

# **Profile of Marathwada region--Opportunities and challenges**

## **Introduction**

Marathwada is a region of Maharashtra state, which corresponds to Maharashtra's Aurangabad Division. The term Marathwada is derived from the word Bara-hatti-vada (Bar-hat-vada) meaning country of Dhangars. Marathwada was a part of the former Hyderabad state of India until November 1, 1956, when it was transferred to Bombay state, which in 1960 was divided into Maharashtra and Gujarat. India became Independent on 15th August, 1947 but Marathwada joined independent India on 17th September 1948. On this day, the Indian Army liberated the Hyderabad state from Nizam's rule in a military operation referred as Operation Polo, also popularly known as Police Action.

Marathwada is a home to significant Hindu, Buddhist, Jain, Sikh and Muslim monuments Like Ajanta, Ellora, Shaktipeeths like Mahur and Ambajogai and Jyotirligas like Ghrishneshwar (Verul), Nagnath (aundha) and Vaijanath (Parli); The Samadhi of Guru Govind Singh the Tenth Guru of Sikh community at Sachkhand Nanded and is called the land of saints like Dnyaneshwar (Apegaon Tq Paithan Dist Aurangabad), Nivruttinath (Apegaon Tq Paithan Dist Aurangabad), Sopandev (Apegaon Tq Paithan Dist Aurangabad), Muktabai (Apegaon Tq Paithan Dist Aurangabad), Eknath (Paithan Dist Aurangabad), Samarth Ramdas (Jamb Samarth Dist Jalna) , Namdev ( Narsi Dist Beed).

**Table No: - 1.1**

### Population at a glance in Marathwada Region

Year	Total Population	Decade Variation	Percentage Decade Variations
1901	32,16,376	--	--
1911	38,97,344	+6,80,968	+21.17
1921	35,06,179	-3,91,165	-10.04
1931	41,59,749	+6,53,570	+18.64
1941	46,11,181	+4,51,432	+10.85
1951	51,09,886	+4,98,705	+10.82
1961	62,97,373	+11,87,487	+23.24
1971	80,58,347	+17,60,974	+27.96
1981	97,43,782	+16,85,435	+27.29
1991	1,28,00,653	+30,56,871	+31.37
2001	1,55,89,223	+27,88,570	+17.88

**Source:** - Director of census operation, Maharashtra census of India-1991, series-14, Maharashtra part XII- A & B, District Census Hand Book

The above table 1.1 shows the population of Marathwada region since 1901. The population of the Marathwada Region has increased in last 'two-three decades. The continuous increase in population, after 1951, can be ascribed to various factors:

Marathwada is perhaps, the most neglected region of Maharashtra because it lacks natural resources and is prone to drought. Nearly 32% of its 64,818 sq km area comes under the rain shadow region. Annual average rainfall is 750mm and drought is a permanent feature. Irrigation water, in real terms reaches not more than 50,000 acres of cultivable land. Getting supply of drinking water twice a week is a luxury. The picture becomes slightly better owing to a good monsoon. About 98% of agriculture is dry land farming and cotton is the major crop. But the inherent susceptibility of cotton crop to pest and the vagaries of nature make its cultivation a risky affair, resulting in

many a farmer falling prey to debt. Suicide among farmers is on the rise. In recent developments the industrial growth is much faster like the SKODA cars, AUDI cars are being manufactured at Aurangabad, the capital of Marathwada, also Hindalco, Parley, Siemens, Radico, etc big companies have started their major projects. Videocon and Sterlite are already in production of TVs, AC Units, Refrigerators, Washing Machines, etc by Videocon and Fibre optic cables from Sterlite. All these products are being exported all over the world.

