

EXPLORATIONS IN MAKING PROGRAMME OF FULL CAPACITY UTILISATION

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It is a painful reflection on our technical competence in the understanding and management of our economic affairs that after a planning of a decade and a half we find ourselves saddled with a substantial amount of unutilised capacity in various industries. In the situation a two pronged research action is warranted. First and foremost it is necessary to get an estimate of unutilised capacity in each and every industry of the economy, and secondly to devise programmes that will lead to utilisation of capacities in such a way that the problem is not aggravated in future by creating some capacities which may not be utilisable in future due to lack of sufficient demand for their output. I must caution the reader that even if the first problem of data collection is satisfactorily tackled the second one is by no means easy to solve. However, it may not be worth-while to recount many blind alleys in which I and my colleagues were led in attempting to do so. Here, it is proposed to describe a promising approach that is likely to take us near the desired goal.

1. *Estimation of Unutilised Capacity in 241 Industries*

There are lots of gaps in our knowledge of product-wise total production as well as unutilised capacity in the country. Any recent information on these items is confined to the Monthly Statistics of Production of Selected Industries in India published by Central Statistical Organisation of the Government of India, and Shri Koti's mimeographed study on "Capacity Utilisation and Factors Affecting It in Certain Indian Industries, 1967-68". Not only both these publications practically confine themselves to large scale manufacturing industries but even within that, being voluntary, their coverage has

* Various colleagues of mine will recognise their handiwork in various parts of the paper. Mainly they are Sarvashri R. K. Koti, P. Venkatramaiah, A. R. Kulkarni. Computational work has been looked after by Sarvashri D. B. Sardesai and D. B. Unde.