

## **ROLE OF PAPER MILLS OF KUMAUN IN EMPLOYMENT GENERATION AND RURAL DEVELOPMENT.**

Development may be defined as an activity or process of both qualitative and quantitative change in the existing systems, aiming at immediate improvement of living conditions of the people or increase the potential for betterment of living conditions in future. There is clear distinction between 'economic growth' and 'development'. Development is a broad concept which also embraces growth. Development covers both quantitative and qualitative aspects. Economic growth is mainly concerned with the quantitative aspect of development. Development has many dimensions and includes qualitative changes in social, economic, political, cultural, environmental etc. aspects. Development is a continuous and unending process attempting to improve all aspects of society. In the rural areas, a good number of people for over several years lived a life of dependency or almost complete slavery. Because of abject poverty and consequent underdevelopment or social stagnation, people lose faith in themselves and in their potentialities for development and remain without active

participation in social, economic, cultural and political life. It is important to bring them out of this apathy and scepticism and to motivate them to think freely about progressive ideas. Development should result in reduction of dependency on external resources, increased self-reliance, confidence in their own strength and potentialities for development, spirit of mutual respect and collective effort.

### **RURAL DEVELOPMENT DEFINED.**

Rural development should be viewed as a strategy designed to liberate the rural poor from the age-old bondage of degraded life and to awaken and activate the entire rural population in the process of achieving and showing of higher levels of production. Anker<sup>1</sup> gives the following working definition of rural development, "Strategies, policies and programmes for the development of rural areas and the promotion of activities carried out in such areas (Agriculture, forestry, fishing, rural crafts and industries, the building of social and economic infrastructure) with the ultimate aim of

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1. Anker Desmond, L.W, "Rural Development, Problems and Strategies" International Labour Review, 1973 P-108.

achieving a fuller utilisation of available physical and human resources, and thus higher incomes and better living conditions for the rural population as a whole, particularly the rural poor, and effective participation of the latter is the development process."

By the analysis of the above mentioned definition, some important elements are identified:

1. There should be full utilisation of available physical and human resources in rural areas with functional linkage ;
2. Development of agriculture and allied activities is necessary;
3. There should be again development of rural industries;
4. It should aim at higher incomes and better living conditions of rural population, and
5. The focus of development should be on rural poor with their effective participation in the development process.

Rural development is a strategy designed to improve the economic and social life of a specific group of people-the rural

poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural areas. The group includes small scale farmers, tenants and the landless. Again a World Bank Publication<sup>2</sup> defines rural development as “improving the living standards of the masses of the low-income population residing in rural areas making the process of rural development self-sustaining.” Rural development should be viewed as a process of raising the capacity of the rural people to control their environment. Environment does not mean only agricultural or economic development. It includes all aspects of rural life-social, economic, cultural and political. Rural development as a process should continuously raise the capacity of the rural people to influence their total environment, enabling them to become initiators and controllers of change in their environment rather than being merely the passive objects of external manipulation and control. Rural development must result in a wider distribution of benefits accruing from technical developments and the participation of weaker

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2. Lele Uma, Design of Rural Development; Lessons from Africa, The John, Hopkins University Press, Baltimore and London 1975, P-20.

sections of the rural population in the process of development.

Michel Todaro<sup>3</sup> views that "Rural development encompasses (1) improvement in levels of living, including employment, education, health and nutrition, housing, and a variety of social services, (2) decreasing inequality in the distribution of rural incomes and in rural-urban balances in incomes and economic opportunities, and (3) the capacity of the rural sector to sustain and accelerate the pace of these improvements."

## **LARGE SCALE UNDEREMPLOYMENT AND UNEMPLOYMENT IN RURAL AREAS.**

About 76 percent of India 's total population dwells in rural areas with faster growth of population, and in the absence of considerable increase in the non-agricultural occupations, there is growing pressure on land. Irrigation expansion has been quite inadequate and hence additional population cannot be gainfully employed on land. This results in disguised unemployment with low or zero marginal productivity of labour; even if some people leave the agricultural families, farm output is not going to decline. As

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3. Michael P. Todaro, Economics for Developing World, London, Longmans Group Ltd., 1977, P-249.

there are no alternative gainful employment opportunities open for the surplus rural labour, many continue to depend on land for their living. Rural employment, again, is seasonal, particularly where agricultural operations take place under the rainfed conditions. In many villages of drought-prone areas, a large number of rural people remain idle for a long period in a year. Rural unemployment is more in the nature of under-employment of varying degrees. In developing countries, unemployment is chronic rather than temporary. It is largely due to the slow growth of capital formation as compared with the increase in labour force. In the organised sector or in urban areas, unemployment is more or less as in developed countries. In the rural areas, there is seasonal unemployment and disguised unemployment. There is also wide-spread unemployment among the educated ones.

