GROWTH CENTRE CONCEPT FOR INDUSTRIALISATION OF PURULIA

For rapid industrialisation Prof Colin Clark propounded the idea of 'growthmanship' - that is maximisation of output. This idea is, however, under attack on a number of fronts and modern planning concepts and policies have undergone considerable change from those ideologies.

There is often a tendency for industries to be attracted to urban agglomerations on account of various locational, infrastructural and market advantages. In the long run, this leads to a concentration of industrial units at a few centres - creating the dual problem of overcrowding at these centres on the one hand, and of severe regional disparities on the other. One of the objectives of the Government of India's Industrial Policy has been the reduction of regional imbalances by encouraging the establishment of industries in industrially backward areas. The concept of 'growth centre' has come out of this objective. The basic idea of growth centres is that economic activity within a region tends to agglomerate around a small number of focal points. Large population centres have high market potential and economically are more attractive to business managers so that a growth centre will normally be
a substantial population centre with a wider marketing base. These focal points or 'growth centres' are areas in and around which intense economic development can be envisaged. Basically the conditions for the successful development of a growth centre are those that determine the degree of attractiveness of the centre concerned as a location for new investment by private entrepreneurs. The conditions which make a location more attractive than others for the private investors are inter alia; good transport and communication network, adequate industrial infrastructure (especially water and power) and housing facilities, good local demand for products and easy availability of raw material. Also of equal importance are banks, post offices, credit societies etc. These together constitute a good investment climate. Other factors though apparently of minor importance, are educational, cultural and recreational facilities and health clinic and hospitals.

The Central Ministry of Industry has set up an Agency for Backward Area Development (ABAD) as a central agency to plan, sponsor and promote a co-ordinated programme for establishment of industries in backward areas. ABAD should function as the agency for identifying local resources in which industries can be based, preparing project reports, disbursing grants and aids, giving assistance - technical, marketing and other - so that an entrepreneur does not have to run from pillar to post. The creation of such an agency adequately manned and with requisite powers can prove the single most important tool for bringing about a dispersal and balanced growth.

Another powerful mechanism for growth centre development is represented by the consortium approach in which banks, industrial houses, international enterprises and planning authorities join hands
for co-ordinated planning and execution thereof for the industrial development of a major centre.

Promotional strategies as enumerated above, to be really effective need to be backed up by adequate incentive to private industries. Such incentives may take the form of subsidisation of initial investment and operating as also marketing and development. Government of India have announced certain financial incentives for industries established in selected backward districts/areas. These are in addition to the facilities and incentives that are offered by individual State Governments. Central outright grant or subsidy scheme 1971 allows an entrepreneur a subsidy of 15 percent of the fixed capital investment or Rs.15 lakhs, irrespective of the capital cost of the project, whichever is lower. Concessional Finance Scheme of the Government provides assistance on concessional terms to Industrial Projects in Backward Areas. Financial Institutions like Industrial Development Bank of India, Bombay, Industrial Finance Corporation of India, New Delhi and Industrial Credit and Investment Corporation of India Ltd provide loan assistance to new concerns for projects in specified backward districts at a concessional rate of interest of 7½ percent up to a ceiling of Rs 2 crores. Transport subsidy scheme of the Government caters for 50 percent of transport cost of raw materials in certain specified areas.

Besides the above, different State Governments provide various incentives such as tax concession, subsidised power, land at concessional rate, shades for construction of workshops etc.

The West Bengal Infrastructural Development Corporation has been set-up for the backward areas and potential growth centres. But as compared with Maharashtra, Gujrat and Tamil Nadu, growth centre Cont'd...279
movement has yet to get into stride in West Bengal. Industrially West Bengal is the most important state in the Eastern region. This State took the lead in the country's industrialisation but today it is stagnating. The industrial activity of the entire State is concentrated in Calcutta-Howrah and Durgapore-Asansole belt. What is vitally needed at present is the spread of industrial activities and diversification of industries. The need for modernisation of traditional industries is no less vital. The State has more or less adequate infrastructural facilities. The hitherto neglected areas with growth potentialities, technically called 'backward areas' have to be taken up for dispersal of economic activities.

Against this backdrop intensification of industrial activities at favourable 'Growth Centres' in Purulia needs special attention.

Purulia has already been declared by Government of India as a 'backward district' which automatically entitles the entrepreneur all the subsidies and concessions if and when he sets an industry in the district. However, promotional strategies need to be carefully drawn up to attract the probable investors.

Thorough technological surveys by expert bodies on marketing opportunities, raw materials and labour costs, on financing arrangements and terms available, on the availability and cost of developed industrial sites, etc - bearing on the profitability of the lines of investment activity to be promoted needs to be studied. Purulia has three or four traditional industries concentrated at various centres. It has got a vast as yet untapped mineral resources. Besides, forestry, agro-based industrial potentiality and scope for various other ancillary industries, when properly analysed, will give clue to the location of potential growth points.
Promotional agencies have to provide information and consultancy services to investors evincing interest with a view to enabling them to develop industrial projects. W.E.B.C.O.N, a consortium of few nationalised banks and private entrepreneurs, formed for providing financial and other assistance to small scale sector in West Bengal, Directorate of Small Scale Industries, in Government of West Bengal etc to name a few, have a big role to play in this respect.

