

CHAPTER IV

RURAL INDUSTRIALIZATION AND EMPLOYMENT IN RAE BARELI

District Rae Bareli is situated in Central Uttar Pradesh. It has been divided into 21 development blocks and has 1733 inhabited villages. In 2001, total population of the district was reported to be 2.87 million. The district is predominantly agrarian with 60 per cent of its geographical area under cultivation. The district has good potential for development of non-farm sector and particularly industries. The district has been patronaged by the political leadership since it has been the Parliamentary constituency of former Prime Minister of India for a long time. This has mobilized financial investment for the development of the industries as well as overall socio-economic development of the region.

Working industrial units during the period of 2002-03 to 2006-07 are shown in Table 4.1. There has been nominal increase in the number of units of registered industries. During 2006-07, 198 registered industrial units were reported with the employment of 1791 persons. Small industrial units were reported to be 4410 with the employment of 11029 persons. There has been significant increase in the number of small industrial units and employment in these industries. Similarly, the Khadi industrial units were also found 7034 with employment of 13971 persons. There has been nominal increase in the number of Khadi industrial units over the period.

Table 4.1: Working Industrial Units

Particulars	2002-03	2003-04	2004-05	2005-06	2006-07
Registered Industries					
Number of Units	122	122	122	198	1998
Persons Employed	1374	1374	1374	1791	1791
Small Industries					
Number of Units	3734	4183	4258	4334	4410
Persons Employed	8365	9706	10246	10663	11024
Khadi Industry					
Number of Units	6916	6945	6945	6983	7034
Persons Employed	12296	12619	12619	13100	13971

Source: District Industry Centre, Rae Bareli.

Growth of industrial units in the district is shown in Table 4.2. There were 4 Khadi industries while 6960 rural industries were changed by Khadi & Village Industries. There has been significant increase in the number of such industrial units over the period of 1994-95 – 2006-07. Out of changed rural industries by KVI, most of them were found non-classified (3667). Among classified small scale industrial units, majority of them were related to engineering (582) and handlooms (87). There has been decline in the number of small scale industrial units in the sector of engineering, chemical, handlooms and handicrafts. However, overall numbers of small scale industrial units have grown significantly over the period. Total employment in rural and small scale industrial units was reported to be 24239 persons only. The industrial employment has significantly declined over the period of 12 years.¹

Table 4.2: Growth of Industrial Units

Types of Industrial Units	Year		
	1994-95	1997-98	2006-07
Khadi Industry	4	4	4
Changed Rural Industry by KVI	5058	6652	6960
Small Scale Industry Units:			
1. Engineering	705	739	582
2. Chemical	117	119	53
3. Vidhayan	--	--	--
4. Handloom	202	203	87
5. Silk	--	--	--
6. Coconut-Jute	--	--	--
7. Handicraft	72	84	21
8. Other	3228	3266	3667
Total	5062	6656	6960
Total Rural and Small Scale Industry	9386	11067	11370
Total Employees	5733	7102	13210
Employees in SSI Units	22762	24416	11029
Employees in Rural & SSI	28495	31518	24239

Source: District Industry Centre, Rae Bareli.

As per information available from District Industry Centre, Rae Bareli, only 47 registered factories are found working. The cost of production has been

reported to be Rs.23359.34 million. The cost of production has significantly increased over the period of 1989-90 to 2003-04. The average number of daily labourers and workers were reported to be 3636 persons, which also shows a declining trend over the previous years (Table 4.3).

Table 4.3: **Factory and Cost of Production**

Particulars	1989-90	1990-91	1991-92	1992-93	2001-02	2003-04
Registered Factories	94	112	121	--	111	52
Working Factories	57	96	42	43	40	47
Factories from which returns is obtained	46	44	44	43	40	47
Average number of daily labour & workers	10885	10209	9908	11228	3740	3636
Cost of production (Rs.'000')	1519	1729335	1942317	2753761	2941268	2335934

Source: District Industry Centre, Rae Bareli.

