

MIDC Role in Infrastructural Development in Navi Mumbai

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Abstract

The BID (Board of Industrial Development) framed the legislation and it was introduced before the state legislation and passed in the form of "Maharashtra Industrial Act" which gave birth to Maharashtra Industrial Development Corporation (MIDC), as a separate corporation on August 1, 1962. The BID was the first personnel strength of MIDC. A small ceremony at Wagle Estate Thane, under the Chairmanship of the Chief Minister Shri Y.B. Chavan, marked the birth of MIDC on August 1, 1962. The Board of Industrial Development during its existence between October 1, 1960 and August 1, 1962 has done enough spade work to identify the locations for setting up industrial areas in different parts of the state. Thus, right in the first year of establishment MIDC came up with 14 industrial areas, to initiate action for infrastructure and help entrepreneurs set up the industrial units in those areas.

Maharashtra Industrial Development Corporation is the nodal industrial infrastructure development agency of the Maharashtra Government with the basic objective of setting up industrial areas with a provision of industrial infrastructure all over the state for planned and systematic industrial development. MIDC is an innovative, professionally managed, and user friendly organisation that provides the world industrial infrastructure. MIDC has played a vital role in the development of industrial infrastructure in the state of Maharashtra. As the state steps into the next millennium, MIDC lives up to its motto 'Udyamat Sakal Samruddhi' i.e., prosperity to all through industrialisation. Indeed, in the endeavour of the state to retain its prime position in the industrial sector, MIDC has played a pivotal role in the last 35 years.

MIDC has developed 268 industrial estates across the state which spread over 52653 hectares of land. The growth of the Corporation, achieved in the various fields, during the last three years, could be gauged from the fact that the area currently in possession of MIDC has doubled from 25,000 hectares in 1995.

Keywords: MIDC, Infrastructure, Development, SME

Introduction

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Maharashtra Industrial Development Corporation is the premier body for the development of IT Industry in Maharashtra. The MIDC has constructed 15 IT Parks in the state. The Government of India in 1988 announced a scheme for development of growth centres covering each district of the state. Out of these growth centres, 61 have been notified and in 24 growth centres, the land is already in possession and in 17 growth centres, MIDC has already started allotment of plots.

The State Government has also announced a programme of establishment of 140 mini industrial areas at taluka levels. This work has also been entrusted to MIDC. Among 102 areas, land is already in possession 90 industrial areas and plots have already been allotted to small scale entrepreneurs. MIDC is also a “special planning authority” for all its industrial areas for various functions such as selection of land, planning, development and management of industrial parks.

Objectives of MIDC for development

- Set up industrial areas for planned and systematic industrial development.
- To function as a special planning authority in development of industrial areas in Maharashtra.
- “Prosperity to all through Industrialisation” is the corporate philosophy of MIDC

Statement of the Problem

It is clearly noticed that in emerging world and rapid change in the industrialisation in Navi Mumbai contributed steady and impressive growth in India's GNP. Role of MIDC in the process of Industrialisation especially in small and medium enterprises is significant. There was very limited study on contribution of MIDC in the development of infrastructure facilities for small and medium enterprises in Navi Mumbai. Thus this situation attracted the researcher for conducting surveys and interviews for knowing how small and medium

enterprises in Navi Mumbai are developed due to the high support of infrastructural facilities of MIDC.

Thus the exact problem of study is –“MIDC Role in Infrastructural Development in Navi Mumbai.”

Objectives of the Study

1. To study MIDC role in the development of small and medium enterprises(SME) in Navi Mumbai.
2. To identify the role of MIDC in terms of infrastructure to the SME in Navi Mumbai.
3. To provide measures and suggestions.

Research Methodology

The research adopted is tuned to descriptive and analytical method. The standard practice of conducting social research was adopted as research methodology. The objectives and hypothesis of the study were kept in mind to develop a supportive research methodology.

