CHAPTER - II

SOCIO-ECONOMIC PROFILE OF THE REGION
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2.1 Introduction:

The conceptual problems associated with definition of "region", topography of Western Orissa, its location as well as data on economic resources such as cropping-pattern, industry, transport and communications, Banking and co-operation etc., are presented in this chapter.

2.2 The Concept of a Region:

In the literature on regional economics, defining a region has always been a difficult task and has always engaged wide attention. Traditionally, there are three distinct approaches to the definition of a region. One deals with homogeneous characteristics, usually a combination of spatial and economic aspects of a region; second analyses the polarization around some market or urban place within a region and third works out a coherent relationship between the existing administrative and political set up and the policy decisions. These attempts to identify a region are based on homogeneity, nodal and programming.¹

2.2(1) **Homogeneous Region**:

Homogeneity implies grouping together spatially units having the same characteristics. The boundaries, mainly geographical or natural, may be in terms of such indexes that comprehend the local characteristics such as soil climate, rainfall, topography, and hydrography. In the case of agricultural regions, the primary characteristics of the basic economic activity, namely agriculture, are decisive. They may include the cropping pattern, techniques and methods of cultivation, the forms of ownership, etc. Thus, the maximum number of uniform characteristics of a region gives criterion for delimiting a region\(^2\).

The Pacific North-West Regional Planning Commission describes region as that which is larger than a single metropolitan community and possesses similar natural resources endowment. Such an area has to have a strong sense of regional community interest. The Commission states, in more detail, the 'requisites for regionality': "The area should possess the maximum degree of unity, homogeneity and cohesion; its territory should be contiguous and as compact in outline as possible; it should be large enough to embrace all territory.

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containing generally similar problems and resources; and it should be so delineated as to conform to existing regional consciousness and sentiments. 3

Admitting that complete homogeneity is not possible, the Commission contends that the concept of homogeneity be regarded as primary in defining a region. The Commission has cautioned against the over-emphasis on geographical homogeneity and argues that the importance of economic similarities and the "web of interconnections of group with group" need be stressed. The Commission has attached importance to economic behaviour of the people of the region. Prof. Fourie 4 also emphasizes that two main considerations should determine the demarcation of a region. One is the homogeneity in respect of natural (physical) and economic problems, and the other is the existence of regional consciousness or popularly accepted regional groupings.

2.2(2) Nodal Region:

The boundaries of 'nodal region' are not based on homogeneity proper but, rather, on the functional criterion that combines areas dependent in some trade or functional sense, on a


4. Ibid., pp.40-41.
specific centre. Thus the enquiry starts tracing the outlines of internally interdependent regions. The formation of poles and their spheres of influence become the principal theme of enquiry. Richardson\(^5\) argues: "The nodal concept of regions emphasise intra-regional spatial differentiation. They recognise that population and economic activities will not be scattered over a region but will be concentrated in or around specific foci of activity, i.e. cities and towns." The urban centres of the region will be interdependent, and the degree of interdependence can be measured by reference to flows of people, factors, goods and services or communications. The criterion for including a small area within one region rather than another is based upon whether this area has stronger links of interdependence with other larger centres within the region than with other large centres outside. Each region will have one or more metropolitan cities or dominant nodes, and the principle of dominance can be used to establish whether specific peripheral areas fall within the boundary of this region or within another.

2.2(3) **Programming Region**:

The third major approach is to define regions in terms of administrative and political areas, where the political delimitation is supposed to give a unity to the area in terms of

policy instruments, uniform tax rates, and so on. Such a region is called 'a programming or a planning region'. The advantage of this approach is that the analyst can work with available data that conforms to administrative boundaries and can more easily evaluate the effects of any policy instrument that is implemented at the regional level.

It is obvious from the foregoing discussion that these three approaches to the problem of defining a region are not mutually exclusive. It is possible to argue that these approaches are different versions of homogeneity criterion. The difference is primarily related to the degree and kind of homogeneity sought. The programming region is essentially homogeneous as the policy formulations are always in terms of certain administrative units. The regional data are always compiled by the local administrative agencies of the government, and it may happen that these divisions do not always coincide with economic differences and structures. Similarly, a nodal region also implies a certain notion of homogeneity, for both the pole and the surrounding area are together supposed to complete the picture of a region. It may be added here that since a region cannot be thought of as an entity to be developed by itself and in the choice of an effective set of programmes is all the more greater.