As per IIIrd SSI Census, 2001, Govt. of Uttar Pradesh, the total SSI units in the district are 20479 which constitute just 1.2 per cent of the state. Most of the industrial units are in perennial nature (96.08 per cent). The number of unregistered units in the district were reported to be 17136, constituting 1.11 per cent of the total unregistered units of the state. The proportion of manufacturing units in the SSI units has been reported to be about 16 per cent in rural areas and 11 per cent in urban areas. Out of total SSI units in the district, about 31 per cent units in rural areas and 7 per cent in urban areas were confined to services sector. Similarly, the proportion of repair and maintenance based industrial units were 16.8 per cent and 17.54 per cent in rural and urban areas, respectively as against the total number of SSI units in the district (Table 4.4).

Table 4.4: **Types of SSI Units**

Particulars	Number
Total SSI Units	20479
Percentage of State	1.20
Perennial	96.08
Seasonal	2.72
Casual	1.2
Unregistered Units	17136
Percentage of Total	1.11

Table 4.4 (contd...)

Manufacturing	
Rural	15.87
Urban	11.13
Repair & Maintenance	
Rural	16.87
Urban	17.54
Services	
Rural	31.15
Urban	07.51

Source: IIIrd SSI's Census, 2001, Govt. of U.P.

Share of SSI units in the state is shown in Table 4.5. The share of SSI units of the district in the states, market value of fixed assets was reported to be 0.46 per cent. The employment in SSI units of the district constituted just 0.79 per cent in the employment being provided by SSI units in the whole state. The contribution of SSI units of the district in the export from the state is also found to be significant.²

Table 4.5: Share of SSI's In State

Particulars	Share
Market value of fixed asset	0.46
Original value of P & M	0.48
Employment	0.79
Gross value	0.37
Export	
SSI's	0.61
Auxiliaries	0.00
SSSBs	1.40
Value of Export (Rs.)	65498

Source: IIIrd SSI's Census, 2001, Govt. of U.P.

The status of employment in SSI units is shown in Table 4.6. The female employment in the industrial units constitutes only 1.6 per cent. Out of employment in SSI units in the district, most of the employed persons were found belonging to OBC (54.18 per cent) while persons belonging to SC/ST comprises of around 12 per cent. There were 111 women enterprises while 56 women managed units were reported. The percentage of women employment in total employment was found less than 1 per cent.

Table 4.6: **Employment In SSIs**

Particulars	Percentage
Female	1.60
SC	10.93
ST	1.03
OBC	54.18
Children	0.04
Total	32269.00
Percentage of total against state	0.88
Women managed units	56.00
Women Enterprises	111.00
Female Employment	563.00
Percentage of women against total employment	0:28

Source: IIIrd SSI's Census, 2001-2002, Govt. of U.P.

The status of industrial estates in the district is shown in the Table 4.7. There are only 7 industrial estates in the district. However, during 1992-03, there were 15 such industrial estates. More than 100 industrial plots have been distributed to industrial entrepreneurs and around 23 industrial plots were found under progress to be developed for industrial purposes. Number of employees in the industrial estates has declined by 50 per cent over the period of 1992-03 to 2006-07. The production value in the industrial estate has been reported to be just Rs.1.19 million during 2006-07, however, this amount was reported Rs.6.45 million in 1996-97. This shows a severe decline in the production value in the industrial estates of the district.

Table 4.7: **Industrial Estates In The District**

Particulars	1992-93	1993-94	1994-95	1995-96	1996-97	2004-05	2006-07
Number of Estates	15	15	15	15	15	8	7
Number of shares							
a. Distributed	28	28	28	28	28	8	5
b. Working	15	15	15	16	15	1	--
Number of Plots							
a. Distributed	82	83	83	87	87	102	105
b. Working	15	15	15	16	15	1	--
Number of Employees	114	118	118	131	134	50	72
Production (Rs.'000)	5500	6000	6000	6225	6450	1160	1191

Source: District Industry Centre, Rae Bareli.

