CHAPTER VIII
CONCLUSION AND SUGGESTIONS

The foregoing chapters enable us to assess the nature of the backwardness of the division, the few efforts that have been made to raise the economy of the division and their impact and reasons for economic backwardness namely the local and governmental indifferences and discriminating plans, strategy towards different division of the state. The division registered the gross value of per capita industrial production Rs. 969 during 1985-86. The condition of agriculture has not been so good. The irrigation facilities available were for 972222 hectares during 1986-87 which covered 54.9% of net sown area of the division, as against 58.6% in the state. Average yield of food grains per hectare was .93 tonnes in the Allahabad division against 1.19 tonnes in the state and 1.03 tonnes all India level. The division had 8560 tractors, 13545 pump-sets in the year 1992. The length of metalled roads per 1000 sq.km. in the division is 323.3 kms.

The per capital electricity consumption in the division was 187.4 KWH as against 106 KWH in the state. There were only 958161 students enrolled in class 1-5, 385076 students in class 6-8, 350923 students in class 9-12 and 136968 students in degree classes in the division during the session of 1987-88. The position was much better in the last two category than the state and other divisions. The standard of living of the people in
the division had been very poor since long with very low per capita income.

The housing conditions and per room density of inheritents was also very depressive. The government and the people had been making efforts on different levels for a long period particularly during the planning Era to augment the general economic development in the division with particular emphasis on the industrial sector. Let us now review the impact of general economic improvement on the industrial development of the division. Most part of the division were zero industrial area upto the end seventies. It was only during the early eighties excluding Kanpur Nagar and Naini of Allahabad, this division gained some place on the industrial map of the state owing to the establishment of some industrial units by the central govt. in the public sector. Few private units in small and medium sector have also been registered after seventies. Now, the number of industrial units in large/medium and small sector rose upto 28286 upto 31st. March, 1992. A good number of industrial units will be set upto 1994-95. The handloom and handicraft sector have also shown considerable progress. The power consumption in the industrial sector was 1073673 KWH upto the end of 1992.

This progress is also visible in the agriculture sector to some extent. The net irrigated area to net sown area rose from 39.4% in 1983-84 to 54.9% in 1986-87 in the division against 43.5%
in the State during 1983-84 and 59.03% during 1986-87. The use of fertilizer per ha of gross sown area also rose from 19.1 kg in 1983-84 to 34.6 kg in 1986-87. The power consumption in agriculture came to 352173 kwh per 000 ha of the gross sown area which is 8788 acres. This is why, inspite of increase in the urban population by 44.6% during 1971 and 1981. Due to increasement in the use of agricultural instruments like tractors, pump-sets, power driven agricultural machines, use of fertilizers and use of proper irrigational facilities, the agricultural produce per ha of net sown area have gone up to 2.05% in 1981 to 3.05% in 1987.

Many infrastructural facilities have also been developed for supporting the rapid industrialization of the division, besides 10 industrial estate some new are under consideration. New complexes and areas are also being developed in the division. Many material processing units have also come up. Many entrepreneurs are coming from other states to establish the new projects in zero industry district like Kanpur Dehat and Fatehpur of this division. The UPSIDC has opened a raw material supply depot in Kanpur Nagar.

The length of metallled road per lac sq.km. of area has also increased from 41.2 km in 1985 to 43.2 km in 1987. For increase in the population and aptitude towards education because of industrial and overall progress, the number of higher educational institutions have gone up. Now there are 61 Degree Colleges and 3 Universities. There are also 2 Medical Colleges, 1 IIT and
2 Engineering colleges in the division.

The number of hospitals, nursing homes and beds per lac of population increase from 3.1 and 73.8 per cent respectively to 3.2 and 75.4% upto 1987-88. The entertainment facilities also increased manifold during 1980 and 1992. The number of cinema houses and their seating capacity increase from 60 and 42971 respectively. After 1992 the number of cinema houses and their seating capacity is decreasing due to cable-TV in this division.

With the increase of developmental activities and industrial units in public sector, the employment potentialities of public sector has increased manifold. It has provided employment to about 58384 persons by the end of 1989-90 excluding employment provided by ordnance factories. The maximum increase has been registered in central govt. undertaking which alone absorbed about 6000 persons at the end of March, 1990.