MIDC and the following agencies are making valuable contribution to this region by playing a vital role in its development of Marathwada:

Maharashtra Industries Development corporation (MIDC)

- 1) State industries and Investment corporation (SICOM)
- 2) Maharashtra state financial corporation (MSEFC)
- 3) Maharashtra small scale industries Development Corporation.
- 4) Maharashtra state Electricity Board (MSEB)
- 5) Maharashtra Development corporation (MPC)
- 6) Maharashtra center for Entrepreneurship Development (MCED)
- 7) Bank

### **Economic and Industrial Background of Marathwada Region**

The Maharashtra State is administratively divided into six divisions viz. Kokan, Nasik, Pune, Amrawati, Nagpur and Aurangabad. The Aurangabad Division is known as the Marathwada Region. The Marathwada Region was formerly a part Of the Hyderabad State. The Marathwada Region forms the central portion of the Maharashtra State with Aurangabad city being located almost in the center of the state. In Aurangabad city, there is a confluence of North and South. The Marathwada is a land of saints, nursery of culture and

seat of empires in a way goes to epitomize the course of Indian History. The achievements of this region in the fields of art, culture and spiritual activities are very great. The world renowned caves of Ajanta and Ellora are still with us speaking about ancient glory.

The religious concepts among the people of this region are uncongenial to the entrepreneurship development of the region. Agriculture is the main occupation of the people of Marathwada. This region does not have any industrial background as compared to other developed region. It is an industrially backward region. The main cause of backwardness is absence of entrepreneurial class and lack of entrepreneurial abilities.

### **Industry and Commerce**

The opening of the Hyderabad Godavari Railway in 1900 stimulated trading activities in the State. The State used to Import yarns, salt, chemicals, manufactures of iron and steel, petrol, sugar, automobiles, brass, rubber, etc. The state used to import cotton, oilseeds, food-grains, shabad stones, the State used to levy Import and export duties till the year 1920, there was no separate department of industry Revenue department of Nizam was considered as department of industry till the year 1948, industrial Sector was only nominal in the economy of the Hyderabad State. The main export from the state was only agricultural raw material.

<b>Sr.No</b>	<b>Districts</b>	<b>Small Scale Industries</b>	<b>Large Scale Industries</b>	<b>Total Industries</b>
1	Aurangabad	2587	978	3565
2	Jalna	2000	454	2454
3	Hingoli	1198	175	1273
4	Nanded	841	165	906
5	Beed	1083	177	1160
6	Osmanabad	1803	460	1260
7	Latur	1075	349	1424
	<b>Total</b>	<b>10587</b>	<b>2758</b>	<b>12042</b>

## **Education at a Glance**

Education accentuates development. Technical education plays a key role in the industrial development of a region. It also directly influences social environment and attitude of people. Even today 35% of its population is illiterate According to Census of 2001, the total literacy rate of the region accounted 68.95% of the population.

## **Socio-Economic Aspects of Marathwada Region**

Economic progress of the Marathwada Region developed slowly and steadily over the years. Development culture is a long process, which cannot be destroyed or created at once. In this context, Oscar Levis has developed a

concept namely “Culture of poverty”. According to him, it is more difficult to remove poverty itself.

Culture of poverty indicates feeling of inferiority, lack of capacity to take bold decisions and lack of planning for the future. The culture of the Marathwada Region was so nurtured that it could not give weightage to the modern values like equality and freedom, which is the main cause of backwardness of the region. It never provided congenial atmosphere for modernity and rational thought. Therefore, it lagged behind as compared to rest of Maharashtra, which remained relatively more progressive in cultural, Educational, political, industrial fields.

On almost all the fronts such as, illiteracy, lack of skills, deficient knowledge, immobility and indifferent attitude, underdeveloped resources, low standard of living with a dominant agriculture Sector with little industrialization, Marathwada remained backward region.

### **Industrial Scenario of Marathwada Region**

After 1948 State was brought into the fold of an all India economy and released new economic forces which demanded attention. It integrated Hyderabad finances with those of the Union Government which geared the financial resources with a different motive altogether.

After 1949, the Government discontinued the old practices to support the industries, i.e. directly contributing to the share capital of the industrial concerns and decided to advance loans to deserving companies on suitable securities. Raising finance through Industrial Trust Fund under the old system was replaced by establishing the State Finance Corporation.