Classification of industrial units is shown in Table 4.8. During 2006-07, 37 industrial units were owned by Industrial Cooperative Societies and were found registered under Cooperative Societies. Thus, most of the industrial units were private owned. There has been significant increase in the private owned industrial units over the period of 2004-05 to 2006-07. During 2004-05, there were more than 5000 industrial units managed by private sector while the number of such industrial units increased by 6960 during 2006-07.³

Table 4.8: **Classification Of Industrial Units**

Particulars/Classification	Industrial Cooperative Society		Registered Cooperative Society		Private Industrialist	
	2004-05	2006-07	2004-05	2006-07	2004-05	2006-07
Khadi Industry	--	--	4	--	--	--
Changed rural industry by KVI	37	37	19	37	5002	6960
SSIs						
Engineering	--	--	--	--	705	582
Chemical	--	--	--	--	117	53
Vidhayan	--	--	--	--	--	--
Handloom	--	--	--	--	202	87
Silk	--	--	--	--	--	--
Coconut Jute	--	--	--	--	--	--
Handicraft	--	--	--	--	72	21
Others	--	--	--	--	3228	3667
Total	37	37	23	37	5002	6960

Source: District Industry Centre, Rae Bareli.

Block-wise location of industrial units is shown in Table 4.9. Out of registered units, most of the registered units were found located in Lalganj, Salon, and Unchahar development blocks while in Amawan, there were no such industrial units. There has been significant increase in the number of industrial units over the period of 2004-05 to 2006-07 in Bachchrawan, Mahrajganj, Singhpur, Tiloi, Bahadurpur, Sataon, Khiron, Sirahi, Lalganj, Dalmau, Salone and Unchahar. Most of the small industrial units were found located in Tiloi, Mahrajganj, Bahadurpur, Harchandpur, Lalganj, Dalmau, Salon, Unchahar and Khiron. Similarly, most of the Khadi industrial units were found located in Tiloi,

Bahadurpur, Rahi, Lalganj, Dalmau, Deeh, Salon and Unchahar. Thus, there is marked variation in the location of industrial units in the district.

Table 4.9: Block-wise Industrial Units

Block	Registered Units		Small Industries		Khadi Industries	
	2004-05	2006-07	2004-05	2006-07	2004-05	2006-07
Bahhranan	5	8	121	127	561	561
Shivgarh	--	1	88	91	117	117
Mahrajganj	1	6	182	194	209	211
Singhpur	5	8	77	82	309	309
Tiloi	--	5	197	208	1026	1036
Bahadurpur	2	4	189	195	371	386
Harchandpur	2	3	177	180	199	204
Amanan	--	--	99	102	135	137
Sataon	--	4	90	98	228	232
Rahi	4	5	76	82	426	430
Khiron	2	4	146	151	299	299
Sareni	2	7	135	145	371	380
Lalganj	4	13	179	196	476	483
Dalmau	2	7	182	192	514	516
Jagatpur	1	2	130	133	319	322
Dih	1	3	101	105	443	455
Chhatoh	1	3	54	59	122	125
Salon	4	12	168	180	408	414
Unchahar	4	12	258	271	410	412
Rohania	--	1	28	30	--	1
Deen Shah Gou	--	1	37	38	2	4
Total (Rural)	40	109	2714	2859	6945	7034
Total District	122	198	4258	4410	6945	7034

Source: District Industry Centre, Rae Bareli.

Block-wise employment in industrial units is shown in Table 4.10. During 2006-07, employment in registered industrial units was found higher in Rahi, Bachcharawan, Lalganj and Unchahar. Similarly, employment in small industries has been reported significant in Unchahar, Tiloi, Mahrajganj, Harchandpur, Lalganj, Dalmau and Salon. Similarly, employment in Khadi industries has been reported significantly higher in Salon, Deeh, Dalmau, Lalganj, Rahi, Bachchrawan, Tiloi, Bahadurpur and Unchahar.