Hypothesis and Null Hypothesis

Hypothesis:

“Proper planning and execution of infrastructure development policy and programme of MIDC can contribute in development of SME and enhance economic development of that region”

Null Hypotheses with reference to Infrastructure Development:

1. There is no association between level of satisfaction of infrastructure development for SME and type of organisation of the respondents.
2. There is no association between level of satisfaction of infrastructure development and type of SME of the respondent.
3. There is no association between level of satisfaction of infrastructure development and type of industry of the respondents.
4. There is no association between level of satisfaction of infrastructure development and annual turnover of the respondents.
5. There is no association between satisfaction of infrastructure development by policy of MIDC in Navi Mumbai and development of SME.

Sampling and Sample size

The original idea is to go on census method which will cover all the units, MIDC officials. The sample size thus arrived is stratified sample based on response received from the respondents.

(Other enterprises include Paint (01), Fabrications (03), Food (02), Packaging (02), Ice Sheet (01), Printing (03), Mineral water (02), Furniture (01), Spare parts (07), Plastic (01), IT (01), Promotion (01), Logistic (01), Paper (01), Rubber (02), Electronic Components (01).)

Analysis of Data

During the research, research student will use the statistical techniques for analysis like SPSS package, T-test, Chi-Square test and ANOVA etc.

Scope of The Study

- a. For the purpose of study, the data has been collected from the present 100 SME units in NaviMumbai. To calculate the trends in development of SME in Navi-Mumbai, 14years' data (calender year 2000 to 2014) is considered.

- b. The study is in-depth study with special reference to small and medium enterprises (SME) at Thane-Belapur Industrial Belt (TBIB) in Navi-Mumbai.

Limitations of the study

1. The study only deals with small and medium enterprises (SME) in Navi Mumbai.
2. The study deals specifically with 100 small and medium enterprises (SME) units in the category of engineering, chemicals, pharmaceuticals, textile and others.
3. The study also deals with some units which existed after 2000 but are now functioning in MIDC area in Navi-Mumbai.
4. The study does not include large scale enterprises (LSE) in Navi-Mumbai.
5. As the study requires data from SME units from all across Navi-Mumbai region, the cost and time constraints have put certain limitations including sample size. But every attempt is made to maintain spirit of the objectives and research methodology.
6. The reliability of the study may depend on authenticity of the data supplied by the SME respondents.

Table 1: Sample Units for Conducting Surveys

	Engineering	Chemical	Others	Textiles	Pharmaceutical	Total
Small Enterprises	29	15	28	04	01	78
Medium Enterprises	10	07	04	01	01	22
Total	39	22	32	05	02	100

Table 2: Perception of SME Respondents-Infrastructure Facilities

Sr.No	Infrastructure Facilities	Favourable (%)	Unfavourable (%)
1.	Concession or subsidy in power tariffs	08	92
2.	Upgradation of energy infrastructure for functioning the unit	02	98
3.	Technical surveys for monitoring the use of energy	60	40
4.	Energy Audit for minimizing the cost and environmental defects	59	41
5.	Loss due to shortage of power	89	11
6.	Enough energy for sustaining the SME unit	85	15
7.	Enough water supplies to the unit	90	10
8.	Availability of frequency of water supply	87	13
9.	Entitled for water subsidy from NMMC	83	17
10.	Loss due to the shortage of water supplies	09	91
11.	Quick assistance from MIDC in case of damage to water pipe	90	10

Data Analysis and Testing of Hypothesis

Perception of Respondents

The level of satisfaction perceived by SME respondents is shown below:

0%-33% - To some extent

34%-66%-To a large extent

67% and above-To a very large extent

Table 2 reveals the following specific findings with reference to infrastructure facilities offered by MIDC in Thane Belapur industrial belt in Navi Mumbai.

