CHAPTER 8

INDUSTRIALISATION OF PHULBANI DISTRICTS
- PROBLEMS AND PROSPECTS

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India has accepted various challenges to fight poverty, destitution on all fronts and improve the lot of weaker sections of society, particularly in tribal areas, by way of decentralising the economic and industrial concentration in order to ensure an equitable distribution of National Wealth. Special schemes have been drawn up for a faster development of tribal areas. For the diversification of tribal economy industrialisation of those areas was taken up during the plan periods.

The tribal areas specifically in the middle zone of India proved to be the richest in mineral, forest and other productive wealth. Besides, tribal societies also proved to be good sources of cheap labour. "Therefore, the isolation and comparatively independent economic system of the tribal communities were broken down, albeit very slowly, by the establishment of mines and queries in their areas, and also by employing the tribal peoples as unskilled labour intensive industries."

After independence when new industries were being set up, the tribal regions, because of their great potentiality gradually transformed into the areas. With this, tribals in contemporary India got involved in a variety of economic pursuits ranging from the most primitive form of collection of forest produce to the latest industrial production.

The tribal economy, as it is seen today, emerged through thousands of years' exposures and experience as the earlier discussion clearly shows that the tribal areas are passing through the phase of industrialisation.

Industrialisation, though it is necessary for faster growth of an economy, brings many problems in its wake. This is more so in the case of tribals who belong to pre-industrial
society. Rehabilitation consequent on displacement, psychological and sociological adjustments, absorption in the new set-up are some of the major problems that are created by industrialisation of the tribal areas. Many studies have been made focussing attention on some of these problems that the tribals are facing in the new environment in which they are forced to be. The tribals are working under various kinds of strains that followed in the wake of industrial development.

There is no doubt that with the industrialisation of these areas tribal people are also becoming conscious of their rights, taking advantage of developing schemes and are being gradually integrated with the neighbouring population. Industrial development has its impact on the individual, the family, society and on the entire environment. The State as a trustee of the tribal communities should take necessary steps to protect them from being uprooted.

The planners should not lose sight of the dangers of destruction of the social fabric of the native community. Earlier experiments in industrialisation in the tribal areas in India have shown that "Destitution is the price the tribals had to pay for the establishment of industries in tribal areas."2

There can not be two opinions regarding the development of tribals on a part with other sections of the nation. The tribals cannot be isolated from that of the general economic development of the community as a whole. At the cross roads of the time the face of the tribals are turned towards integration with other communities, or separation. The wind of change is blowing fast. We have only to see that the tribals do not lose their feet on the ground."3

The discussion in the earlier chapter shows that the tribal dominated areas of Phulbani District have been experiencing many changes in the economic activities. The establishment of village industries as well as starting of small scale units
have no doubt opened up new avenues of employment to the local people. The various developmental programmes that have been implemented in the district have contributed in no small measure to the creation of industrial climate in the district. Local people including low tribals have come directly under the spell of industrial development and have started tiny and small scale industries. The problems of these small entrepreneurs were discussed in the earlier chapter. The financial institutions which have a greater role to play have to shed the rigidities in their lending policies as far as rural and tribal entrepreneurs are concerned. Lack of entrepreneurial ability, adequate finance, technical know-how, awareness of development plans are some of the crucial problems that have to be solved if the planners want to achieve a break-through in the development process in the district.

Identification of small entrepreneurs giving them proper training to set up tiny and small units, providing them with adequate finances, making available power and other inputs at subsidised rates are some of the problems that have to be tackled first before launching big projects in the district. Identification of resource-based industries, preparation of blue prints for small and tiny sector industries to be entrusted to local entrepreneurs, providing infrastructural facilities local entrepreneurs need immediate attention of the planners. The present study or this type of survey work for assessing the potentialities of the district for setting up of industries has to be given due importance before planning industrial development of the district. Such study/survey work would throw up a wealth of information of the prospects for industrial development of the district.

The economic growth of a region largely depends on the balanced development of primary, secondary and tertiary sectors. There would be an all-round exploitation of material resources and goods and development of cultural values
to bring wealth and prosperity to the backward people in the state. The promotion of industrial activity may set in motion a set of forces including higher levels of agricultural resources productivity, higher levels of farm and family income and also lead to reduction of special and personal inequality thus contributing to Myrdal's "National Economic Integration."

