INTRODUCTION

Purpose of the study

The concept of "industrial estate" as a tool of industrialisation had its origin in the highly developed economies like the United States and the United Kingdom, and it gained popularity particularly since the end of the Second World War. The success of the British and the American policy inspired recently many other developed and underdeveloped countries bent on quick industrialization to adopt industrial estates as a tool for economic development and a wider geographical distribution of industries. India is one such country. The programme of industrial estates in India is now about eleven years old. There has, however, been hardly any systematic study of the effectiveness of industrial estates in the Indian context. A notable publication on the subject is Industrial Estates in India\(^1\) by Dr. P. C. Alexander, Development Commissioner, Small Scale Industries, Ministry of Commerce and Industry, Government of India, which is a pioneering study of the programme and progress of industrial estates in India up to the end of the Second Five Year Plan. William Bredo in his Industrial Estates: Tool for Industrialization\(^2\), which deals with the problems of industrial estates on a comparative and international basis, makes some passing references to Indian cases, but does not naturally deal with the subject in depth. Besides, there are several Reports published by the United Nations and the Government of India

\(^1\) Asia Publishing House, 1963.
\(^2\) International Development Centre, Stanford Research Institute, 1960.
which contain valuable, but somewhat backdated and uncoordinated factual material on industrial estates in India. But taken together, the available published material on Indian industrial estates, although by themselves important, have been too meagre to provide an understanding of the real character of industrial estates in India and fail to show how far industrial estates have been successful in fulfilling their main objectives i.e. the development and dispersal of industries.

The purpose of the present study, therefore, is first to consider how far industrial estates in India, more particularly in West Bengal, have been successful in achieving its main objectives, i.e. the development of industries, particularly the small scale industries, and dispersal of industries in conformity with the principle of industrial location. Secondly, the study aims at finding out the sources of fundamental strength and weakness of the programme of industrial estates in India. We have attempted in particular to assess the efficiency of some selected industrial estates. No doubt, the programme in India is still going through a process of trial and error. With the passage of time, the continued experimentation in the field will help to remove the initial errors or obstacles faced by it. But an analytical study of the limitations and pitfalls of industrial estates in the initial years is essential for an understanding of the nature of the errors and obstacles that the planners have to cope with in future. Last, but not the least, the purpose of the present investigation is to form a clearer

3. See Bibliography for a complete list of these reports.
4. Small Scale Industries, following the official definition, generally include all industrial units with a capital investment of not more than Rs.5 lakhs irrespective of the number of persons employed. But ancillary industrial units with a capital investment up to Rs.10 lakhs are also treated as Small Scale Industries.
idea of the way in which and the extent to which the technique of industrial estates can be adopted to further the Government of India's policy of seeking a more dispersed pattern of industrial development.

Level and scope of the study

This study is mainly concerned with the place and problems of industrial estates in West Bengal from 1965 (i.e. the year of launching the programme) up to the end of 1965. Up to the end of 1965, there existed six industrial estates in West Bengal, whose responsibility for construction and management was undertaken by the State Government following the directives issued by the Central Government. The six estates are Kalyani, Baruipur unit I, Baruipur unit II, Saktigarh, Howrah and Siliguri.

But in addition to the above mentioned six estates which have been sponsored by the Directorate of Industries, Government of West Bengal, there are two other estates one at Behala and the other at Bon-Hooghly sponsored and constructed by the Rehabilitation Industries Corporation (R.I.C.) which is a Central Government undertaking and an autonomous body having no connection with the West Bengal Government. These two estates under the R.I.C. have been left out of the scope of investigation in this study due to the following reasons. First, both the estates are situated in the city of Calcutta proper and their primary objective is the rehabilitation of East Pakistan refugees which is different from the general objectives of industrial estates in India or West Bengal. These two estates belong to a special category in so far as they are the offshoot of the evolving refugee rehabilitation policy of
the Government of India and are not directly connected with the programme either of industrial development or dispersal of industries. They primarily aim at providing gainful employment to the displaced persons. Secondly, the industrial estates undertaken by the West Bengal Government (like the estates undertaken by all the State Governments) are under the direct control and guidance of the Development Commissioner, Small Scale Industries, Ministry of Commerce and Industry, Government of India, and they all conform to the general pattern of industrial estates in India and thus serve the purpose of assessing the success or failure of the estates in West Bengal in terms of the general programme of industrialisation, through industrial estates, adopted in India as a whole; whereas the two estates sponsored by the R.I.C. are somewhat different in their policy implications and it would, therefore, seem to be difficult to generalise the findings of these two estates on an All-India basis.