It is a bitter truth that rate of growth in population in rural areas is more than that of urban areas. Higher the population is, higher would be unemployment. Agriculture is already under pressure. It is not now so much capable as to accommodate the increasing number of unemployed ones. It is quite alarming that during 1980s even with a 5 percent growth rate of GDP, growth in employment has failed to keep pace with the growth of

labour force, so that the stock of unemployment is rising continually. It is borne out of the fact that during 1980s the growth in labour force has been at 2.2 percent per annum, whereas employment growth has been only at 1.55 percent per annum.

## **EMPLOYMENT ORIENTED STRATEGY OF INDUSTRIALIZATION.**

Being disappointed with the results of employment generation by the end of Seventh Five Year Plan, in Eighth Plan the strategy remained to generate employment at 2.6 percent per annum corresponding to an average annual growth rate of 5.6 percent. The Eighth Plan document projected generation of 8 million jobs per annum during the first half of the plan period and 9 million jobs per annum during the second half. The long-term strategy exhibits the projection of employment growth on the basis of sectoral growth and employment elasticity. These projections bring into focus larger employment potentialities in sectors other than agriculture. An employment growth-oriented development strategy in Indian situation,

demands that industrial sector is put in the lead in the growth process. There is disguised unemployment in agriculture. The agricultural land is being used for non-agricultural purposes like setting up of industries, construction of buildings for schools, colleges, I.T.Is, polytechnics, hospitals and other Government departments, construction of air ports or their expansion, bus stations & their workshops etc.. The area of farming is shrinking day-by-day resulting in less avenues for employment.

## **PAPER MILLS AND EMPLOYMENT GENERATION**

Paper mills have been established in the areas which are rich in agricultural production. These mills get bagasse from sugar mills which depend upon sugarcane production. Sugarcane is a high cost cash crop. It needs irrigation facilities of high degree alongwith other inputs like good quality of seed, fertilizers, insecticides, pesticides etc. A big share of bagasse being scrapped by these sugar mills is consumed by them as fuel. The boilers being used in the sugar mills are of old technology, hence, consume huge quantity of bagasse. In this way very small quantity of bagasse is left for paper mills. Other

agricultural wastes to be used in paper mills are rice-straw and wheat-straw. Both these materials are available locally but do not fulfil 100 percent requirement of the paper mills. This is why the units import these items from nearby areas of parent State Uttar Pradesh. These paper mills established or are being established in Tarai-area of Kumaun only to avail various types of subsidies and fiscal incentives as well as concessions. The paper mills are the industrial units of low fixed capital base. Generally the straw, card and paper board manufacturing units may be established in small scale industrial sector while paper mills may be established in medium scale or large scale sector.

The paper mills of Kumaun Division of Uttaranchal are generating direct as well as indirect employment to the local people as well as persons outside Uttaranchal. The technical persons are even from Maharashtra, Punjab, Tamilnadu, Kerala and Delhi. Non-technical staff is from Uttar Pradesh and other nearby districts of Uttaranchal. Total workforce excluding labourers of contractors working in these paper mills is as under :-

**TABLE 6.1**  
**EMPLOYMENT GENERATION BY PAPER MILLS OF KUMAUN**

S . No.	Name of the Paper Mill	No. of Persons Employed
1	M/s Cheema Duplex Ltd., Kashipur	141
2	M/s Banwari Paper Mills Ltd., Kashipur	55
3	M/s Multiwal Pulp and Board Mills Ltd., Kashipur	50
4	M/s Siddhartha Papers Ltd., Kashipur	68
5	M/s Siddheswari Paper Udyog Ltd., Kashipur	70
6	M/s Shri Shyam Pulp and Board Ltd., Kashipur	90
7	M/s Naini Papers Ltd., Kashipur	80
8	M/s Goraya Straw and Card Board Mills (Pvt.) Ltd., Kashipur	54
9	M/s Vishwakarma Paper and Boards Ltd., Kashipur	50
10	M/s Multiwal Duplex Board Pvt. Ltd., Kashipur	74
11	M/s Naini Tissues Ltd., Kashipur	180
12	M/s Shri Ram Straw Board, Kashipur	110
13	M/s Cheema Paper Mill Ltd., Bazpur	104
14	M/s Manorama Paper Mills Ltd., Bazpur	27
15	M/s Prakash Straw Board Mills Ltd., Bazpur	45
16	M/s Khatima Fibres Ltd., Khatima	282
17	M/s Century Pulp & Papers Ltd., Lalkuan	570
	Total	2050