Thus it may be concluded that the availability and limitations of data dictate departure from the ideal type of definition in different situations. Meyer has commented that "homogeneity with respect to statistical compilations may often be real determinant of regional boundaries for practical purposes".  

2.3 The Region under Study:

Western Orissa has been defined as a 'region' in this study. It comprises the districts (undivided) located on the west side of the Orissa State, which are under the administrative jurisdiction of the Revenue Divisional Commissioner, Sambalpur. These districts are Sundargarh, Sambalpur and Bolangir. The District Collectors of these districts, who are also Chairmen of the District Planning Committees, formulate District Credit Plan of their respective districts and monitor the implementation of the same and report the performance of the banks to the Revenue Divisional Commissioner, Sambalpur. In this way, these three districts are under one common administrative jurisdiction. Again a large degree of social and cultural cohesion exists among the people of these districts which binds them together in


8. Sambalpur and Bolangir districts in this study are undivided Sambalpur and Bolangir districts which prevailed prior to district reorganisation in Orissa of April, 1993. Sundargarh district, however, has not been affected by this district reorganisation.
one region. From the above view points, it can be said that Western Orissa is a region. More specifically saying, it is a programming or political administrative region.

The region, Western Orissa in this study is divided into three sub-regions namely, Region I, Region II and Region III on the bases of topography and irrigation facility through the Hirakud Canal System. Region I, is an irrigated sub-region. It covers those areas of Sambalpur and Bolangir districts which are irrigated by the canal water of the Hirakud Reservoir. Basically, this is a plain sub-region. It extends over Sambalpur, Bargah and Jharsuguda sub-divisions of Sambalpur district and Sonepur sub-division of Bolangir district. Region II, is a non-irrigated plain sub-region. Barring the sub-divisions mentioned in Region I, the remaining sub-divisions of Sambalpur and Bolangir districts constitute the Region II. This area completely depends upon rainfall and remains outside the Hirakud Command Area. Region III, is largely a hilly sub-region inhabited by tribal people. The whole of Sundargarh district comes under this sub-region. Topographically, it exhibits mountainous tracts (700 feet to 1150 feet above the sea level), vast inaccessible forests and extensive river valleys.

The classification of Western Orissa into irrigated, non-irrigated, and hilly-tribal sub-regions does not preclude the presence of irrigated patches in Region II and Region III where there are jungle nalas, where dugwells operate due to high
water table and where there are lift irrigation points working in the river beds. Similarly there are dry land tracts in Region I consisting of high dry islands in the Hirakud Command Area and cultivable lands outside it. In the same way Region I and Region II have also some tribal pockets in their dense forest and hill areas.

2.4 **Historical Background of the Region**:

Western Orissa as defined earlier comprises three districts of Orissa viz. Bolangir, Sambalpur and Sundargarh. The areas formed the eastern part of South Kosala in ancient and medieval periods. The three districts were carved out of the ex-states of Sonepur, Patna, Rairakhol, Bamra, Maghulbandi area of Sambalpur and Gangpur.

The ex-states were ruled by Chauhans since the sixteenth century with their political headquarters at Sambalpur. However, the advent of East India in this part of Orissa caused a major dislocation in the political and cultural homogeneity of the region. According to history, the present Western Orissa along with the Chhattisgarh region of Madhya Pradesh constituted the kingdom of South Kosala during the medieval period when Sonepur, in the district of Bolangir played a prominent role.9

In 1849, Sambalpur came under the rule of the British consequent upon the heirless death of its ruler. Thereafter, Sambalpur and tributary states, the eighteen Garjats were made part of Chhotanagpur Division. Thus with the emergence of British power, one part of Western Orissa was ruled directly by the British while the other parts, ruled by Feudatory Chiefs were under the general control of British administration.

