

CHAPTER 6

MAJOR FINDINGS, CONCLUSIONS, POLICY IMPLICATIONS AND LIMITATIONS OF THE STUDY

6.1 Major Findings

Major findings of the study can be summarized as follows:

- Manufacturing sector of Haryana is growing with a low growth rate.
- The absolute value of input and output of manufacturing sector is increasing but the annual growth rate in these values is decreasing.
- Large fluctuations have been found in input-output growth of manufacturing industries in Haryana.
- Input-output growth of manufacturing sector varies from district to district.
- Rohtak, Kurukshetra and Karnal districts have more fluctuations in input-output growth rate than others.
- Gurgaon and Hissar have less fluctuation in input-output growth rates of manufacturing.
- Unidirectional relationship has found between economic growth and manufacturing sector growth of Haryana.

6.2 Conclusion

In a developing economy, development dynamics necessitate that the predominant agriculture sector inspires and in turn, gets inspiration from the expanding industrial sector. Despite recent industrial development, Haryana is primarily an agriculture state. Haryana is at second position in food-grain production in the country. Agriculture growth affects the growth of manufacturing sector. There is very high correlation between agriculture production and development of agro-based industries. In Haryana agriculture's role as a supplier of resources to finance the process of industrialization has been acknowledged. So, it becomes necessary to make investment in agriculture sector. Service sector also plays an important role in development of manufacturing sector.

It is found that manufacturing as a strategic component of investment is needed by

Haryana for its sustained economic growth and development. Manufacturing is necessary for creation of jobs, expansion of agriculture and service sector. Without manufacturing we cannot imagine economic growth. The study finds out that the input and output growth of manufacturing industries is varying from district to district. This is due to geographically location of states. In maximum districts the input growth is more than output growth. In industry-wise analysis the study finds out that there are gaps between input and output growth but it is less than district- wise manufacturing industries. It is found that there is a unidirectional relationship between GSDP growth and growth of manufacturing sector in Haryana. The reason behind this is that the input-output of manufacturing industries is not increasing at the same rate. The production of manufacturing sector is less than investment in this sector.

6.3 Policy Implications

- There is a need to make more investment in agriculture sector to promote manufacturing sector.
- The study urges the policy makers to focus more on attracting diverse types of Manufacturing.
- It is necessary for policy makers to design policies where manufacturing can be utilized as means of enhance domestic production, savings and exports; as medium of technological learning and technological diffusion and also in providing access to the external market.
- Speedy improvement of infrastructure sector is required which are important for diversification of business activities.
- Equitable distribution of investment is needed among the states. The central government must give more freedom to states, so that they can attract investment inflows in manufacturing sector at their own level. Additional incentives are also required to foreign investors to invest in states where inflows in manufacturing sector are quite low.

6.4 Limitations of the Study

A study of this kind needs an up-to-date and vast amount of factual data. Some of the data are not available at all, other is inadequate and some are irregular. From 2005-06 to 2009-10, the data is extrapolated. This study has taken only 12 districts from 21 districts of Haryana. The remaining districts also play a vital role in manufacturing sector of Haryana.

As the study has been conducted with only five manufacturing industries of Haryana. It can be extended to other industries. Unregistered manufacturing industries have a prominent place in molding the manufacturing sector of Haryana. But here the study incorporates only registered manufacturing industries. This is yet, another serious limitation of the study.