The industrial backwardness of the region can be explained by the presence of poor infrastructural facilities. By the end of 1960 the region had only 0.05 Km road length per one Sq.Km. of area. The total road length in Marathwada was 50604.29 Kms in 2001. That comes to about 784.25 Kms. per thousand Sq.Kms.

**Table No: - 1.2**

**District-wise Industrial Progress of the Marathwada Region up to 31-3-2011**

District	Small Scale Industries			Small and Medium (IEM) Scale Industries				
	No. of units permanent	Investment (in lakhs) Rs.	Employment	Existing No. of Units	Proposed units	Total Units	Investment (in Crores) Rs.	Employment
Aurangabad	2352	20884.24	18798	304	395	699	2125.00	37060
Jalna	585	2992.00	24841	19	35	54	164.57	2769
Parbhani	598	6284.00	2826	05	50	55	98.23	1664
Hingoli	159	1384.00	815	04	07	11	114.15	2026
Nanded	1036	2120.25	2371	19	74	93	291.81	4085
Latur	1362	7249.69	8560	17	76	93	388.83	5022
Beed	1143	637.53	12774	14	92	106	52.00	4975
Osmanabad	651	3031.94	2903	24	86	110	378.50	4608
Total	7886	44583.65	73888	406	815	1221	3613.09	62209

**Source:-**Joint Director of Industries, the Aurangabad region, Aurangabad. Note of Industrial Development of the Marathwada region 2004 Page: 12-13.

The above table 1.2 shows the District-wise Industrial Progress of the Marathwada Region, as we can see from the above table except Aurangabad and few other district have no of permanent unit above 1,000 with the highest being Aurangabad in the table with 2352 number of permanent unit which are providing employment of 18798 in number to the region with least number of unit in Hingoli district 159.

The various policy initiatives for accelerating industrial growth are as follows:

1. Industrial Policy of Maharashtra 2001.
2. Bio-technology Policy of Maharashtra 2001.
3. Policy on Special Economic Zones 2001.
4. Grape Processing policy 2001.
5. The Package Scheme of Incentives 2001.
6. IT and ITE Policy 2003.

For faster and accelerated industrial growth, the State Government has decided to create excellent infrastructure facilities by developing five-star industrial estates at nine different locations in the State. Two such industrial estates are developed at Shendra (near Aurangabad) and Kushnur (near Nanded) in this region. These estates are relatively large sized areas depending on the needs and potential of the region. Irrigation Department are earmarking necessary water for these estates from appropriate sources. Private sector participation is most welcomed in developing these estates. Generally, large acreage will be offered on competitive bidding so that the private sector can associate with its development.

If we look at the industrial status of the region, it is seen that in the Marathwada Region as on 31.3.2011, there are 7886 permanent SSI units registered with Directorate of Industries with capital investment of Rs. 44,583.65 lakhs and employment generation of 62,349. Similarly, there are 402 large and medium scale industries. In the region, 823 proposed large and

medium scale units have obtained Industrial Entrepreneurs Memorandums (IEM) and they are likely to start their activities in the near future.

A district has been the unit of administration and development, it would be appropriate to take district-wise review of the present financial status and prospects for future industrial development.

### **Aurangabad District at a Glance**

Paithan in Aurangabad district is famous for the last 200 years for paithani Saris, unlike Aurangabad, which is famous for Himroo and Mushroo textiles, shawls and Bidri works. Few decades ago industrial activity in the district was confined to these crafts only. But today Aurangabad city is one of the industrially developed centers of the State. In Aurangabad district, as on 31.3.2011, there are 2352 permanent SSI units with capital investment of Rs. 20,884.24 lakhs and employment generation of 18,798. Similarly, there are about 304 large and medium scale industries located in the district with capital investment of Rs. 2125 crores and employment generation of 37060. Similarly, 395 proposed large scale and medium scale units have obtained IEM. Due to the efforts of the State Govt. mega projects of Skoda, Bajaj Auto and Videocon groups have prominent presence. The major manufacturing industries in the district includes chemical, electronics, instrumentation, breweries, automobiles, machine tools, paper and paper products, transport equipments, food and food processing, rubber and plastics, etc. Several large corporate business groups both Indian and foreign have started up their Sperations in Aurangabad They include Colgate, Crompton & greaves, Wockhardt, RMT, Ceat Tyres, Rallies India, Johnson & Johnson, etc Most of these industrial units are