The women participation in the industrial and economic activities is increasing gradually because of the spread of girls education and suitable employment opportunities. The literacy ratio of the population in the division rose from 31.8% in 1971 to 39.1 per cent in 1981. In case of women literacy ratio it has been increased from 20.2% in 1971 to 26.6% in 1981 according to census 1981. By the end of March, 1989, there were about 7687 Junior Basic Schools, 2116 senior basic schools, 744 Higher Secondary and Intermediate schools, 61 degree colleges with 3 universities in the division.
The women of the division have also shown interest in entrepreneurship. There are good number of women making and managing the production of knitting and embroidery articles.

The above analysis of development does not indicate that Allahabad division has developed or is developing fast. As we have discussed, the entire Allahabad division excluding some part of Allahabad district (Naini) and district Kanpur Nagar is still industrially backward. The fact is that this division has just maintained the pace of economic development on the state average to much is of course evident.

In few cases, it has not been able to do so the position of backwardness of the area of the division has neither changed in absolute terms nor in relative terms. The poverty of the people in this division is well indicated by the facts that per capita expenditure in annual plan for the division was only Rs. 51 during the year 1988-89. Whenever, in 1986-87, and 1987-88 it was only Rs. 34.90 and Rs. 39.0 respectively.

According to census 1981 only 29.2% work force was engaged in different trades and business. Besides the above facts confirming the backwardness in the industrial sector an enter-divisional comparison of different indicators also reveals that Allahabad division has been pushed behind in the name of policies of removing imbalance and reducing industrial disparities. The relative industrial backwardness may be assessed with the
Table - A/18 : District wise position of Industrial Activities in Meerut and Allahabad Division 31 March 1990.

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<td>Large/Medium Scale/units</td>
<td>18</td>
<td>8</td>
<td>78</td>
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<td>191</td>
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<td>Small Scale Units</td>
<td>5590</td>
<td>2266</td>
<td>5197</td>
<td>5089</td>
<td>3022</td>
<td>6066</td>
<td>8134</td>
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<td>8134</td>
<td>11945</td>
<td>6176</td>
<td>7165</td>
<td>313</td>
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<td>Capital invested</td>
<td>501.17</td>
<td>71.96</td>
<td>690.70</td>
<td>51.91</td>
<td>22.86</td>
<td>5313</td>
<td>124.31</td>
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<td>632.41</td>
<td>258.28</td>
<td>119.75</td>
<td>193.55</td>
<td>94.11</td>
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<td>(Rs.in Crores)</td>
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<td>Per Capital Investment (in Rs.)</td>
<td>1077</td>
<td>389</td>
<td>1668</td>
<td>114</td>
<td>229</td>
<td>441</td>
<td>2680</td>
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<td>782</td>
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help of comparative study of Allahabad and Meerut division by the Table-A/18. According to this table it is clear that gross value of per capita industrial production continued to be lower comparatively Meerut division excluding industrial developed districts Kanpur Nagar. Although the overall consumption of electricity increased in the division during the period 1990, it still remained the lowest in comparison with the western division. Above all the consumption level of the division was also found to be the lowest comparatively.

Having gone through the above analysis, it becomes self evident that inspite of the fact that the entire division excluding Kanpur Nagar was declared backward by Pandey Committee.

It is argued by the planners the backward areas are being allotted more than what is due to them in proportion of their population. If this be granted, Allahabad division of course received much higher share for almost all the items. But, it is very surprising to note that other neighbouring division having comparatively lower population was always earmarked higher proportion of the plant expenditure. We have no grudge against the other division since it may require much more funds for keeping the pace with the March of the development. However, there is no reason as to why the such expediency has not been realised with reference to Allahabad division. It is gross in justice to the vast potentialities lying unexplored in this division.
This sort of govt. spathy and discrimination is due to the political influence that have recently become of for reaching importance in comparison to the economic consideration. Whenever this division always sends influential member to the assembly and parliament, inspite of this the division could not attract the attention of chief ministers and planners of the state.

**SUGGESTIONS:**

The above analysis reveals that the regional economy of Allahabad division is functioning under the low equilibrium trap. Inspite of many efforts, it still continues to be backward we, therefore, suggest few measures which may bring the economy of its subsistence level equilibrium, largely dependent on its agricultural resources. These suggestions will include measures on the policy and strategy level and also some specific attempts in case of specific requirements for its general economic and industrial development.