Western Orissa has undergone many changes with the passage of time. Before the formation of Chhotanagpur Division, the Feudatory Chiefs of Western Orissa were placed under the Agent of the Governor General of South-West frontier. It was a part of Chhotanagpur Division in 1849 but in 1860 Sambalpur and its tributary states were transferred to Orissa Division of Bengal. It was made over to the newly constituted Central Provinces in 1862. In 1905, the bulk of the region was handed over to Bengal and was made part of Orissa division. However, Bonai and Gangpur were placed under the control of the political agent till the formation of the province of Orissa. In 1912, the remaining portion was amalgamated with the newly constituted Bihar and Orissa Province. Finally in 1936, the whole of Western Orissa except the feudatory states formed a part of newly created Province of Orissa.  

10. Compiled from the Gazetteer India; Orissa relating to the districts of Bolangir, Sambalpur and Sundargarh edited by N.Senapati and Published by Government of Orissa from time to time.
2.5 The Setting:

The district of Bolangir lies between 20°-9'N and 21°-11'N latitudes and 82°-41'E and 84°-16'E longitudes. It is bounded on the north by the district of Sambalpur, on the east by district of Phulbani and on the South and West by the district of Kalahandi. The Western part of the district is undulating plain, rugged and isolated, with hill ranges running in various directions. A lofty irregular range called the Gandhamardhan forms the natural boundary to the north-west. The soil in this area, for the most part, is light and sandy. The main forest area stretches along the western boundary bordering the Nawapara sub-division of Kalahandi district, and then runs to the east running parallel to the Gandhamardana range. This forest tract is broken by occasional clearings and small settlements but it most consists of thick vegetation in which bamboo of excellent quality grows and Sal, Sahaj, Piasal, Dharua and Ebony form the principal timber. The crest of the range of Gandhamardan hill is a fine plateau, some ten miles long, with an average height of 3,000 feet. For the most part, the district lies on the north-west bank of Tel, which forms the boundary between this district and the district of Kalahandi and Phulbani.

The district of Sambalpur lies between $20^\circ-43'N$ and $22^\circ-11'N$ latitudes and $82^\circ-39'E$ and $85^\circ-15'E$ longitudes. It is one of the western most district of the state of Orissa and is roughly triangular in shape. It is bounded on the north by the district of Sundargarh, on the east by the district of Dhenkanal, on the south lies the district of Bolangir, on the west district of Kalahandi, while along the north-western and western boundary lies the district of Raigarh and Raipur of Madhya Pradesh.\textsuperscript{12} The district consists of a wide expanse of fairly open country fringed by forest clad hills as well as a series of low hill ranges of extremely irregular shape. Sambalpur, Bargarh and Padampur sub-divisions together broadly speaking form an undulating upland varying in elevation from 479 feet (145 m.) to 750 feet (228.60 m.) above sea level excluding hills and table lands the general shape, of which is from north to south, but its much broken up by rugged ranges of hills and is traversed in all directions by drainage channels mostly leading from the hill ranges to the Mahanadi and its tributaries. Isolated hills rising abruptly from the plains and hill ranges are also common and a considerable ground area cut up by ravines or broad sandy ridges.

The district of Sundargarh lies in the North-Western side of Orissa between $21^\circ-35'N$ and $22^\circ-32'N$ latitude and $83^\circ-32'E$ and $84^\circ-22'E$ longitude.\textsuperscript{13} The district touches

\textsuperscript{12} District Statistical Hand Book - Sambalpur, 1980-81, p.1.
\textsuperscript{13} Ibid.
Ranchi district of Bihar State in the north, Raigarh district of Madhya Pradesh in the west and north-west, Sambalpur and Dhenkanal in the south, Singhbhum in the east. The areas covered by the Sundargarh and Panposh sub-division are long undulating tracts about 700 feet (213 m.) above the sea level. The village Hemgir lies in the middle nearly 1150 feet (351 m.) high in the west of Sundargarh sub-division. To the north of Hemgir, the land is considerably hilly and to the south it is relatively plain with a minimum elevation of nearly 709 feet (216 m.) near Chunabahal village. The Bonaigarh sub-division is chiefly an isolated hilly tract with an average elevation of about 800 feet (244 m.) above the sea level. Topographically the district exhibits dissimilar mountainous tracts, vast inaccessible forests and extensive river valleys. Thus the three districts - Bolangir, Sambalpur and Sundargarh, which form western Orissa in this study lie within 20°-9'N and 22°-32'N latitudes and 82°-41'E and 84°-22'E longitude.

