CHAPTER 4

ECONOMY
4.1 INTRODUCTION

The city of Kanpur in India has evolved over time in a steadfast manner as a center of trade and commerce. Kanpur ranked 2nd among the total number of industrialized towns and cities in India, right after Kolkata. Kanpur had a large presence of cotton mills, and was a renowned center for the manufacture of cotton. Kanpur is often referred to as India’s very own Manchester.

What Kanpuren cases on is its locational advantage that is the location which it enjoys on avintage point right ontwonational highwaysnamely the NH2 and the NH25. As supply of raw materials is quite easy for several industries such as the leather industry, industry for the manufacture of plastics, industry for the processing of food etc., "", the fact that it lies in proximity to numerous large scale markets, excellent availability of skilled professionals in Kanpur which is the case mainly because of the prevalence of many well-known training centers here such as the IIT Kanpur along with the existing industrial base thus attracting a large number of skilled workers to Kanpur on a regular basis.

The following are some of the strong reasons for Kanpur’s survival-

- The defense Establishmentssuch as the OEF, the SAF and the Ordnance Factory etc.

- All the tanneries that have seen a rise from 170 in the year 1995 to about 300 in the year 2006

- The coaching industry for the technology institutes in Kanpur.

- Kanpur’s trading activities.

4.2 WORKFORCE PARTICIPATION
Of the complete population of workers in Kanpur which comes to 1040278 by the Census Data of 2001, the cultivators stand at a rate that is 18.5 percent, agricultural laborers are at a rate that is 7.6%, those who work in the household industries of Kanpur stand at 3.6% and the remainder at about 70.9%. Kanpur’s rate of workforce participation with regard to the 2001 census (marginal as well as main workers) comes to 29.9 percent.
4.3 INDUSTRIAL AND COMMERCIAL ACTIVITIES IN AND AROUND KANPUR

4.3.1 INDUSTRIAL AREAS IN KANPUR:

There are as many as ten major industrial units that are installed in different areas of Kanpur as mentioned various city officials. These are as follows:

- The first five major Industrial sites located in Panki
- All the famous Dadar Nagar Cooperatives that have made industry and Commerce in Kanpur what it is today.
- Fazalganj Industrial Estates
- Industrial Areas such as the Shikshit Berojgar located in Panki
- Panki’s famous Uptron Industrial Zone
- Rooma industrial Areas
- Mahayojna of Kanpur
- Industrial Areas of Jajmau
- Saresh Bagh Industrial Area

4.3.2 TYPE OF INDUSTRIES
4.3.2.1 HEAVY/MEDIUMSCALE INDUSTRIES

Both medium as well as heavy industries can be found to exist in the city of Kanpur that are frequently involved in the manufacture of the industrial machines, items that are required in defense, the leather and cloth industries, two wheeler vehicles, etc. Of the entire number of eighty or so heavy industries in Kanpur, thirty eight are presently working while as many as forty five industries have faced a shutdown. As far as ownership is concerned, three of the industries belong to the central government, around six to defense and one to the state government of Uttar Pradesh and about twenty eight industries private industries. Till the month of March in 2005, the total number of heavy scale industrial units came to 83 while investment amounts to 873.88 crores.

4.3.2.2 SMALL SCALE INDUSTRIES

Quite a few small scale industries have been set up of late in the city of Kanpur. Among all the small scale industries that are there in Kanpur, the registered units amount to 12,241 compared to 7033 that were recorded in March of 1998. The same numbers of the unregistered units are known to exist in Kanpur city.
4.3.3 RECENT INDUSTRIAL SHIFT

A few of the important industries in Kanpur were shut down such as the Elgin mills, the JK Industrial plants, the Kanpur Chemical Works, many tannery corporations, textile mills set up in the Swadeshi period, a significant number of jute mills and that too only very recently. Quite a few of the vital industries that were shut down of late are:

- The Duncans industry that employed 1200 employees and machines and whose monthly wage output was closed to a disbursement as high as two million. This mill was shut down about three years ago.

Another well-known industry which has shut down of late is the LLM which was involved in the manufacture of two wheelers for a considerable number of years. It also played an important role in getting these vehicles marketed. It had been employing as many as five thousand workers at a time and monthly wages that were as huge as five to ten million INR were disbursed by them only a monthly basis.

The industrial setup in the city of Kanpur suffered a good deal once both the Duncans and the LLM industries closed down over here. Industries have primarily been shut down because of the following reasons;

- The use of numerous techniques that is no longer in vogue.

- Not being able or willing to accept newer forms of technology.

- Changes that occurred in government policies in Kanpur over the years.

- A good deal of inefficiency that has been noticed in the public sector companies.

- A lot of labor unrest.
A high rate of technological obsolescence.

4.3.4 INDUSTRIAL INVESTMENTS IN KANPUR: A SLOW DECLINE

As far as Kanpur in Uttar Pradesh is concerned, investments in industries has been declining in comparison to the hinterland towns such as Lucknow, Allahabad and Agra. What can be regarded as a cause of urban decline is the fact that the various factors which contribute to urban growth have been changing in a negative fashion.

Fig.-4.2 Street view 2
4.4 KANPUR: AN ECONOMIC OVERVIEW

The Economy of Kanpur City with regard to NSDP witnessed an increase from about Rs.2937.58 in the years between 1998-99 to about Rs. 3166.61 crores in the years between 2002-03 which in turn have led to economic growth by 1.98 percent on a yearly basis in this period as far as per capita income is concerned, while displaying some negative growth in economy as well over the same span of time.

![Market View](image)

Fig.-4.3 Market View

![Unauthorised Construction](image)

Fig.-4.4 Unauthorised Construction
4.5 KEY ISSUES

For both positive development as well as economic growth of the Industries in the city of Kanpur, certain issues have got to get addressed. These are as follows:

1. The power shortage as well as roistering that is being observed for as long as 10-12 hour every day.

2. The bad law and order situation.

3. Dire Infrastructural conditions in the state and city.

4. The lack of any connectivity in terms of air ports in all the major centers.

5. Entrepreneurial schemes introduced by the government which continue to remain unimplemented to this day.

6. Transparent and ethical modes of working on the part of the government officials.

7. State government needs to be aggressive and promote industrial policy along with ensuring its implementation.

8. The non-confirming industries number over more than 1000 ought to be conformed to areas on a priority basis.