located in 4 industrial areas developed by MIDC These are Aurangabad City, Chikalthana, Waluj and Shendra with 34,719 and 1578 hectares areas respectively At present, almost all the plots in MIDC areas of Aurangabad and Chikalthana have been allotted However, in Waluj MIDC area, still there 102 plots ranging with area from 500 to 10,000 sq. mtrs are ready for allotment.

Aurangabad city is the most promising and ideal center for industrial growth in the Marathwada Region and therefore, offers good scope/opportunities for almost all type of industrial activities. The city possesses development potential for specific industries like tourism, poultry, professing of food, fruit and vegetables, breviaries, industrial and scientific instruments, paper and paper products, packaging pharmaceuticals, electronics, automobiles, etc.

The special efforts of MIDC for augmentation of Industries growth are:

- Setting up Software Technology Park of India (STPI) achieving mark of Rs. 50 crores worth Software export.
- Agro & Food Processing Zone by reserving 20 hectors in MIDC Shendra.
- Floriculture development zone in Paithan by reserving 32 hectors in MIDC, Paithan.
- Bio Technology Park, Addl. MIDC Area, Jalna reserving 50.53 hectors and MIDC Shendra,(Aurangabad) reserving 125 hectors.

Aurangabad is most sought after destination for industrial development due to the following reasons.

1. It has the historical and tourist attraction and it is well connected with Air by Jet Airways (morning and evening services) and Indian Airlines (evening service).

2. It has the excellent transportation and communication facilities. Aurangabad is at a distance of 400 Kms from Mumbai. It is connected to Mumbai by broad-gauge. State Transport Corporation and private transporters also operate bus services from Aurangabad to the important cities of the State. There are five telephone exchanges in the city most of which are electronically operated. Telephone connections are easily available on demand. Internet and Mobile phone facilities have also been started in Aurangabad. The private service providers like Reliance, Airtel, Tata Telecom and Vodaphone have developed their clientele.

3. For the industrial development of the region, support of technical manpower is very essential. The city has number of technical institutions which can fulfill the need of technical manpower required by industries. There are seven engineering colleges and three polytechnics which run the courses in the discipline of mechanical engineering, electrical engineering, civil engineering, chemical engineering, electronics, instrumentation, computer engineering, etc. There are twenty management institutions which provide managerial staff for running the industries and enterprises. Moreover, there are two prestigious institutes in Aurangabad viz, the Indo German Tool Room (IGTR) and Centre for Electronics and Designing Technology (CEDT). The IGTR is set up by the Govt. of Maharashtra and Govt. of India in collaboration with the Federal Republic of Germany. It runs diploma courses to fulfill the need of skilled manpower of the industries engaged in the design and manufacture of tools. It is dedicated to the human

resource development in the area of modern technology and the training is also imparted in the area of tool-making, tool designing, jigs and fixtures of international standards. Short term, long term and tailor made courses are conducted as per the requirement of engineering and plastic industries. Similarly, manufacture of tools, dies, moulds, jigs and fixtures is also undertaken to cater the need of high tech industries. CEDT is established jointly by Govt. of India, Govt. of Maharashtra and Dr. Babasaheb Ambedkar Marathwada University to impart the training in the field of electronics and to design and develop electronic products and technology. It is one of the important centers of excellence in the field of agro electronics and medical electronics. Informal and formal courses in electronics design and technology are imparted in the institute to cater the need of highly skilled personnel required by the electronics industry. The diploma and M-Tech courses are conducted by this institute.