Rural non-farm sector in Rae Bareli district is distinctly agro-based, being heavily dependent on food crops like paddy and wheat and horticultural crops like mango, amla, guava, potato, lemon, jack fruit, banana etc. Service sector

activities like transport, storage, communication, repair/servicing units; engineering units are also important constituents of rural non-farm sectors in the district. Among handicrafts, moonj/ban/bamboo products, pottery, embroidery, chikan works etc. are important products catering to the markets in the district. In view of the availability of raw materials, infrastructure facilities like transport, communication, skill labour etc. and its locational advantage i.e. proximity to Lucknow and Kanpur, Rae Bareli district has immense potential for development of rural non-farm sector.⁴

Table 4.10: **Block-wise Employment in Industrial Units**

Block	Registered Industries	Small Industries	Khadi Industries
Bachchrawan	71	334	852
Shivgarh	5	264	462
Mahrajganj	27	473	336
Singhpur	29	199	394
Tiloi	28	565	2011
Bahadurpur	11	476	835
Harchandpur	5	467	698
Amawan	--	251	465
Sataon	23	274	288
Rahi	165	200	771
Khiron	10	350	699
Sareni	49	377	563
Lalganj	69	445	977
Dalmau	28	458	839
Jagatpur	5	302	588
Dih	22	258	907
Chhatoh	10	148	311
Salon	48	454	1181
Unchahar	53	767	722
Rohania	5	71	29
Deen Shah Gaur	5	94	43
Total Rural	668	7227	13971
Total Urban	1123	3802	--
Total District	1791	11029	13971

Source: District Industry Centre, Rae Bareli.

Block-wise classification of non-farm activities is shown in Table 4.11. Post harvest technology and management plays a crucial role in value addition to agriculture. Realizing the potential that agro and food processing holds for improving value realization to the farmers and growth of additional employment, Government of India has provided thrust to the sector⁵.

Table 4.11: Block-wise RNFS Activities in Rae Bareli District

Sl. No.	Block	Activities/Product Lines
1.	Amawan	Rice mills, flour mills, cold storage, papad, dal mill, species, grinding, pickles, chips, dairy products, cane crusher, mango jelly, food products, groundnut oil mill, fruit preservation.
2.	Bachhrawan	Pottery, sheet metal, leather, bamboo products, wood based units, wooden furniture, ban, cement work, soap.
3.	Bahadurpur	Rice mill, bakery, mill based, Tat patti, wooden agricultural implements.
4.	Chhatoh	Gur khandsari, readymade garments, oil expeller
5.	Dalmau	Flour mill, oil mill, dal mill, rice mill Tat patti, ban, shoe making
6.	Deeh	Agricultural implements, dal mill, rice mill, cloth, soap, show making and wooden craft.
7.	Harchandpur	Dal mill, rice mill, pottery, shoe making, pottery, tailoring, ready-made garments, blanket, medicinal enterprises.
8.	Jagatpur	Dal mill, rice mill, soap, non-edible oil, blanket, pottery, ban.
9.	Deenshah Gaura	Gur khandsari, readymade garments, flour mill.
10.	Kheero	Agricultural implements, soap, ban, tat patti, wooden work.
11.	Lalganj	Tn work, dal mill, fruit preservation, pottery, electrical goods, printing, leather, ban making
12.	Maharajganj	Ban, tat patti, agricultural implements, dal mill, rice mill, leather, soap.
13.	Rahi	Dal mill, rice mil, bone mill, leather, blanket, cloth, oil mill, shoe making, cement works.
14.	Salon	Powerloom, cement, fruit preservation, tat patti, soap, wooden furniture.
15.	Sareni	Oil mill, wooden work, tat patti, cement work.
16.	Sataon	Fruit preservation, agricultural implements, dal mill, rice mill, soap, shoe making, oil mill, groundnut oil mill.
17.	Shivgarh	Rice mill, candle making, dairy products, potato product.
18.	Singhpur	Agricultural implements, tin products, pottery, ban making, cement, shoe, power spiller, soap, wooden crafts.
19.	Tiloi	Tat patti, dall mill, rice mill, blanket, fruit preservation, pottery, ban making, cement, wool.
20.	Unchahar	Cement, fruit preservation, shoe making, Louha kala.
21.	Rohania	Mini rice mill, light and tent house, furniture and steel works, pottery.

