

CHAPTER - IV

INDUSTRIAL DEVELOPMENT OF THE BIRBHUM DISTRICT

Introduction :

Significant differential development is the chief characteristic of the present day industrial progress and other factors. Different considerations, however, apply to the underdeveloped districts, where industrial progress is often incompatible. In the present paper some aspects of industrial activities in Birbhum District, West Bengal have been discussed.

Favourable geo-economic factors available in a particular area stand for industrial development in that place. The paper reviews itself to the analysis of composition and changes in spatial temporal pattern of the industrial activities in Birbhum District in the State of West Bengal. There is a set of constraints which help for the development of industries; they are in the nature of historical, political and cultural and geographical in categories. But no such improvement has yet been thrown on its industrial composition and the changes that have taken place within the study area.

Comprising an area of 4550.0 sq. km. the Birbhum District has a population 1,775,909, the density of population being 390 per sq. km. According to Annual Survey of Director of Factories, Birbhum has 87 factories employing 3828 persons (in

1971). Birbhum is fairly rich in the production of various raw materials particularly from agriculture and mining.

Birbhum is one of the backward districts of West Bengal which is the leading producer of rice. The rice mill and other agro-based industries which depend upon supplies of agro-raw materials from other districts. The economic and rehabilitation of this backward district will considerably depend upon development of agro-based, large or small scale industries according to availability of infrastructure.

Both empirical and quantitative analysis are adopted to show the differential industrial development in Birbhum District.

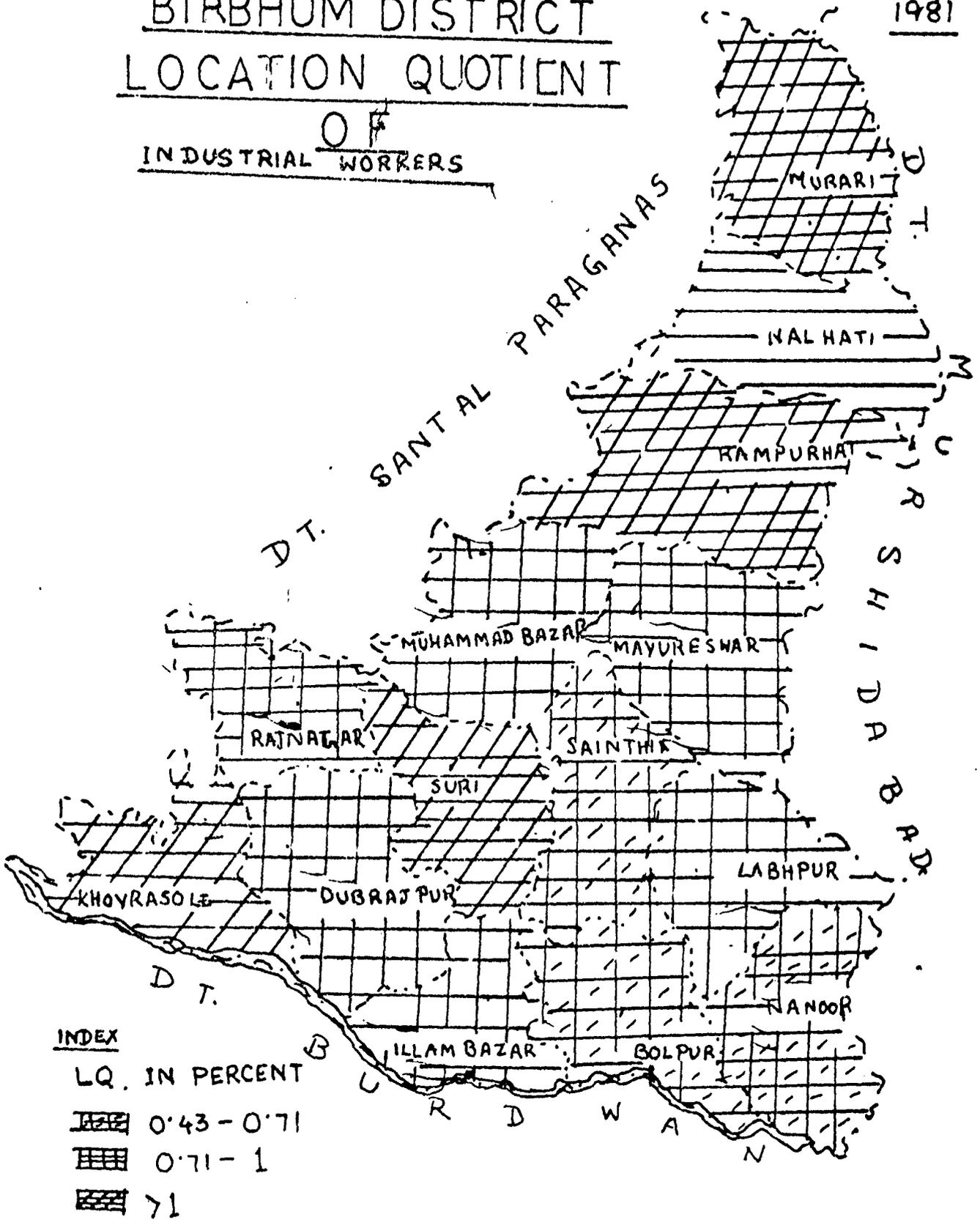
Methodology :

