract**

At the time of its creation in 1966, the state of Haryana presented a entirely different picture. The state was backward almost in every field like in politics, education and industries. If we have a glance at modern Haryana, with any exception, Haryana ranks among the top ten states of India. The present paper traces the journey from a marginalised to a significant state in terms of industrial units. To substantiate the view point, certain data has also been used from the various primary sources.

### **Introduction**

The state of Haryana was carved out of the erstwhile composite Punjab on 1st November, 1966 under the Punjab Reorganization Bill passed by Parliament on 10 September, 1966.<sup>i</sup>

The region compressing the present state of Haryana had lagged behind in terms of development when it was a part of the joint Punjab state.<sup>ii</sup> During the British period the colonial administration systematical neglected industrial unit and agriculture in this region. Also a backward industrial unit and agriculture based economy ensured a continuous supply of soldiers of the British army.<sup>iii</sup>

The newly created Haryana state had a very poor industrial structure due mainly to unexploited mineral resources and lack of private capital. The number of large and medium scale industrial units was very small, but small scale industries registered a negligible growth. Industrial development also remained confined only to a few pockets areas around Delhi. The total investment in the central sector projects in Haryana was only Rs 8.50 crore out of a total national investment of Rs 2,449 crores. The regional imbalance in the industrial sector as

indicated from the quantum of direct central investment in the state, impeded greatly the development of ancillary industries.

With a view to promoting industrial development, a number of incentives and facilities have been provided in Haryana by the government to the industrialists. The availability of infrastructure like power, roads, industrial estates, common facilities like government quality marketing centers and test and development laboratories have given an unprecedented filling to the industrial activity in this region. Tax concessions, liberal institutional finance and better supply of scarce raw materials have attracted entrepreneurs in large numbers. In order to ensure that the benefits of industrialization reach the people in the villages and small towns, training facilities have been provided on a large scale.

The number of registered factories in the state under section 2 m (i), 2m (ii) and 85 of the Factories Act. 1948, has been explained in the Table Under Section 2m, Factory means any premises including the precincts thereof:

2 m (i) Wherein ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on.

2 m (ii) Wherein twenty or more worker are working or were working on any day of the preceding twelve months and in any part of which a manufacturing process is being carried on without aid of power or is ordinarily so carried on and does not include a mine subject to the operations of the Indian Mines Act, 1923, or a railway running school.

Under Section 85, the state government is empowered to notify any factory not covered under the above two sections. Table shows the registered factories under the section of 2 m (i), 2 m (ii) and 85.

### **Registered Factories under Section 2 m (i), 2 m (ii) and 85 in Haryana During 1966-2001**

<b>Year</b>	<b>Under Section 2m (i)</b>	<b>Under Section 2 m (ii)</b>	<b>Under Section 85 With Power</b>	<b>Total</b>	<b>Number of Registered Working Factories</b>	<b>Estimated number of workers employed in working factories</b>
1966	1,011	44	215	1,270	1,168	71,016
1967	1,043	41	231	1,315	1,200	75,491
1968	1,055	35	249	1,339	1,190	76,576
1969	1,019	25	310	1,354	1,216	81,505
1970	1,064	25	373	1,462	1,359	88,675
1975	1,554	36	590	2,180	1,791	1,09,834
1980	2,711	48	803	3,562	3,176	175,025
1985	3,858	67	933	4,858	4,484	2,26,476
1990	4,549	118	985	5,652	4,843	2,69,411
1995	5,838	65	1,098	7,001	6,498	3,91,386
2000	7,469	65	1,097	8,631	8,631	4,98,656
2001	7,640	65	1,099	8,804	8,804	5,19,613

**Source<sup>iv</sup>**

The number of registered factories from 1116 in 1965 rose up to 8804 in 2001. About 5,19,613 people were working in those factories as compared to 68,105 in 1965. Table shows the registered working factories and workers employed in Haryana during 1966-20<sup>v</sup>.

The proximity to Delhi which was the cause of many of woes in the past of Haryana, proved to be a major advantage in terms of industrial locations and with one third of the National Capital Region (NCR) falling in Haryana and with metropolitan Delhi bursting at its seams, the prospects are truly immense. Apart from the agriculture oriented base of economy of Haryana, the state has many big industrial plants in it, including cement, sugar, paper, cotton, textile, glassware, tractors, motorcycles, cotton yarn etc. Tables show the industrial production of different items in Haryana.