The village artisans, in India, lives in highly dispersed human settlements. Various studies in this regard revealed that the average artisan supports a large family. The village industry being his sole occupation, there is a need for the artisan activity to generate sufficient surplus to meet the family's sustenance requirements. Although willing to adopt improved techniques, such technology does not reach the artisans. A vast majority of artisans depend on middlemen for marketing their products and are exploited by them. They are unable to sell as a result of lack of knowledge of market preferences. Often they have to extend credit and do not get adequate funds to purchase raw materials for further production.

Prof. Gunnar Myrdal in his Asian Drama has stated "The case for protecting and promoting the craft industries in the villages in South Asia is a story one, particularly in the poor countries. As has often been observed, the preservation and promotion of cottage industry in the villages implies that the underdeveloped countries of South Asia will have two distinct economic sectors - a small but gradually growing modernised sector of large scale and small scale manufacturing enterprises and a vastly larger sector that will use labour intensive techniques not too different from the traditional ones and continue to give work to most of the rapidly increasing labour force. And as the modernised sector will economise on labour and will not create much employment for a long time to come, while the labour force will grow rapidly until the end of the century, this pattern cannot be merely a transitional one; it will have to be accepted as the pattern that will prevail for many decades."


It is only recently that appropriate policies and programmes to create industrial climate and improve the technical knowledge and the entrepreneurial skills of rural poor and tribals have been designed. The solution to the economic development of rural poor and tribals of the backward areas lies in capital saving and labour intensive technique which are possible through initiation of small scale and cottage industries with particular emphasis on industries based on local resources. These cottage and small scale industries, in addition to strengthening the agro-forest based economy of the rural poor and tribals of the backward areas, can serve as a means of bridging more swiftly the gap between the subsistence sector and the advanced sector and enable the achievement of higher level of income and growth in the backward areas.

The tribal areas are endowed with natural resources like minerals and forests. It is only during the Fifth Five Year Plan that special efforts were made for the development of backward areas. Schemes for exploitation of forest resources and programmes of Horticulture and Small Cottage Industries based on forest minerals have been drawn up to generate considerable employment to tribals. "It was stated that in backward area, choices for investment are to be identified on the basis of a careful investigation of local potentialities and integrated into the framework appropriate strategies arising out of the existing levels of productivity, trends of development assessment of organisation capability, coverage and quality of infrastructure, patterns of consumption, production relations, vocational patterns, availability of skills and entrepreneurial availabilities."

During the Fifth Five Year Plan emphasis has been laid more upon the agro-forest based cottage industries in backward areas.

Industrial development in tribal areas should be carried out in a phased manner. In the context of phasing
of industrial plan Dr. B. D. Sharma grouped the tribal areas into compulsive regions. Regarding compulsive regions big industrial and mining complexes are already working. Primitive regions are those areas with extremely backward socio-economic situation which may be excluded for intensive industrial activity in the immediate future. The potential regions are those with population treasure and rich natural resources.

Forest-based industries have pronounced backward and forward linkages, and scope for development of upstream and downstream ancillaries is vast. Consequently the location of one major forest-based industry in any area will help triggering the establishment of other industry.

It is an accepted principle that a policy which gives priority to the processing of locally available raw materials will in the long run make for the creation of self-reliant industrial base within the state.

For the district, another set of arguments in favour of agro-forest based industries is a low cost technology that is required. In production of raw materials, expensive mechanisation can be postponed and unskilled labour which is available abundance in the district can be used.

At present various organisations have been entrusted with the work of promoting industrial development in these backward areas. Very often a close coordination among the different organisations working for the promotion of industrial growth in the tribal areas is lacking. It is also felt that there should be single organisation set up for the sole purpose of promoting industrial development.