The methodology adopted for the preparation of Lorenz curve, showing the dispersion of a group, such as, Police stations, area and industrial population (manufacturing activities). It is a measure of equality and inequality in nature. It is, in effect, a comparative percentage curve, combining the factor among the items. The less the area between the Lorenz curve and diagonal straight line, the greater is the homogeneity in the distribution, i.e. less is the dispersion. On the other hand, the larger the area, the larger is the dispersion, Lorenz curve does not yield a numerical measure.

BIRBHUM DISTRICT LOCATION QUOTIENT

1981

OF
INDUSTRIAL WORKERS



INDEX

LQ. IN PERCENT

0.43 - 0.71

0.71 - 1

> 1

fig-16B.

It is evident from the Lorenz curve where the gap between the curve and the line of equal distribution is great which implies unbalanced distribution. Maximum industrial activities (workers) is in Rampurhat P.S. where it accounts for 16.62% of the total workers ; minimum concentration is found in Illambazar Police Station where it accounts for only 3.21% of the total workers. So it envisaged that a very low percentage of population is engaged in industrial activity. According to Census of 1971 in all the Police Stations primary activity is the dominant function.

The Fig. 2 shows the proportion of industrial workers to total workers in the different police stations of the Birbhum District. It is interesting to note that in Rampurhat, Suri, Dubrajpur, Sainthia, Bolpur, Muraroi Police Stations are industrially developed but in most of the places, such as, Muhammadbazar, Illambazar, Nanoor, Labhpur Police Stations a large section of the people depend on agriculture for their livelihood partly because of industrial backwardness of the areas concerned and partly because of lack of communication and transport facilities.

Where the phenomena being mapped can be broken down into not more than three percentage components, we can make use of facing triangles or ternary diagrams.

Research on a facies triangle in which the three varieties represent 100 percent of each of the three components, P, S, T which denotes, P = Primary, S = Secondary, T=Tertiary respectively and points within the triangle represent combinations of these three. For example, point indicates a mixture of 80.32% primary activities, 5.54% secondary activities, and 14.14% tertiary activities.

"Clark (1940) in the conditions of economic progress suggested that the breakdown of a country's employment into primary, secondary and tertiary industries might provide a sensitive index of economic growth and that the changing composition of areas might be plotted on facies triangle. However, less use has been made of the method than its potential suggests". From the Figure it becomes clear that primary activities is dominant in this district, lack of advantageous conditions of industry.

To quantify the relationship between Total Population and Industrial Population of Birbhum District, we may conceive of these two distribution as two statistical surfaces.

From this calculation we have to note that between the total population and industrial population, the correlation is less. This is used as a measure of linear correlation between X and Y.

The another method is used here 'Spearman product moment correlation co-efficient' which is calculated by using the variables. For example, classification of industries (Industrial groups) and percent of total workers or employment.

In order to classification in qualities arrange the individuals, using numbers, 1, 2, and 3 n. The individuals are then said to be ranked. The correlation co-efficient between the two series of ranks is called the "Rank Correlation Co-efficient". It is given by the formula —

$$R = 1 - \frac{6 \times D^2}{n^3 - n}$$

, where d represents the difference individual

in the member of individuals. This formula is also known as Spearman formula for rank correlation co-efficient. Table- 5 shows the percentage of total industrial groups considered in the Birbhum District for 1971. The rank correlation has been calculated in Table 5 based on some data. Using 13 industrial groups for 1971 the ranks for least diversity, the agro-based industries mainly dominant and 80 percent of the units are unclassified, about 15% is engaged in manufacturing activities, others are in other services. As regards employment again nearly maximum percentage of total industrial

labour in agro-based, cotton mills and casting and forging fire, clay and brick industry is absorbed by the unclassified category. Thus the most interesting feature in this analysis is the fact that, categories except 1,3,5,9,10 other categories do not absorb the maximum employees though there have the moderate units. This indicates that categories 1,3, 5,9,10 i.e. agro-based, cotton mill, manufacture of hair dressing spun pipe and cement and casting and forging industries are labour intensive. Maximum employment in these advance factories,

In the above picture it is indicating that the maximum rice mill and other factories are located in the Bolpur, Sainthia, Labhpur, Ahmedpur, Rampurhat Police Stations etc. for the development of Industrial town, communication and other infrastructure facilities. But other Police Stations are now in backward stage.