2.6 Climate and Rainfall:

The whole area constitutes a portion of the peninsular India. The general climate of Western Orissa, which is the north eastern corner of the Deccan plateau, is characterised by a hot and dry summer and ill distributed rains in the south-west monsoon season. The hot season commences from March to May, which is followed by the monsoon about the second week of June to the
end of September. October and November constitute the post monsoon season. The cold season starts from November till the end of February. The average annual rainfall of the region is 1540 mm. as against the state average of 1482 mm. Nature has been generous to the region in endowing a number of rivers and a wide variety of minerals. The main rivers of the region are the Mahanadi, Ong, Tel, Brahman and Eve. The famous Hirakud Dam Project has been constructed across the Mahanadi near Hirakud about 15 Kms. up-stream Sambalpur.

2.7 Minerals and Forests:

Western Orissa enjoys the place of pride in the case of minerals. It has a good deposit of minerals such as Buxite, Coal, Lime-stone, Iron Ore, Lead Ore, Dolomite, Quartz, Manganese and Mica etc. The raw materials are supplied to various industries in the country and abroad.

The region is also rich in its forest wealth. Nearly 32.48 per cent of the total geographical area is covered by forest as against 22 per cent for the country as a whole. Of the three districts of the region, Bolangir district has a relatively smaller area under forest i.e. 20.7 per cent and Sundargarh district has a highest of 40.64 per cent. The important timbers like Bija, Sal, Asan, Sis, Kendu leaves, Bamboo are the principal products of the forest. The minor forest products among which important are Mahua flowers, Mahua

seeds, Charcoals, Siali leaves, Kusum seeds, honey, Sabaigrass etc. A majority of the tribal family in the district earn their livelihood from the collection and marketing of the major and minor forest produce.

2.8 Population:

The population of Western Orissa comprising the three districts is 59.60 lakhs according to 1991 census.¹⁵ The density of population is 168 per square kilometre as against the state average 202. The density of population is 191 in Bolangir, 153 in Sambalpur and 161 in Sundargarh district. The decennial rate of growth of population for Western Orissa during 1981-91 has been estimated at 17.29 per cent as against the state's average of 19.50 per cent.¹⁶ It is 16.77 per cent in Bolangir 17.86 in Sambalpur and 17.23 in Sundargarh.

The sex-ratio i.e. females per 1,000 males for Western Orissa is 962 as against 972 for all Orissa. The sex ratio in Bolangir district (981) is higher than that of Western Orissa and all Orissa. It is 967 in Sambalpur and 938 in Sundargarh district. Of the total population of Western Orissa, (59.60 lakhs) 30.36 lakhs are males and 29.24 lakhs are females.

There is relatively a large urban population in the region, the percentage is 18.40 as against the state average of 11.79 per cent according to 1981 Census. The district-wise urban population are 9.13, 15.49 and 30.60 per cents in the districts of Bolangir, Sambalpur and Sundargarh respectively.

2.9 **Scheduled Castes and Tribes** :

Since all our programmes give due emphasis on the development of Scheduled Castes and Scheduled Tribes, it would help us to know their percentage in total population. According to the 1981 Census, nearly 45.75 per cent of the population of the region belonged to Scheduled Castes and Scheduled Tribes as against the state average of 37.09 per cent. The Scheduled Castes population in the districts of Bolangir, Sambalpur and Sundargarh are 15.64, 15.38 and 8.52 per cent of their respective total population. In Sundargarh district 51.26 per cent of total population belonged to Scheduled Tribes as against 19.22 per cent in Bolangir and 27.20 per cent in Sambalpur district. Thus among all the districts of the region Sundargarh has proportionately higher Scheduled Tribes population.