1. The perception of small and medium enterprises (SME) units towards concession or subsidy in power tariffs is non-favourable to a very large extent.
2. The perception of small and medium enterprises (SME) units towards the upgradation of energy infrastructure for functioning the units is non-favourable to a very large extent.
3. The perception of small and medium enterprises (SME) units towards the Technical surveys for monitoring the use of energy non favourable to a large extent.
4. The perception of small and medium enterprises (SME) units towards Energy Audit for minimizing the cost and environmental defects is favourable to a large extent.
5. The perception of small and medium enterprises (SME) units towards Loss due to shortage of power is favourable to a large extent.
6. The perception of small and medium enterprises (SME) units towards enough energy for sustaining the SME unit is favourable to a large extent.
7. The perception of small and medium enterprises (SME) units towards enough water supplies to the unit is favourable to a large extent.
8. The perception of small and medium enterprises (SME) units towards availability of frequency of water supply is favourable to a very large extent.
9. The perception of small and medium enterprises (SME) units towards entitled for water subsidy from NMMC is favourable to very a large extent.
10. The perception of small and medium enterprises (SME) units towards loss due to the shortage of water supplies is favourable to very a large extent.
11. The perception of small and medium enterprises (SME) units towards quick assistance from MIDC in case of damage to water pipes favourable to very a large extent.

Testing of Hypothesis

Null Hypothesis with Reference to Infrastructural Development

Null Hypothesis (Ho): There is no association between level of satisfaction of infrastructural development for SME and type of organisation of the respondent.

To test the null hypothesis, collected information was classified and presented in multiple bar diagram as shown in Fig. 1.

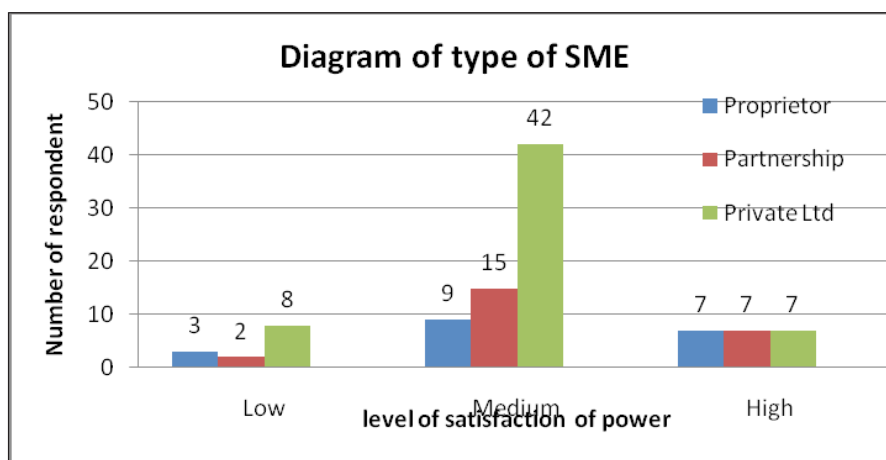


Fig. 1: Level of Satisfaction of Power Supply for SME and Type of Organisation of the Respondents

To test the above hypothesis Chi-square test is applied and the result of the test is as follows:

Chi-square: 7.213
Table value: 5.99
Degree of freedom: 04
Result of the test: Test is accepted

Calculated value 7.213 is less than table value (9.49), therefore test is accepted and null hypothesis is accepted i.e. there is no association between level of satisfaction of power supply for SME and type of organisation of the respondent, which indicates that all three types of organisations have uniform satisfaction about power infrastructure.

Null Hypothesis (Ho): There is no association between level of satisfaction of power supply for SME and type of SME of the respondent.

The data is presented in multiple bar diagram as shown in Fig. 2.

To test the above hypothesis Chi-square test is applied and the result of the test is

Chi-square: 930
Table value: 5.99
Degree of freedom: 02
Result of the test: Test is accepted

Calculated value 930 is less than table value (5.99), therefore test is accepted and null hypothesis is accepted i.e. there is no association between level of satisfaction of power supply for SME and type of SME of the respondent, which indicates that a respondent from small and medium enterprises has uniform satisfaction about power infrastructure.

Null Hypothesis (Ho): There is no association between level of satisfaction of power supply for SME and type of industry of the respondent.

The data is presented in multiple bar diagram as shown in Fig. 3.