Industrial Development : A historical Profile

Industrial Base : While some of the old time industries such as brass and bellmetal, pottery, silk weaving etc. are languishing for want of raw materials and competition for open market new industries like cycle repairing, engineering etc. are open for employment in the Industrial areas.

The Muhammad Bazar area is very rich in mineral which has attracted for industrial development in a new line. Cottage industries are scattered in the district in small villages all through the district, which provide employment to a good number of people.

The concentration of population is more in industrial place due to availability of employment earnings. This growth was not an effect of industrial growth ; the population increase of the urban areas was primarily due to the growth of the tertiary sector. A large part of urban population in this District, primarily agricultural district, though derived their incomes from the secondary and tertiary sectors of the economy, ultimately were sustained by agriculture.

The industrial police stations of this District recorded a phenomenal growth of towns. The percentage share of workers employment in large industrial output establishment in different police stations of the district are due to industrial capital employment.

Industrial Potential and plans for future development :

Industries do not have any significant role in the economic life of the district with the gradual decline of cottage industries, more and more people have taken to cultivation to earn their livelihood. A number of industries can be

developed in the different police stations of Birbhum district. Such industries in most cases should have a horizontal linkage inasmuch as they would have common problems of raw material power and marketing. The present endeavour of the Government is, therefore, to develop as mainly as the old time rural crafts as possible, side by side with new industries where more and more people can be conveniently employed. Manufacturing employment is maximum in the areas where rice mills are located with the modernisation of the plants, it may be possible to employ more people in the rice mills. Proper arrangement for bank finance is expected to help economically the 2,000 families of weavers operating in the District. At present, the weavers are mostly wage earners when most of the industries being owned by some influential outsiders. The area comprising Muhammad Bazar is very rich in minerals. Black stone suitable for road ballast and concrete chips are also found in the district. Proper utilization of these resources may help the local people to get gainful employment.

*demand
2*

and the demand?

In fine, it is rather interesting to see to what extent the spatial distribution of different categories of industries is related to that of the various ways as a whole throughout the district.

With this end in view Spearman's correlation co-efficient have been calculated for all the industrial groups in

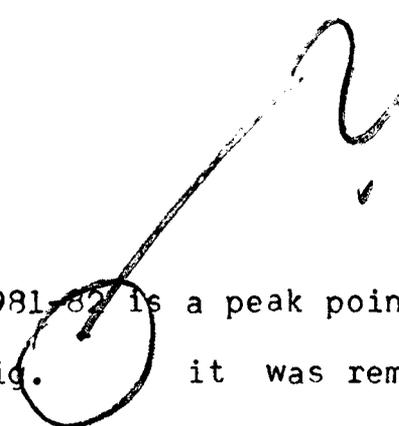
terms of both number of units and employment which may be tabulated as follows. From the table we see that the field of specialisation of different district in rice milling or agro-based industry.

Birbhum is an industrially backward district with hardly any major industries worth the name. The development of small scale industries faltered largely due to shyness of the local entrepreneurs and partly due to the absence of sufficient large and medium scale industries. In addition, the non-availability of institutional finance and required infrastructure made the problem more complex. Probably there are at present 99 Nationalised Bank Branches, but their performance in the SSI sector do not appear to be satisfactory. Moreover, there are big gaps between sponsored and sanctioned as well as sanctioned and disbursement figures which usually disappoint the willing entrepreneurs to move to the door of the Bank offices is only 35% which do not appear to be in the better side.

If anyone look at the industrial map of the District (Fig. ) it maybe visualised that there exists vast scope for industrialisation. And the D.I.C. during the last 7/8 years has tried to utilise this scope and developed a system of co-ordination with the various departments including Nationalised Banks for the development of cottage and small scale industries. As an overall effort of all these arrangement are coming to D.I.C. with new schemes to establish themselves in life.

Practically a change was noticed in the year 1980 when a few enterprising rice mill owners brought the technology of extracting oil from coconut of the south. There are at present 12 Coconut Oil Mills within this district which has been set up with the acquired skill of the local labourers and the initiative of the local business houses. It is also a fact that people still hesitate to opt for risky venture and normally chose the less risky schemes like wheat grinding, brick manufacturing, coke briquette. However, recently, a group of new entrepreneurs have come who have set up new sophisticated units like H.D.P.E. oven sacks, Railway sleepers, Mosaic Tiles, Cables, Biscuits manufacturing etc. This has been possible with the active co-operation of D.I.C. officials and Nationalised Banks as well as other organisations. In this chapter an attempt has been made to show the rate of progress in the field of industry, presenting achievements yearwise. It will be evident from the table that the purpose of channelising the various activities through one umbrella administration of D.I.C. could prove worthwhile to a considerable degree.