2.10 **Literacy** :

According to the 1981 Census, the literacy rate in Western Orissa is 31.66 per cent as against 34.23 per cent of state's average. The male and female literacy in the region
is 44.98 per cent and 18.33 per cent respectively. The over-all literacy rate in Sundargarh district is 36.12 per cent which is much higher than the state average. The male and female literacy rate in Sundargarh district is higher than that of the state average. The male and female literacy rates in the district are 47.36 per cent and 24.15 per cent respectively. In Sambalpur district, the literacy rate is 33.83 per cent, the male and female literacy being 47.73 and 19.54 respectively. The literacy rate in Bolangir is 25.63 per cent which is lower than that of the other two districts. The male and female literacy rate in the district are 39.84 per cent and 11.31 per cent respectively.

2.11 Working Population:

The ratio of working to non-working population is around 41:59 in the Western Orissa. The work force of the region consists of 43.76 per cent cultivators, 26.47 per cent agricultural labourers, 4.13 per cent engaged in cottage and household industries and 25.64 per cent engaged in other activities such as transport, storage, retail trade, small business and other fields. The workforce in Bolangir district consists of 51 per cent cultivators, 30.84 per cent agricultural labourers, 4.25 per cent household industry and 13.91 per cent other workers. In Sambalpur district the workforce consists of 42.62 per cent cultivators, 30.46 per cent agricultural labourers, 5.68 per cent engaged in household industry and
21.24 per cent are other workers. The position of Sundargarh district in this regard is 37.65 per cent cultivators, 18.11 per cent agricultural labourers, 2.47 per cent in household industry and 41.77 per cent engaged in trade and commerce. Thus it is evident that agriculture is the main occupation in all the districts of the region. The relatively larger workers engaged in trade, commerce and industry in Sundargarh district is entirely due to the steel complex at Rourkela and the mineral based industries at Biramitrapur and Rajgangpur.

2.12 Land Utilisation and Irrigation:

Land utilisation pattern in Western Orissa reveals that the net area sown is 36 per cent of total land area available. 32 per cent of the land is covered by forest. About 6 per cent land is not available for cultivation and 7 per cent is fallow land. This compares poorly to state average. For the whole of Orissa, 39.44 per cent area is net sown area. The net area sown is 47 per cent of total land area in Bolangir district as against 36 per cent in Sambalpur district and 28 per cent in Sundargarh district.

The net area irrigated is 24 per cent of the net area sown in Western Orissa which compares favourably with the state average of 23 per cent. Among the districts of the region, Sambalpur district ranks first with 37 per cent of net sown area irrigated. The corresponding figures for Bolangir and Sundargarh
districts are 25 and 10 per cent respectively. Thus Sambalpur district has an edge over the other two districts in terms of irrigation facility. The main source of irrigation for Sambalpur district and a portion of Bolangir district is Hirakud Dam Project. The other irrigation sources for the region include tanks and wells and minor irrigation projects.

2.13 Land Holdings:

The pattern of land holdings in Western Orissa reveals that 32 per cent total land area accounts for small size holdings of less than two hectares, 52 per cent for medium size holdings i.e., between two to ten hectares and 12 per cent for large holdings of above 10 hectares. Thus the medium size of holdings predominates in economy of the region. In Sundargarh district, about 62 per cent of total land area belong to medium size holdings. This percentage is 57 in case of Sambalpur district and 50 per cent in case of Bolangir district.

2.14 Crop Pattern:

The cropping pattern in the command area of Bolangir Anchalik Gramya Bank indicates that a variety of crops are grown in the region. Paddy is the Principal crop of the region. Apart from paddy, crops like mung, biri, kulthi, groundnut, til,
wheat, potato, mustard and other vegetables are grown. Commercial crops like sugar cane, cotton and onion are also grown in this area.

2.15 Industry:

Industrialisation is a sine-qua-non of economic progress. Western Orissa has made a much headway in the sphere of industrial development. The largest hydro-power station is located at Hirakud in Sambalpur district. The release of power has been source of great incentive for starting new industries. Of all the districts of the region Sundargarh district is the most industrially developed district. The giant public sector iron and steel industry is located at Rourkela. The district has rich minerals and forest resources which create bright prospects for development of industries. Large number of ancilliary industries have come up around the industrial city of Rourkela.

Sambalpur district ranks second in terms of industrial development. There are many large and medium scale industries alongwith a number of small scale industries in the district. But Bolangir district is the most industrially backward. It is named as "No Industries District" by the Central Government.