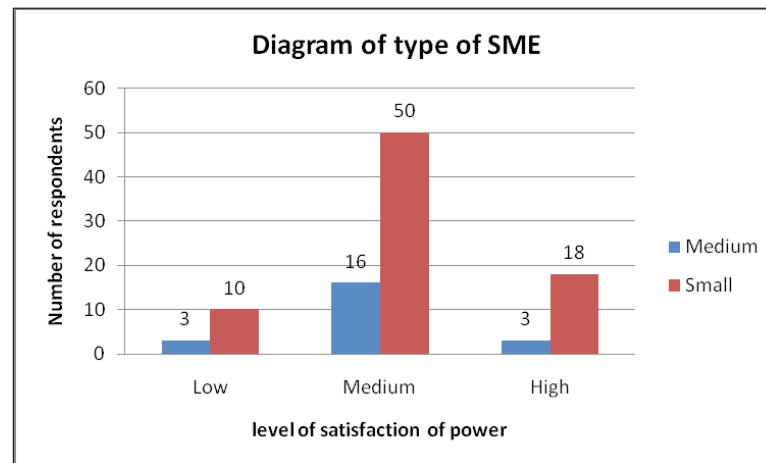


Fig. 2: Level of Satisfaction of Power Supply for SME and Type of Organisation of the Respondents

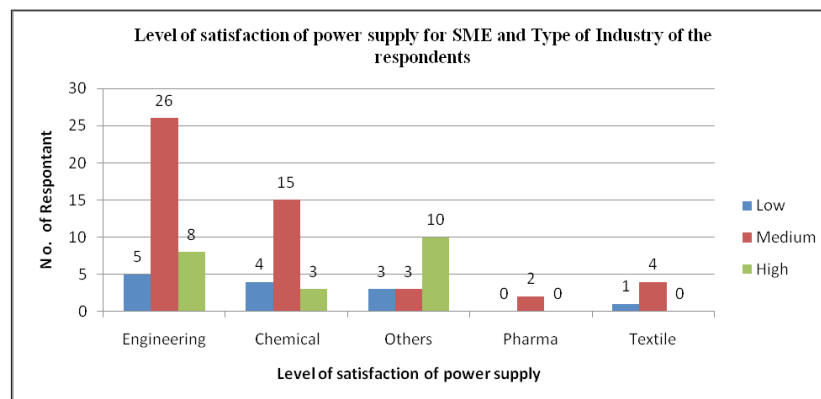


Fig. 3: Level of Satisfaction of Power Supply for SME and Type of Industry of the Respondents

To test the above hypothesis Chi-square test is applied and the result of the test is

Chi-square: 5.601
Table value: 15.51
Degree of freedom: 08
Result of the test: Test is accepted

Calculated value 5.601 is less than table value (15.51), therefore test is accepted and null hypothesis is accepted i.e. there is no association between level of satisfaction of power supply for SME and type of industry of the respondent, which indicates that a respondent from small and medium enterprises has uniform satisfaction about power infrastructure.

Null Hypothesis (Ho): There is no association between level of satisfaction of power supply for SME and annual turnover of the respondent.

The data is presented in multiple bar diagram as shown in Fig. 4.

To test the above hypothesis Chi-square test is applied and the result of the test is

Chi-square: 7.933
Table value: 9.49
Degree of freedom: 04
Result of the test: Test is accepted

Calculated value 7.933 is less than table value (9.49), therefore test is accepted and null hypothesis is accepted, i.e. there is no association between level of satisfaction of power supply for SME and annual turnover of the respondent, which indicates that a respondent from small and medium enterprises has uniform satisfaction about power infrastructure.

Null Hypothesis (Ho): There is association between development of SME and level of satisfaction of development of power infrastructure by MIDC in Navi-Mumbai.

The data is presented in multiple bar diagram as shown in Fig. 5.