From the Tables 8, 10 that show identification of entrepreneurs that pro-D.I.C. period upto 1977-78 entrepreneurs are not available, but post D.I.C. period from 1978-79 to '85-'86 gradually increasing. From the project profile on post-D.I.C. periods shows 1978 to 1979 to '85-86 gradually increasing,



but 1981-82 is a peak point of all years. From the Table 12 and Fig. it was remarked that on post D.I.C. period number of beneficiaries and employment is too much in the State than that of Central. Even that also, amount provided is much higher in 1985-86 than that of 1978-79. From the Table 13 on post D.I.C. period that sponsored a number of cases involved Government sanction of most of the programmes. From Table 14, it may be seen that the Government made many training programmes under E.D.P. Pro -D.I.C. period and post D.I.C period. On pro D.I.C. period the concept of training was involved and post D.I.C. period No. of trainees enrolled and no. of trainees completed different types of Trade courses.

Industrial Accommodation :

So far the infrastructure facilities in terms of industrial accommodation is found to be poor in Birbhum District. Most of the small scale units had to arrange their accommodation themselves and there is ~~not~~ a single industrial area or estate in the district. However, after formation of the District Industries Centre the problem was duly recognised and a plan has been drawn up to construct five industrial estates in different centres, viz., Suri, Sainthia, Bolpur, Illambazar and Dubrajpur. At Bolpur an area of 21.32 acres have been earmarked for the upcoming industrial estate as in Illambazar 11 acres land is available for the purpose where another estate is to be built. Discussion with DIC reveals that two types of plots will be developed in that area for distribution to the small scale units viz. 100 square feet plot and 50 square feet plot. Construction of shed will be the responsibility of the small scale unit. Plots will be allotted to the units by the Land Distribution Committee. It has been assessed that about 80 small scale units will be benefitted by way of getting plots in the area. Field investigation reveals that the area offers an excellent location in terms of infrastructure facilities.

Integrated rural development project is an All-India programme to extend benefit to the weaker section of the community. In West Bengal along with other districts,

Birbhum was also brought under the programme. The progress of IRDP in Birbhum District as on 1.8.80 is annexed as

Credit is an essential input to all types of industries. However, the need for adequate credit is more in case of small and cottage type of industries which generally leave a weak capital base.

In order to assess future need of credit and to sustain an equitable flow of the same a District Credit Plan (1980-82) is being prepared by United Commercial Bank (as the Lead Bank) as per the guidelines provided by the Reserve Bank of India.

Allocation of Credit Programme for 1980

Banks	ALLOCATION OF CREDIT (in Rs. 000)				
	Agri	SSI	Rural & Cottage Industries	Service	Total
DCCB	49661	50	2422	500	52633
LDB	8722	-	-	-	-
UCO	3981	2734	234	2514	9463
SBI	5255	1894	249	1323	8721
UBI	4508	3939	116	1317	9880
Union	962	246	113	544	1865
CBI	238	300	18	395	951
Allahabad	598	252	73	845	1768
UBI	601	551	18	728	1898
MGB	4194	92	365	583	5234
	78720	10058	3608	8749	101135

Source : Lead Bank

It is a well-known fact that prosperity of small scale unit largely depends on the type of plant and machinery involved in the production. It has been often found that a large number of units have either become sicker and closed due to installation of wrong or substandard machinery. This has happened in most cases due to the absence of proper knowledge amongst intrepeneurs. All these facts indicate a need for stronger activities of NSIC in the District.

Adequate supply of raw material in time is prerequisite of industrial growth. In Birbhum District the Private raw material market is totally unorganised. The small scale industries have to depend largely on public sector supply.

Marketing assistance to small scale sector in the form of institutional efforts was never attempted earlier in the District outside to control purchase programmes of the Union Government or the State. In recent days decision has been taken to open four marketing outlets in different parts of the District to cater to the local need by the products of the small scale units.

Entrepreneurship has been recognised as an essential ingredient of economic development. The entrepreneurship in the district is basically shy due to the following reasons : -

(a) lack of motivation on the part of individuals;

- (b) preference for traditional occupational and finance;
- (c) apathy, sense of fear and insecurity towards Government initiated and sponsored programmes;
- (d) less thinking of alternative avocation
- (e) lack of finance for initial investment.
- (f) lack of support from family & community for his enterprise;
- (g) lack of requisite managerial skill;
- (h) absence of confidence.

Generally, there are two sources of entrepreneurship, viz., traders community & technocrats. Apart from the above, a number of ED training courses have been organised in the District with the initiative and active support of the District Industries Centre, which are highlighted.

FOOTNOTESCHAPTER - IV

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