Western Orissa is also famous for its handlooms industries which is largest cottage industries of the region.
and ranks next to agriculture from the employment point of view. Sambalpur district is famous for its traditional tie and dye and other dress materials.

2.16 **Transport and Communications**:

The total railway route mileage is estimated 626 Kms. for the region. The existing railway transport is not only inadequate but many areas of the region still remain unknown to it. Railway transport is better in Sundargarh district than in the other two districts. The route length of railway is 169, 167 and 290 Kms. in the district of Bolangir, Sambalpur and Sundargarh respectively.

The region is well connected with the road communication except few parts. The total road length is 3713 Kms. Road transport is favourable to Sambalpur district which has a total road length 1747 Kms as against 956 Kms in Bolangir and 1010 Kms in Sundargarh district. There are in all 46,674 registered vehicles in the region of which Sundargarh district has a larger share because of giant steel complex at Rourkela and mineral and mineral based industries at Biramitrapur and Rajgangpur. There are 22,908 registered motor vehicles in Sundargarh as against 3,030 vehicles in Bolangir and 20,736 vehicles in Sambalpur district.

Western Orissa has a poor network of communication system. The total number of Post Offices in 1981-82 was 1192,
the Telegraph Offices 72, the Telephone Exchanges 46 and the telephones in use 7323. There were about 36,335 radios in use in 1981-82. Among the districts of the region, Sambalpur has a relatively better communication facilities with 527 Post Offices, 32 Telegraph Offices and 22 Telephone Exchanges. The corresponding figures for Bolangir district are 326, 38 and 12 as against 339, 2, and 12 for Sundargarh district.

2.17 Education and Health:

Education and health are non-banking variables determining the growth of banking institutions in that particular area. Hence, an attempt should be made to know the position in the area of operation in this regard. So far as educational facilities in Western Orissa are concerned, there were about 7655 Primary Schools, 1663 Middle Schools, 719 Secondary High Schools, 80 Colleges and 6 Technical and Training Colleges in 1988-89. Education facilities are relatively better in Sambalpur district as compared to the other two districts. 17

The number of hospitals in the region was 142 in 1988-89 and the total strength of beds in hospitals and dispensaries was 3,970. Health facilities are better in Sambalpur district when compared with the rest two districts of the region.

2.18 Banking and Co-operation:

At the end of March 1991, there were 241 bank offices of the commercial banks in Western Orissa. Among all the districts, Sambalpur ranked first with 115 bank offices and Sundargarh second with 92 branches and Bolangir third with 34 branches of commercial banks. The number of co-operative bank offices was 50 in the region. It was 13 in Bolangir, 26 in Sambalpur and 11 in Sundargarh. The region had 14 branches of primary land development banks and district wise it is 4, 7 and 3 in Bolangir, Sambalpur and Sundargarh respectively.

Co-operative movement was relatively weak in the region. The number of co-operative credit societies was 480 for the region as a whole. Bolangir, Sambalpur and Sundargarh districts had 219, 164 and 47 respectively. Non-credit societies numbered 45 in Bolangir, 57 in Sambalpur and 73 in Sundargarh district. Thus the Western Orissa had a total of 175 non-credit co-operative societies. There were about 17 Regional Co-operative Marketing Societies in the region, of which 06 were in Bolangir, 08 in Sambalpur and 03 in Sundargarh district. The number of wholesale and primary co-operative societies in the region stood at 185. Sundargarh district had largest share of 91 societies followed by Sambalpur with 63 and Bolangir with 31 wholesale/primary co-operative societies.
Bolangir Anchalik Gramya Bank (BAGB) has a large network of 155 branches in the region. It is sponsored by the State Bank of India. The number of branches of BAGB in the districts of Bolangir, Sambalpur and Sundargarh are 66, 73 and 16 respectively. After the establishment of the BAGB, the average population served by banks branches has considerably increased. The average population served by a bank branch (inclusive of BAGB) is 15,000 in Bolangir, 12,000 in Sambalpur and 13,000 in Sundargarh. The analysis thus reveals that Sambalpur district is favourably placed in comparison to other two districts as regards the development of banking and co-operation.

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