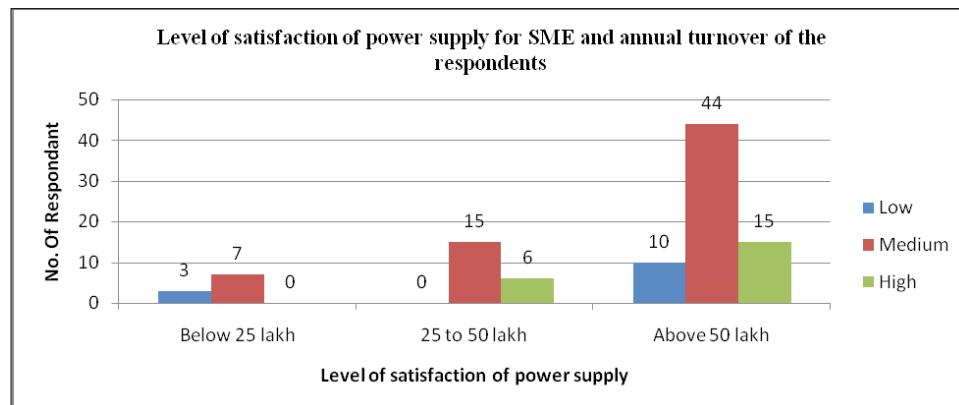


Fig. 4: Level of Satisfaction of Power Supply for SME and Annual Turnover of the Respondents

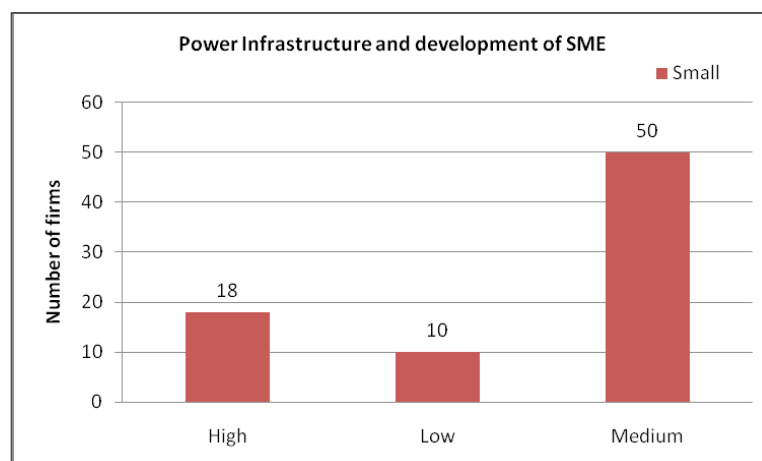


Fig. 5: Level of Satisfaction of Power Infrastructure and Type of SME

Chi-square calculated value:	0.93
Degree of freedom:	2
Chi-square table value (5% loss):	5.99
Result of test:	Accepted.

Above results indicate that chi-square calculated value (0.930) is less than chi-square table value (5.99). Therefore test is accepted. Hence null hypothesis is accepted which concludes that there is no association between type of SME and level of satisfaction of development of power infrastructure by MIDC in Navi-Mumbai.

This indicates that proportion satisfaction of small and medium SME for power infrastructure is uniform.

Descriptive Statistics with Reference to Infrastructure

Table 3: Descriptive Statistics with Reference to Year of Existence and Infrastructure

Year of Existence	N	Minimum	Maximum	Mean	Std. Deviation
Post 2000	24	37.50	100.00	78.6458	16.26845
Pre 2000	76	37.50	100.00	76.6447	17.95157
Total	100	37.50	100.00	77.1250	17.50316

Table 4: Descriptive Statistics with Reference to Type of Organisation and Infrastructure

Type of Organisation	N	Minimum	Maximum	Mean	Std. Deviation
Sole Proprietor	19	50.00	100.00	81.5789	19.26083
Partnership Firm	24	37.50	100.00	79.6875	18.36100
Private limited Company	57	37.50	100.00	74.5614	16.36036
Total	100	37.50	100.00	77.1250	17.50316

Table 5: Descriptive Statistics with Reference to Type of SME and Infrastructure

Type of SME	N	Minimum	Maximum	Mean	Std. Deviation
Small	78	37.50	100.00	76.7628	17.87451
Medium	22	37.50	100.00	78.4091	16.44879
Total	100	37.50	100.00	77.1250	17.50316

Table 6: Descriptive Statistics with Reference to type of Industries and Infrastructure

Type of Industries	N	Minimum	Maximum	Mean	Std. Deviation
Chemical	22	50.00	100.00	74.4318	17.45627
Engineering	39	37.50	100.00	75.9615	18.44814
Others	32	50.00	100.00	81.2500	17.09792
Pharmaceuticals	2	75.00	87.50	81.2500	8.83883
Textile	5	50.00	87.50	70.0000	14.25219
Total	100	37.50	100.00	77.1250	17.50316

