

# Productivity Comparisons of the Manufacturing Sectors of All-India and Rajasthan

K. Rajalakshmi

## 1. INTRODUCTION

Rajasthan is a land of varied natural resources. Still, the state remains industrially backward compared to other states.

Rajasthan's industrial sector and All India's industrial sector are not mutually exclusive. However, Rajasthan forms only a small percentage of the manufacturing sector of all India. Hence, an econometric study in depth of Rajasthan's industrial sector separately and comparison of the results with those of national aggregates would be helpful to know where precisely Rajasthan stands in the industrial development of the country. This will also enable us to point out the necessary recommendations and suggest various other aspects of further study in order to improve the performance and productivity of industries of Rajasthan.

Rajasthan's industrial potential has been brought out in the Approach papers of State's Five Year Plans and the Techno-economic survey report of Rajasthan published by National Council of Applied Economic Research. Purohit (1976) has calculated location quotients of a few industries of Rajasthan at two points of time. Saxena (1977) listed various aspects of the industrial economy of Rajasthan. Mehta and Bishnoi (1977) and Mehta (1977) brought out an input-output analysis of the industrial structure in Rajasthan. Bhagwat Swaroop and Rajalakshmi (1977) analysed the productivity and returns to scale in mineral based industries which form the bulk of Rajasthan's total manufacturing sector. Rajalakshmi (1981 a, 1981 b, 1982) studied in detail a few individual industries of Rajasthan.

In view of the limited nature of these studies a comprehensive study covering the following aspects in respect of total manufacturing sectors of All India and Rajasthan has been attempted in this paper using the data for the period 1960-1975.

- A. Estimation of elasticities of substitution by VES production function.