The government has to assess, first of all the relative backwardness of the division in comparison to other division of the state and also of the country. The development needs should not be defined in financial magnitude only but in terms of social overheads and benefits to the people of division. For this, the policy of plan outlay allocation in proportion to the area and population has to be given up, since it has kept the regional economy under static conditions. Instead, the allocation have to be made in terms of the requrment of development.
The strategy, for planning has to be altered from the 'Top down' to the 'Bottom up' efforts. Presently, plans, projects, and finance are allotted rather distributed to different regions prefixed shares by the state. This is further divided by the Divisional Planning Boards among district of the region/division. It hardly bears any reference to the development of needs of the area. Rather, the area has to adjust the fulfilment of this requirements as per allocation of funds and priorities fixed for them at the higher levels. Instead needs and priorities of the area should be assessed first at the local level and funds be allotted as per these requirements in planned manner.

The methods and systems to workout these priorities should be so perfect and indiscriminate, that no political pressure may cause a change in them in favour of some particular area of the district, now it is time, that we have to take a firm decision to deal with the economic problem in terms of economic factors and not in terms of political influences. These political influences distort the whole strategy, efforts and smooth functioning of the planning machinery. The planners are forced to find out one or the other plea to protect this deterioration pressed by political influence. Our planning machinery must be above all regional bias and political pressures. If, it is done the division of Allahabad will automatically get a long due top priority in view of its relative backwardness.

The similarity of socio-economic factor in adjoining areas or districts has been accepted as the basis of division
of various district of the state into different region. The economic factors have been more important than any other factor, so far as regionalization within the state of U.P. is concerned. However, this is not the case in ethno-lingual division of the country into different states.

So long as none of the above sort of administrative or economic integration of two parts come into existence, a concentrated plan for the industrialization of this area has to be chalked out. Various studies have already been made in this direction. A number of industrial units in different have been suggested as potential industries, earlier in this study, after careful study of all available resources and infrastructures. Efforts to establish all these industrial units with diversified suitable location in the division. Such industries may include Flour Mills, Beer Plants, Soybean Plants, Fish canning, Paint and Varnishes, Distemper, Bottle Glass, Insecticides and Pesticides Grannulated Mixed fertilizer, Polythene lined jute bags, conduit pipes, cycle tyre and tubes, building hardware, distilled water, glucose saline water, surgical bandages, phenyle, hosiery goods and plastic products etc.

All the proposed units will induce an investment of about Rs. 10 crores and provide employment to about 12000 persons. A special five year project may be prepared for the above purpose. Attempts to improve the infrastructure should also be geared up simultaneously.
The industrial units having potential in large scale sector must be taken up in the public sector since this division immediately lacks in managerial and entrepreneurial talents, it is essential that the public sector initiate the intensive development drive. Those industries which have large employment potential and may also have potentiality for the development of ancillary industries, of not highly technical nature, may help in promoting the atmosphere in favour of industrial development to the best possible extent.

An ancillary complex on the line of IEL is advised for the spinning mill to supply spindles etc. another ancillary complex may be developed to supply different items to IEL. This alone has the capacity of promoting a good number of units for wide ranging products of packing etc.

The UPSIC, UPSIDC, and PICUP have been favoured with a good number of licences for setting up industrial units in backward areas particularly in Kanpur Dehat. These units should be asked to establish some of their units in this division. The govt. should also assist it by sanctioning its important proposals in the field of large heavy industries sector being a agrarian economy, the division has to devote due importance to the development of cottage and village industry to provide full employment to under employed rural work force. So long no attempt in this sector has been made in planned manner. Hence, it is earnestly important to conduct a major survey of resources and potentialities in this sector and chalk out a plan for the development of this sector in a phased manner.
An independent survey of sick units in small and cottage sector is also advised at this stage of reconsidering the strategy of industrial development. Besides making attempts to remove the problems of these sick units, the causes of their becoming sick, should be fully analysed in order to take due precautions of these factors, in future.

To get full advantage of sugar mills in this division one in Farrukhabad and other in Kanpur Dehati advised. The cropping pattern should be induced for change in favour of cultivation.

Nimboo orchards and growing of citrus fruits should be encouraged. All sort of financially and technical facilities should be provided on large scale for the development of this resource sector.

The livestock in this division is in a very poor condition. Extensive arrangements for artificial insemination, cross breeding and state pastures should be developed in different parts of the division. Dairy production should be encouraged in rural as well as urban areas.