Source: NABARD, Regional Office, Lucknow, 2008.

The status of agro processing activities in the district is shown in Table 4.12. There are 276 rice mills, 39 oil expellers, 16 flour mills and 157 bakery units. Besides, 20 units are in gur and khandsari sector. These industrial units provide base for agro processing and value addition to the agriculture production.

Table 4.12: **Stratus of Agro & Food Processing Units in Rae Bareli District**

Sl. No.	Industrial Units	No. of Units
1.	Rice Mills	276
2.	Oil Expellers	39
3.	Pickles, Murabba, etc.	143
4.	Flour Mills	16
5.	Bakery Units	157
6.	Spice Making	85
7.	Vermin-compost/Vermin-culture	22
8.	Leaf Plate Making	7
9.	Gur/Khandsari	20

Source: District Industry Centre, Rae Bareli.

Structure of agro industries in Rae Bareli district is shown in Table 4.13. Agro processing industries are located in almost all the development blocks, however, sugarcane industries and flour and oil mills are located in only a few development blocks. Most of the industrial units are producing by utilizing less than the installed capacity of the units. It is because of the fact that these industrial units face problems related to availability of raw materials, power, and financial support.

Table 4.13: **Structure of Agro-Industry in Rae Bareli District**

Crop	Activity	Blocks in the district where these activities are undertaken (No.)	No. of existing units	Installed capacity (MT)
Foodgrains and pulses	Floor mills	12	16	4,800
	Rice mills	19	276	82,800
	Oil mills	10	39	9,360
	Others	21	186	1,116
Sugarcane	Sugar/gur/ khandsari	3	20	40,000
Other crops	Ginger/ turmeric/ fruits/ vegetables	25	228	2,736

Source: District Industry Centre, Rae Bareli.

Block-wise agro and food processing activities in the district is shown in Table 4.14. Each development block has its speciality and potential for development of agro and food processing activities.

In order to provide micro credit for the development of economic enterprises to the poor, micro credit schemes have been promoted in the district.

The district has been covered under the implementation of Centrally Sponsored Projects like Swashakti and also under a pilot project on Sodic Land Reclamation Project, supported by World Bank and implemented by U.P. Bhumi Sudhar Nigam. As per information available from NABARD, 13622 SHGs have been linked with banks for saving purposes while 7878 SHGs were extended credit for development of micro enterprises.⁶

Table 4.14: **Block-wise Agro & Food Processing Activities in Rae Bareli District**

Sl. No.	Block	Activities/Product Lines
1.	Amawan	Rice mill, flour mills, papad, dal mill, spices grinding, pickles, chips, dairy products, cane crusher, mango jelly, groundnut oil mill, fruit preservation, pickles.
2.	Bachhrawan	Bamboo products, moonj/ban products, dairy products, menthe cultivation and oil extraction, badi, papad.
3.	Bahadurpur	Rice mill, bakery, dairy products, tat patti, pickles, murabba.
4.	Chhatoth	Gur, khandsar, oil expeller
5.	Dalmau	Flour mill, oil mill, dal mill, rice mill, tat patti, moonj/ban products.
6.	Deeh	Dal mill, rice mill, dairy products, pickles.
7.	Harchandpur	Dal mill, rice mill, dairy products, badi, papad
8.	Jagatpur	Dal mill, rice mill, moonj/ban products.
9.	Deenshah Gaura	Gur, khandsari, flour mill.
10.	Kheero	Tat patti, moonj/ban products, dairy products.
11.	Lalganj	Dal mill, fruit preservation, dairy products.
12.	Maharajganj	Moonj/ban products, tat patti, dal mill, rice mill, masala, pickles
13.	Rahi	Dal mill, rice mill, oil mill, dairy products, masala, pickles, bakery, badi, papad, sauce, murabba.
14.	Salon	Potato chips, fruit preservation, tat patti
15.	Sareni	Oil mill, tat patti
16.	Sataon	Spice processing, fruit preservation, dal mill, rice mill, oil mill, groundnut oil mill, pickles.
17.	Shivgarh	Rice mill, dairy products, potato products
18.	Singhpur	Papad, Badi
19.	Tiloi	Tat patti, dal mill, rice mill, fruit preservation, wool.
20.	Unchahar	Fruit preservation
21.	Rohania	Mini rice mill.