The backward and tribal dominated areas are passing through a phase of rapid economic development. Industrial development is being considered a solution as a powerful instrument in the transformation of a subsistence economy like that of tribals. With this end in view, various schemes have been
formulated and implemented for rapid development of these scheduled areas in the country in general and the Phulbani district in particular. The rich natural resources available in the scheduled areas have promoted the planners to formulate the industrial policy and programmes to be implemented in these areas. If all these programmes as planned are implemented, the entire tribal economy reaches a new stage of development comparable with that of their counterparts in the rural areas of the state. But a few people have expressed doubt whether the local community in the tribal areas is ready to absorb new benefits from a large spectrum of the industrial sector. These problems of community development cannot be tackled so long as industrialisation process continues to retain its narrow frame, and establishment of a few industries by itself is considered not enough for regional development." Industrialisation should not result in a dualistic economic system in the region, but it should help in diversification of a local tribal economy. The process should be so moulded that beneficial developmental impulses are generated by the new growth centres."

With the zeal and enthusiasm the plan projects are being implemented in tribal areas it may not be unreasonable to expect a total transformation sweeping the entire tribal belt by the turn of this century. The tribal areas which were once considered 'Backwaters of the Indian History, it will become part and parcel of the mainstream. It may not be possible for the tribals to halt the march of industrialisation but the state as a trustee of the tribal communities has a constitutional obligation to them to see that the process of industrialisation does not sweep them of their feet. The U.N. Dhebar Committee cautioned the planners when it observed "we have to see that the foundations of tribal life are not shaken and the house does not crash. We have no doubt that it is possible to devise ways and means by which, on the one side, industrialisation can proceed unabated and, on the other, the tribals can be
enabled to build on their moorings and secure the utmost advantage out of the new wealth-creating machines that have entered their areas.

LIST OF THE SUGGESTED INDUSTRIES HAVING POTENTIALITY FOR GROWTH IN THE DISTRICT.

1. VILLAGE AND COTTAGE INDUSTRIES:

   (i) New Industrial Units:

   (a) Bell-metal works
   (b) Musical instruments
   (c) Spices grinding
   (d) Hand-made bricks
   (e) Breads and Biscuits
   (f) Mixture making unit
   (g) Confectionary
   (h) Sugarcane crusher
   (i) Khandasari and gur making
   (j) Candles
   (k) Drinking soada making unit
   (l) papad and Badi making unit
   (m) Piclle and Jam
   (n) Bidi making unit

   (ii) Improvement of Existing Units:

   (a) Semi-mechanised khalli leaf stitching and plate and cup making
   (b) Semi-mechanised rope making
   (c) Carpentry
   (d) Commercial bamboo and cane works
   (e) Blacksmithy
   (f) Mat weaving
   (g) Handloom
   (h) Aplique works

2. SMALL SCALE INDUSTRIES:

   (i) Resource Based Industries:

   (a) Integrated fruit and vegetable processing unit
(b) Tamarind processing unit
(c) Turmeric oleoresin
(d) Tapioca starch
(e) Anti-corrosion paints from marketing nuts
(f) Wood wool
(g) Cementious binder
(h) Pepper oleoresin
(i) Oil expeller and oil mill
(j) Dal mill
(k) Sugarcane crusher
(l) Cattle feed and poultry feed
(m) Wooden electrical accessories
(n) Photo framing
(o) Footwear
(p) Musical instruments

(ii) Demand Based Industries:

(a) Aluminium utensils
(b) Injection moulded poly propylene products
(c) P.S.C. Poles
(d) A.A.C. & A.C.S. Conductors
(e) Agricultural implements
(f) Washing soap
(g) Gudakhu
(h) Light engineering and general fabrication works
(i) K.B.Bricks
(j) Hotel
(k) Cinema Hall

3. MEDIUM AND LARGE SCALE INDUSTRIES:

(a) Chip Board
(b) Maize based products
   (Dextrose monohydrate, Glucose, Starch)
(c) Tamarind based products
   (Tamarind concentrate, Tamarind pulp, Tamarind starch).
NOTES AND REFERENCES


3. Dr. Sachiranand, "Changing Tribes", published in Souvenir, National seminar on Welfare of Tribes and Denotified Communities, Bhopal, 1964; p.84.


5. Draft Fifth Five Year Plan, p.146.

6. Dr. Sharma, B.D., Planning for Industrial Development of the Tribal Areas; Occasional Papers on Tribal Development -7; Ministry of Home Affairs, Government of India, New Delhi, 1978, p.5.
