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## Industrial Development in Kerala

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### **Abstract:**

*The industrial growth is a direct indicator for the socio-economic development of the state as well as the regional development. Industrial development is the back bone of the development of a region. Objective of this study is to compare the industrial development across various regions of Kerala. This study also intends to compare the industrial development between Malabar and Travancore-Cochin regions of the state. It also examines whether the growth indices hold any relation with geographical features. The study shows there is some disparity in the case of industrial development among different regions of Kerala.*

### **1. Introduction**

Fast economic development everywhere has been made possible eventually due to rapid industrialization. Industrialization holds the key to rapid economic growth. Industrialization is regarded as the important policy to affect fundamental economic and social changes in an economy. Kerala constitute only 1.2 percent of the entire land surface of India., but at the same time has to support about 3.5 percent of the total population of the country. When comparing with other states of India, Kerala lies behind in the case of industrialization. The industrial growth is a direct indicator for the socio-economic development of the state as well as the regional development.

#### *1.1. Objectives of the Study*

To compare the industrial development between Malabar and Travancore-Cochin regions of the state.

#### *1.2. Hypothesis*

There is no difference in the industrial development between Malabar and Travancore-Cochin regions of the state.

### **2. Methodology of the Study**

The study classifies the districts of Trivandrum, Kollam, Kottayam, Idukki, Pathanamthitta, Alappuzha, Ernakulam and Thrissur are under Travancore –Cochin region and Palakkad, Malappuram, Kozhikode, Wayanad, Kannur, and Kasaragodare under Malabar region. Secondary data were mainly used in this study Secondary data were collected from various economic review of the state. Simple statistical techniques were only followed for analysis of data.

### **3. Analysis and Findings**

The state of Kerala, located in south west part of India formed in November first,1956 as part of the linguistic reorganization of the Indian states by merging the three Malayalam speaking regions; Travancore, Cochin and Malabar. Its land area is 38863 square kilometers, bordered by to the north and north east, Tamil Nadu to the east and south and Arabian sea on the west. Malabar region holds 42% of population of the state of Kerala and it hold 45 % of the total area. Geographically the districts like Palakkad and Kasargode holds a favorable advantage for industries but densely populated districts of Trivandram, Kollam, Alappuzha and Ernakulam holds a majority share of the industries.

### 3.1. Central Public Sector Undertakings

Of the 21 Central PSUs in the state 95% (19) functions in Travancore –Cochin belt. The district wise comparison is given in table 1.

Region	No: of PSUs	Percentage
Travancore- Cochin	19	90.48
Malabar	2	9.52
Total	21	100

Table 1: Region wise central PSUs

### 3.2. State PSUs

Under the State Industrial dept., there are 62 industries.14 of them are nonfunctional. The region wise statistics are given in table 2

Region	No: of PSUs	percentage
Travancore-Cochin	45	72.58
Malabar	13	27.42
Total	58	100

Table 2: Region wise state PSUs

Out of these 45(73%) are in Travancore –Cochin region and 13(27%) in Malabar. Out of the closed/nonfunctional industries 10 (71%) are in Travancore –Cochin region and the remaining 4(29%) in Malabar. There are eleven corporations/industries co-owned by Union and State governments. Of which 10 are situated/operates / headquartered from Travancore –Cochin region.

### 3.3. Co-Operative Sector

The table 3 lists the nonmanufacturing and manufacturing cooperative institutions/corporations under the Industrial department.

Region	No: of institutions	percentage
Travancore -Cochin	10	76.92
Malabar	3	23.08
Total	13	100

Table 3: Co-operative institutions in each region

### 3.4. Traditional Industries

#### 3.4.1. Coir Industry

The most important out of traditional industries as it employs around 4 lakh people. Out of them around 80% are females. The industry has an annual turnover of more than 800 crores. There are 613 cooperative societies under the coir directorate. Out of these 138 are nonfunctional at present. There are 10 project offices, of which 7 are at Travancore –Cochin region. As per the statistics, of the registered cooperative societies 74% are in Travancore –Cochin belt and out of the all functional cooperative societies, 81% are in Travancore –Cochin region and 53% closed societies are in Malabar & 47% in Travancore –Cochin.

#### 3.4.2. Handloom Industry

Around 124 lakhs are employed in this sector across the country. As per the present data records,1.25 lakh people are employed in this sector in the state of Kerala Handloom industry has an Annual turnover of 50000 crores which amounts to 18.75% of national income.60 % of the employees of this sector are females.12 % belongs to scheduled caste and 10 % belongs to scheduled tribe. There are 786 primary handloom cooperative societies. Of the functional societies, 80% (408/510) belong to Travancore –Cochin. This region also holds 69% (144/208) of the nonfunctional and newly coming up (47/57) institutions.

#### 3.4.3. Khadi and Village Industries

Around 12000 people are employed in this sector in the state of Kerala. Of which majority are ladies who generally belong below poverty line. In 1957 Khadi and village industry board was established as a promotional agency for those who are employed in this sector. Under the board there are 27 cooperative societies, 233 spinning center and 138 weaving centers. They together hold 4456 charkas and 2198 handlooms. Out of these, Payyannoor cooperative society alone has 66 spinning centers and 44 weaving centers.

#### 3.4.4. Cashew

Around 4.5 lakhs people are employed in this sector. Around 750 cashew processing unit's functions in Kerala of which a major percentage belongs to private sector. During 2009-10 economic year Kerala has exported 1.08 lakh tons of cashew which amounts to 2006 crores. The cashew development corporation headquartered at Kollam was established during the year 1969 for the welfare and development of the employees in this sector. Under the corporation 30 cashew processing factories are functioning of which 29 are at Travancore-Cochin region.

### 3.5. KSIDC (Kerala State Industrial Development Corporation)

Kerala State Industrial Development Corporation (KSIDC), Formed in 1961 is the Government agency working for industrial and investment promotion in Kerala. KSIDC started with the objective to promote, facilitates and finance large and medium scale industries and catalyzes the development of physical and social infrastructure required for industrial growth in the state. But from the money spend during 1998-2008 across various districts of Kerala indicates 75% (Rupees 334.88 Crore) of the money was spend in the Travancore-Cochin region whereas only 25% (Rupees 114.12 Crore) was allocated to the Malabar region. Inter-regional disparity in allocating the funds is visible in the capital investment for the year 2009-2011 as 76 % ( Rupees 261.33 Crore) is allocated to Travancore-Cochin region whereas only 24% (Rupees 63.36 Crore) invested in Malabar region.

### 3.6. District wise Representation of Industrial Labour

Another important goal of this study was the comparison of District wise representation of Industrial Labour. The industrialization not only brings economic prosperity of the state but will provide solutions to unemployment and related issues. The table below represents the district wise comparison of employees in the 20 public sector undertakings. 77.35% of the employees in these industries belong to the respective districts whereas the remaining 22.65% belongs to other districts. An exception to this trend is seen in Kerala Electrical and Allied Engineering Co. Ltd.

## 4. Conclusion

The present study shows there is regional disparity in industrial development of Kerala. For the balanced local economic development regional disparity should be eradicated. But even in the globalized era, our state has suffered many problems of regional disparity and loss our local development. Govt. should care about this problem and take remedial measures without any interventions. Development should be need based of the polity. Local Panchayath should take interest in this area then economy will develop.

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