**Sources : Based on Survey**

By the analysis of the above table it is obvious that the paper mills of Kumaun Division employ 2050 persons directly while in indirect way near about 5000 persons have got employment. These persons work as casual labourers of the contractors or are engaged in loading and unloading of raw materials. Few of them are engaged in transportation service, canteen and engineering service etc. Total industrial workers in the Kumaun Division are about 36000. The share of paper mills is 19.58 percent. This share may be termed as significant. This is why paper mills have a crucial place in the economic development of Uttaranchal.

## **PAPER MILLS AND RURAL DEVELOPMENT**

Rural development has been an integral part of India's development from the very beginning. It may be viewed as a programme intended for the all around development of the entire rural population through development of all sectors of rural society. Agriculture is the backbone not only of rural economy of India but also of whole economy of India. The paper mills resulted in increase in the incomes of farmers and labourers both. The farmers are getting remunerative price of sugarcane, rice-straw and wheat-straw. Increase in the income of farmers led to increase in the income of labourers working at

village level. Secondly, a large number of village workers are employed in these paper mills and are leading happy life. The labourers working in these paper mills are generally under the control of contractors. They are not permanent employees. Labourers working under the contractors are not safeguarded by the Acts framed for the benefit of industrial workers. Through our survey of the villages in which workers of the paper mills dwell it came to notice that the standard of living of the workers of the paper mills was higher than that of those workers who work either in fields or in other small scale units of the region. But, here it would be pertinent to mention that the wages in these paper mills for unskilled labourers is less than minimum wage prescribed by the State Government which is presently Rs. 83 per day.

The whole Tarai area of Kumaun is rich in agricultural production. Wheat and rice are two main crops after sugarcane. Even the paddy crops are grown two times in a year because of plentiful irrigation facilities . The big farmers waste wheat-straw as they harvest wheat crop through machines called 'combine' and the straw is left in the fields. These giant machines are not capable of collecting or hoarding wheat-straw. The Department of Animal Husbandry of the State

Government warns the farmers as well as suppliers of wheat-straw to the paper mills not to use the wheat-straw in paper mills. The said Department takes it seriously and argues that the wheat-straw is meant for cattle as wheat-straw is one of the main feed for the cattle in off seasons. The wheat-straw may be used the whole year round by the cattle rearers and its crunch may cause problems not before the cattle rearers but also before the State Government. Anyhow, the paper mills get surplus wheat-straw and rice-straw from the farmers of nearby areas and import their balance requirement from Uttar Pradesh. In this way, the small suppliers of these materials get remunerative price resulting in increase in their incomes .

The persons engaged in collecting rice-straw and wheat-straw and also the persons engaged in loading and unloading of these materials get handsome remuneration for their services. All these persons are villagers dwelling in nearby villages. The persons engaged in transporting these materials also get handsome amount in the form of fare resulting in higher standard of living .

## **SCOPE OF RURAL DEVELOPMENT**

The need for rural development in India is apparent. The critical areas of development and the inter-linkages amongst the different elements or dimensions of development have to be carefully identified and an appropriate strategy has to be evolved. The first step in rural development is one of the development of social consciousness of people about the different hindrances to their development, the ways and means of overcoming them, their rights and duties in the community in which they live, progressive aspects of their traditions, their own strengths and potentialities to develop themselves. This type of consciousness about social reality would pave the way for awareness of many possibilities for development. Even though rural development is not synonymous with agricultural development, yet, agricultural development is critical for meeting the growing demand for raw material for the industries which depend on agricultural produce or wastes and for creating more employment opportunities in the rural sector. Therefore, agriculture and allied activities should be developed as more rewarding pursuits with focus on higher productivity . Proper and prudent use of land by small and marginal farmers by a committed effort is of utmost importance.

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