We are, therefore, mainly concerned in this inquiry with the Government-sponsored industrial estates in West Bengal, although incidental references to the programme of industrial estates in certain other States have been occasionally made. Within these boundaries, some of the questions which have been discussed here are as follows:

1. What is the significance of the industrial estate as a theoretical model for planned economic development? How are the theoretical implications of the idea of industrial estates relevant to the nature and present stage of planning in India?
2. What has been the experience of other countries, developed as well as underdeveloped, with industrial estates?

3. What have been the specific objectives of industrial estates in India as understood by the planners? What has been the general record of the development of industrial estates in India as a whole, and in West Bengal in particular?

4. To what extent have industrial estates in West Bengal been set up in conformity with the all-India policy on the subject?

5. How far have industrial estates been developed in conformity with the theory of industrial location?

6. What have been the time-lags at different stages of growth of the estates and what have been the causes of such lags?

7. Have the industries set up within industrial estates been viable and efficient in comparison with similar industries situated outside industrial estates?

8. What are the main obstacles faced both by the industrial estate authorities in developing industrial estates and the entrepreneurs seeking factory accommodation in the estates?

9. What conclusions, if any, can be derived from the experience of West Bengal for the general problem of industrialization through industrial estates in India?

10. What changes, if any, in the policy and programming of industrial estates are necessary for making them a more effective tool of industrialization and balanced industrial growth?
Organisation of the work
The work is divided broadly into two parts. Part I consists of three chapters. Chapter One begins with a definition of industrial estates and then discusses the theoretical approach to the whole study. Chapter Two discusses the historical background of the industrial estates, i.e., it focuses attention on the origin, character, historical evolution and the present position of industrial estates in some of the developed and underdeveloped countries of the world, and attempts to draw some fundamental distinctions regarding the nature of industrial estates between the developed and developing economies. Chapter Three first gives an outline of the broad programme and progress of industrial estates in India and then goes on to deal with the policies adopted and progress achieved in some selected States of India. Thus on the whole Part I provides a theoretical and historical background in the context of which the main study will have to be undertaken. Part II consists of four chapters, from the Fourth to the Seventh. Chapter Four deals with two urban estates in West Bengal. It discusses mainly the problems of planning, pattern of growth, and the nature and trends of production, employment and entrepreneurship of the two estates concerned. Chapter Five deals with two rural estates in West Bengal and discusses mainly, as in the case of the urban estates in Chapter Four, the problems of planning, pattern of growth, and the nature and trends
of production, employment and entrepreneurship of the two estates concerned. Chapter Six deals with the problems of viability and efficiency of the industrial estates in the State of West Bengal. First, it attempts to find out the relative viability of the urban and the rural estates on the basis of two techniques i.e. (a) measuring the efficiency of the firms of the different estates by calculating their net return over fixed capital cost; and (b) measuring the efficiency of the firms of the same estates by considering their output-capital and capital-labour ratios. Secondly, it seeks to find out the relative viability of the firms situated within different estates and similar firms situated outside industrial estates on the basis of the same two techniques. Chapter Seven sums up the findings of the entire study, draws some conclusions from the experience of West Bengal for the general problem of industrialization through industrial estates in India and makes some recommendations.