### Industrial Production in Haryana During 1966 -2001

Year	Paper Production (M. tons)	Textiles (Cotton) Production (Rs. Lakhs)	Cement Production (M. tones)	Sugar Production (M. tones)
1966-67	42,131	16,34,44	5,19,076	59,586
1967-68	43,192	17,91,26	5,23,336	53,752
1968-69	39,980	19,94,26	4,90,071	46,744
1969-70	85,947	24,83,13	5,29,220	42,526
1970-71	43,395	31,78,57	4,99,387	83,459
1975-76	54,835	45,29	4,46,664	1,06,961
1980-81	67,540	71,26	3,49,000	2,00,497
1985-86	71,315	2,43,95	7,00,000	1,38,782
1990-91	63,785	6,83,67	6,52,110	6,68,290
1995-96	16,68,263	2,15,30	9,85,320	4,03,891
2000-01	1,17,237	2,16,89	1,60,499	6,17,235

Source<sup>vi</sup>

The production of various industries has been demarcated in Table In 1965-66, 37,561 metric tons of paper had been produced. The textile industry produced cotton worth Rs. 1,12,46 lakhs. The cement and sugar industries yielded 5,64,567 and 73,903 metric tons. During 2000-2001, there has been a tremendous growth in that output. The paper, cement and sugar industries laid 1,17,237, 1,60,499 and 6,17,235 metric tons respectively whereas worth Rs. 2,16,89 cotton was produced.<sup>vii</sup>

### Industrial Production in Haryana During 1966 -2001

Year	Cycles Parts Production (Lakh Rs.)	Scientific Instruments Production (Lakh Rs.)	Tractor Production (No.)	Hosiery Production (Lakh Rs.)
1966-67	1,41	1,35	2,227	3.86
1967-68	68	1,24	2,796	14.42
1968-69	1,01	2,63	5,845	6.11
1969-70	86	3,05	8,213	7.31



1970-71	1,09	5,03	11,425	4.61
1975-76	1,38	3,87	19,246	16,45
1980-81	5,43	15,64	28,886	23,28
1985-86	4,58	7,04	51,645	18,89
1990-91	13,27	14,29	75,629	58,13
1995-96	-	65,73	94,212	44,65
2000-01	13,13	1,25,02	12,880	3,05,00

**Source**<sup>viii</sup>

Table shows the cycle industry turnover during 1966-67 had been Rs. 1,41 lakhs. The scientific instruments and tractors worth Rs.135 and 2227 were produced during the same period respectively. The present data shows the fast increase in the cycle industries output during 2000-01 for Rs.1313 lakhs. A vehement increase in science and tractor industries could be seen with figures worth Rs. 12502 and 12880<sup>ix</sup> lakhs rupees for the same period.

At the time of formation of Haryana 1966, it had nothing much to boast of industries except for an industrial complex at Faridabad (much smaller than what it is today), nucleus of a handloom complex at Panipat. scientific instruments industry at Ambala and utensils industry at Yamunanagar. Poor infrastructure, lack of some mineral resources and weak local markets were some of the constraints. But after the creation of a new state, it soon becoming an attractive investment destination.<sup>x</sup>

It may be concluded that Haryana did not have any industrial set up to boast of except a plant in Faridabad district in 1966. A journey down through almost 52 years brought Haryana among one of the few top states of India in field of industries. This success was not possible with a well-knit infrastructure of power, roads common facilities like government quality marketing centres and test and development laboratories. Apart from that liberal and soft policies administered by the state governments also added to this success.



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  - iv Statistical Abstract of Haryana, op. cit, 1966-2001.
  - v Ibid.
  - vi tatistical Abstract of Haryana, op. cit., 1966-2002.
  - vii Ibid.
  - viii Director, Industries Department, Haryana. Also see, Statistical Abstract of Haryana, op. cit, p. 406-407, 1966-2002.
  - ix Ibid.
  - x Labour Commissioner Haryana, Chandigarh. Also see, Statistical Abstract of Haryana, op. cit., 2002-03, p., 760.