### **Residential Township**

CIDCO is the premier institution of Govt. of Maharashtra which looks after the development of residential township in the State. CIDCO has already established the well developed city known as New Aurangabad adjacent to the Chikaithana MIDC Area. Moreover, the CIDCO has taken up ambitious programmes of developing the new township known as Waluj Mahanagar which is very much in the vicinity of Waluj MIDC Area. CIDCO has developed approximately 935 hectars area out of 1011.96 hectars.

### **Jalna district at a Glance**

Jalna district was created on 1 May 1981 by the bifurcation of the former Aurangabad district The District is famous for the cultivation and processing

of seeds of international quality though the district still maintains to lead under this activity, ring the last few years, there is a phenomenal rise in the number of steel re-rolling mills and the district in now recognized as the Steel City’ of Marathwada. Presently, there are more than 25 steel re-rolling mills and steel plants in the district.

MIDC has developed two industrial estates i.e. Jalna and Jalna additional with areas of 50.58 and 158.10 hectares respectively almost all the plots in both of these areas have been allotted. has the proposal to develop additional 207 hectors of land adjacent to the existing area There is a good demand for plots from prospective entrepreneurs It would be possible for MIDC to start allotment of the plots in this area, if the problem of water supply is solved satisfactorily. Being in the proximity of the Aurangabad city, the district has a very good scope for the industrial development. However, scarcity of industrial water is the main constraint in the future industrial development of the district.

**Table No: - 1.3**

**Investments and Employment in approved SEZs in Maharashtra State  
as on 31<sup>st</sup> October, 2011**

<b>Region</b>	<b>No.</b>	<b>Area (ha.)</b>	<b>Investment (Rs. Crore)</b>	<b>Employment (in lakh)</b>
Konkan	65	29,608	1,10,581	42.05
Western Maharashtra	45	6,264	21,668	11.67
Marathwada	14	3,811	4,041	1.56
Vidarbha	9	4,799	12,432	5.76

<b>Total</b>	<b>6,797</b>	<b>72,117</b>	<b>7,197</b>	<b>77,069</b>
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Source: -

Directorate of Industries, Government of Maharashtra

The above table 1.3 shows the Investments and Employment in approved SEZs in Maharashtra State. The State has adopted the Special Economic Zone Policy (SEZ) with effect from 10th February, 2006. The SEZs notified as duty free enclaves, have a relaxed and business friendly policy regime, aimed at promoting rapid industrial development and employment generation. As we can see from the above table Marathwada region had 14 SEZ with an investment of Rs 4,041 Crore and Employment of 1.56 lakhs that shows that region is developing and state govt is also providing them incentives for development.

**Table No: - 1.4**  
**Maharashtra Industrial Development Corporation (MIDC) as on 31<sup>st</sup>**  
**March, 2011**

Region	MIDC areas				Industrial Units			No. of Plots	
	Major	Minor	Growth Centre	Total	No.	Investment (Rs. Crore)	Employment	Developed	Allotted
Greater Mumbai	1	0	0	1	305	1,300	1,35,000	357	349
Konkan (Excl. Gr. Mumbai)	24	5	3#	32	10,045	11,891	2,33,270	17,000	15,189
Nashik	10	9	11#	30	5,616	2,176	49,156	8,772	7,962
Pune	29	18	19	66	8,416	12,089	2,68,532	15,067	13,430
Marathwada	16	20	12#	48	4,214	1m257	50,633	9,410	8,356
Amravati	7	32	8#	47	1,328	452	17,532	4,462	3,139
Nagpur	11	25	10#	46	2,254	7,860	66,600	5,660	4,770
Total	98	109	63	270	32,178	37,025	8,20,723	60,728	53,198

**Source:** MIDC, Government of Maharashtra

# of which one centre each is being developed by Government of India.

Form the above table 1.4 we can see MIDC at a glance in Maharashtra State. In order to achieve planned and systematic growth throughout the State, Maharashtra Industrial Development Corporation (MIDC) is developing industrial areas with essential infrastructure like internal roads, water, electricity and other internal services for entrepreneurs. To achieve decentralized as well as faster industrial development, the State Government is also implementing the following important programmes through MIDC:

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