The raw material depot which is working in Kanpur Nagar supplies raw material for steel item only. That too remains in short supply. Besides being provided with full requirement to the steel items for manufacturing Almirah, Gobar-gas plant, Shutters and Rellings. This depot should also be provided with supplies of wax (for candles), plastic granules, cement and iron.
In case of hire purchase of machines all entrepreneurs of this division should be provided with the facility of advanced against margin money of 10% of the value of assets proposed to be purchased. Service charges, as charged by NSIC and UPSIC against such purchases are very high and should lowered down to the maximum of 1%. The period for repayment should be extended upto 10 to 15 years and a period of atleast 3 years should be allowed for payment of first instalment from the date of actual installation of the machine.

The condition of existing industrial estates is very poor in the division so far as various facilities are concerned. The department concerned should give top priority to construction of approach roads and making provision of water supply, bank branches, Post offices and Police stations in the premises of these estates. Railway siding should also be provided in major estates like that in Kanpur Nagar district. Full cost of development of these estates and the areas should not be charged from entrepreneurs and rate should be lowered down upto Rs. 5 per sq.m. to ensure full utilization of these estates. The convention of charging Nazrana on transfer of plots and sheds from one non active entrepreneur to the other needy one, should be dropped to ensure proper utilization of the estates.

Delay in sanctioning and also in providing actual connection of power should be avoided totally by fixing a maximum period of one month from the date of application for the electricity department. In case of further delay, the
department should be asked to compensate the losses incurred by the entrepreneur on this account. Maximum charges for consumption should be fixed unitwise on the basis of their annual consumption. Rebate in minimum charges should be provided for the duration of power break-down.

The construction of important road-bridges like that of Yamuna and Pandu rivers should be completed at the earliest.

A special quota of railway wagon should be allotted to important manufacturers having national markets. Transport subsidy should be paid when these manufacturers are compelled to pay higher transport cost for trucks, in case of non-availability of railway wagons.

Special studies for markets of the items manufactured in the division should be made by SISI or UPICO. All local govt. departments at least up to divisional level including public sector undertakings should be to purchase their requirements of items manufactured in the division locally. Units of this backward division should be allowed 15% price preference against their counterparts in this developing region.

With the setting up of District Industries Centres in each district and zonal office of the UPFC, all delay and complications should be avoided totally. Officers concerned should satisfy themselves that the application entrepreneur has understood every thing regarding the proposed industry and procedure to obtain various assistances, so that any sort of
disappointment and chances of complaint are to be minimised.

The UPFC should consider the application for all sorts of industries in medium and small scale sectors it should reduce its rate of interest upto 4-6 per cent for this division as a special case. It should also not compel entrepreneurs having their units installed in the rented building to furnish a 20 years lease deed for the premises.

The nationalized banks should adopt a liberal attitudes towards the provision of collateral security against their advances. Disparities in interest rates of different banks should be removed. The advantage of interest free loan provided by the PICUP should also be extended to small units either directly to through UPFC.

So far as the development of entrepreneurial and industrial skill is concerned the prospective entrepreneurs may be picked from among business families interested in setting up of industrial concern by contact and persuasion. Permanent facilities for their training should be made in the division. Either some independent institution to import training in business management may be set up or these courses may be introduced in the existing institutions for the purpose.

Some special camps of longer duration may also be organised in the division by suitable organisations, for the above purpose. Arrangement should also be made for prospective entrepreneurs to have a practical knowledge of the concerned,
concerns in other parts of state and country, through tools and periodical stay their.

The skill is also required at other levels of the enterprises. The dimension of the present set up of technical training are very narrow in Allahabad division and these too have poor standard. The trades and courses have to be re-oriented as per development needs of the division. Number of seeds and amount of stipend should be enhanced in different traits. These training institutes should also include, their syllabus the provision of in-factory training after imparting the theoretical training. Arrangements for the same may be made for some private or the public concerns. The C.S.Azad University of Agriculture and Technology, Kanpur which imparts training to Gram Sewaks may also be extended to the rank of a farmer.

The SISI and UPICO should survey monitoring of progress, ready technical assistance and should guide to entrepreneurs on the spot regarding with installation of units. The office of the Joint Director of Industries should be asked to maintain an effective co-ordination among the plans of industrial development and efforts made by different industries centres and developmental agencies. The divisional industries committee should be made more effective so that grievances of entrepreneurs are fully redressed. All officers attached to it, should be asked to give priority to attend its meeting and deal with matters raised there. Government should asked for
independent reports on the functioning of the committee from the representative of industry on the committee.

To sum up, the divisional economy of Allahabad division is full of promises and still awaits also attention on the part of the government and the industrialists. A thorough record of the achievements on the part of the different government and semi-government agencies should be properly maintained to make periodical surveys and decide the direction of the economic development of Allahabad division.

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