Source: District Industry Centre, Rae Bareli.

Block-wise micro-enterprises developed by the SHGs in the district are shown in Table 4.15. Most of the SHGs have ventured upon the task of developing micro enterprise related to agro and food processing, services sector as well as manufacturing and processing sector.⁷

Table 4.15: Block-wise List Of Micro-Enterprise By SHGs in Rae Bareli District

Sl. No.	Block	Micro-Enterprises for SHGs
1.	Amawan	Masala, pickles, Rexene bags, cycle repair, tailoring, black smithy
2.	Rahi	Paddy and wheat cultivation and processing, dairy, masala, pickles, watch repair, bio-gas, battery charging, ready made garments, bags, cycle/auto repair, bakery, vermin-composting, nursery, general stores, beauty parlour, statue/ toys, badi, papad.
3.	Sataon	Chilli drying, masala, pickles, battery charging, ready made garments, Rexene bags, cycle / auto repair.
4.	Harchandpur	Paddy and wheat cultivation and processing, dairy, vermin-composting, ready made garments, Rexene, bags, cycle/ auto repair, badi, papad.
5.	Maharajganj	Masala, pickles, Rexene, bags, cycle repair, tailoring, vermin-composting.
6.	Bachhrawan	Paddy and wheat cultivation and processing, dairy and dairy products, menthe cultivation and oil extraction, agarbatti making, vermin-composting, ready made garments, Rexene bags, cyce/auto repair, tent house, badi, papad, chikan kadhai.
7.	Shivgarh	Tailoring, agarbatti, cycle/auto repair
8.	Deeh	Mushroom cultivation, dairy, pickles, cycle/auto repair.
9.	Salon	Masala, mushroom cultivation, dairy products, nursery, pickles, battery charging, ready garments, Rexene bags, cycle/auto repair, beauty parlour.
10.	Chhatoh	Masala, nursery, Rexene bags, cycle/auto repair
11.	Singhpur	Pottery, ban making, cycle/auto repair, general stores.
12.	Bahadurpur	Masala, pickles, photography, battery charging, dona pattal.
13.	Tiloi	T.V. repair, dona pattal, tailoring, bakery.
14.	Lalganj	Leather works/shoe making, photography, battery charging, boring mechanic, beauty parlour, tailoring.
15.	Kheero	Paddy and wheat cultivation and processing, dairy, vermin-composting, agarbatti, battery charging, boring mechanic, beauty parlour, saloon, pottery, tailoring, grocery shops.
16.	Dalmau	Masala, dairy products, T.V. repair, cycle repair, dona pattal, tailoring.
17.	Sareni	Tat patti, wood work, tailoring.
18.	Unchahar	Masala, floriculture, ready made garments, beauty parlour, tailoring, bakery.
19.	Jagatpur	Masala, floriculture, papaya cultivation, battery charging, tailoring.
20.	Deenshahgaura	Masala, floriculture, tailoring.
21.	Rohania	Floriculture, blacksmith, cycle repair.

Source: District Industry Centre, Rae Bareli.

The above analysis simply demonstrates that district has immense potential for the development of industries. The district has good potential for development of agro and food processing based industrial units, which provide opportunity of rural employment generation and revitalization of rural economy, however, the industrial entrepreneurs need support in terms of credit, technology, availability of raw materials, and skilled manpower.

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- 7 **District Industry Centre Rae Bareli (2009)** Op.cit.