Findings of Personal Observation

Personal Observation-SMEs Response to the Contribution of MIDC

It was observed that most of the MIDC areas indicate the poor infrastructure except Nerul, Pawne. Only Rabale MIDC area has the highest satisfaction for power and water infrastructure. Many engineering units need more power supply as compared to other SME units in Navi Mumbai. As far as water infrastructure and supply is considered, Chemical units still face problem of shortage of water in Navi Mumbai MIDC area.

It was also observed that, in many MIDC areas roads for transportation are not in good condition. Quality of the roads is very important for the development of SME in Thane Belapur Industrial Belt in Navi Mumbai, especially in Rabale, Pawne, and Mahape MIDC areas.

Findings of Personal Interview of MIDC Officials

As a part of the study, to root out the problems of SMEs and to find out the efforts taken by MIDC to deploy developmental practices for SMEs, the researcher approached the MIDC officials to conduct interviews. Disappointingly the MIDC officials refused to provide any information officially, but informally the officials provided some information and difficulties they face in providing efficient services to the SME.

In order to ensure good quality service to SME, MIDC seeks the co-operation and support from SME by proper use of facilities and services.

Suggestions and Recommendations

Top Priority Actions, Needed to be implemented on Urgent basis

1. Ministry of Environment and Forest should assist SMEs for providing clean alternate for environmental protection and to arrest the pollution by providing treatment to the effluent generated by them with the help of 25 % subsidy (20% provided by MIDC on behalf of the Government of Maharashtra and 5% by Maharashtra Pollution Control Board (MPCB)). The MIDC officials should ensure that there should be good and clean alternative for environment protection while allocating the land to the SMEs. The study reveals that many a times proper care of environment is not taken while functioning into the MIDC area. Proper care and education is needed in this area.
2. In spite of regular supply of water, many units are suffering from losses due to shortage of water as damaged water pipes are not repaired on time or they were not maintained properly. MIDC officials should ensure adequate maintenance, repairing on time.
3. Female employees in Thane Belapur industrial belt in Navi Mumbai are not safe during journey to their home in evenings as in many MIDC areas street lights are not working and there is no richness of public transport. In many areas female employees need to take a walk for 2 or 3 km from the unit. Safety of female employees is a priority in case of general safety measures for industrial workers. MIDC officials should ensure female employees' safety should not be overlooked by industrial units in Navi Mumbai.

Significance of the Study

Small and medium enterprises (SME) have been accorded an important place in the national economy by the national decision makers. Small units generate employment at relatively small capital cost, mobilise resources of capital and skills at micro levels, and are expected to meet the rising demand for various goods and services required by the economy. SMEs form an important sector constituting nearly 40 percent of the total output in the private sector. Much more significant is the employment generation

capacity of small scale industry.

India operates today in sheer size what is perhaps the largest small industries programme in any developing country. Small scale sector as a priority sector of the national economy is protected and promoted in a number of ways. A small scale industry provides a steady source of income throughout the year. The basic idea is to become independent through utilising locally available resources and skills.

Maharashtra Industrial Development Corporation (MIDC) plays an important role in the development of industries specially SMEs. This study focuses on the existing contribution of MIDC in the development of SMEs in Thane Belapur industrial belt in Navi Mumbai by assessing the level of satisfaction of SME units in Navi Mumbai. Further, based on the findings suggestions are provided to strategically improve the MIDC support and services to SMEs; all these factors become significance of the study. Further the study attempted to deliberate and find the solutions for effective implementation of the suggestions given in the study which can also be considered as a significant pragmatic approach of the study.

Conclusion

After the study it was found that MIDC as a nodal agency serves the SME in Thane Belapur industrial belt in Navi Mumbai. The study could achieve all the objectives and could find the validity of the hypothesis and null hypothesis.

Ultimately study could reveal that, it is required to have the engine of strong strategically constructed MIDC support for the development of SME in Navi Mumbai.

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