A very vital need for attracting investment is prompt and proper dissemination of information through association of producers, guidelines to financial institutions etc. The strategies adopted by Gujrat State Finance Corporation in this respect is worth emulating. The corporation on their own contact the entrepreneurs having letters of intent and ascertain from them their need for financial assistance. Wide publicity is given about nature of financial assistance the corporation can offer as also lines of activity in which the corporation is specially interested in financing. Investors are provided with all help for obtaining licences from State Directorate of Industries. If the same strategy is vigorously pursued there is no reason why Purulia with its potentiality cannot attract prospective investors.

Several schemes may be thought of to promote growth centres in Purulia. Traditional industries of Purulia are badly in need of modernisation to sustain their existence. But the owners of these industries do not have the means to buy modern manufacturing or testing equipments. Financial Institutions can introduce scheme of leasing equipment in selected growth centres to give some special encouragement to industries there. It increases a firm's ability to acquire funds and helps it to make up for the shortage of working capital and thus reduces pressure on it. Procurement of quality raw material is another field where these all industries badly need help.
Setting up of raw material bank at selected places wherefrom the industries can draw their requirement will immensely help the industry in boosting their output as well as market. Construction of sheds for workshops, leasing of sheds and land at low rent, provision for supply of water and electricity and such other special facilities in selected growth centres are likely to go a long way in attracting industries to the centres and thus impart dynamism to development.

Out of the eight backward areas in West Bengal selected by West Bengal Infrastructural Development Corporation as growth centres, Santaldih in Purulia is one. 480 MW Thermal Power Station is the nucleus for this centre. It is a roadways and rail-road network centre for Bankura-Purulia area and is also conveniently near the Asansol Industrial Belt. A recent plan has been produced for Santaldih in which it is proposed to be developed as an agro-industrial centre for the Bankura-Purulia sub-region.

Besides Santaldih there are several other areas which have the potentiality to be developed as growth centres. Of these, following few are worth immediate attention:

Purulia Town: It is the headquarter of district of Purulia. It has a population of 57,721. This town is well connected with neighbouring highly industrially developed regions like Durgapur, Asansole, Dhanbad, Bokaro by all weather roads and rail links. There are six major roads. Dhanbad-Tatanagar national highway No 32 passes through Purulia. This road is also connected by Durgapur road near Raghunathpur. Chas road heading to Bokaro Steel city and Ranchi road also connect the town. Purulia is well connected with major cities like Calcutta, Tatanagar and Kharagpur by broad gauge rail-line. There is also a proposal to convert the narrow gauge line connecting Kotsila into

Cont'd...282
broad gauge in the near future. The town is a very busy market centre. The water supply in Purulia is done by the Purulia Water Works Department. Power is available in the town. There are five Financial Institutions viz The United Bank of India, State Bank, Central Bank, Central Co-operative Bank and Land Mortgage Bank. Private capital is at present shy, but with a specific drive for the industrialisation of the district it can certainly be attracted for industrial ventures. Cutlery and Handtools manufacturing units, Bidi Making Units, Brass and Bell Metal utensils industries, light engineering units, aluminium utensil industry are located in the town.

Thus Purulia having various types of locational advantages and being centrally located within the district is in a position to lead the industrial activities.

Sometime back State Government took a decision to develop certain industrial areas and allot developed plots to entrepreneurs. For immediate development two sites appear to be quite favourable - one at Palanja and the other at Bongabari on the out skirts of Purulia Municipal area. Between the two, the site at Bongabari is relatively better as it is on the main highway leading to Durgapur. In any of these sites 20 to 25 acres of land may be acquired and the Department of Cottage and Small Industries may take up the developmental works like provision of water, electricity, drainage, roads etc and make the plot ready for allotment. It may be worthwhile initially to construct a few sheds and allot them to entrepreneurs. In the area developed, plots can be allotted to entrepreneurs with the latter taking up the responsibility for the construction of the buildings.
Bongabari is situated outside the Municipal limits near the RK Mission Polytechnic campus. It is a high level rocky land on the state highway running from Purulia to Durgapur and Asansole towns. About 30 acres can be acquired in this area. The railway line from Purulia to Adra is about 1 Km and the Charra Airstrip is about 1.5 Km. The electricity sub-station is about 2.5 Kms from this place. Three big wells are working in the paddy fields adjoining this area. In about a mile towards the West, there is a small canal which can be utilised for the disposal of effluents.

The other site is located in Mouza Palanja. It is a high-level land. Purulia town and the Railway Station are within a kilometre towards the north-east. A development plan similar to Bongabari can be undertaken for this area also.

Raghunathpur: It, with a population of 12,733 persons, stands on the Dhanbad-Tatanagar road 41 Kms to north-east of Purulia. This town is connected with steel towns like Burnpur (32 Kms) and Durgapur (81 Kms). Dhanbad the centre of the colliery belt in Bihar is only 41 Kms and the Panchet Dam is about 32 Kms from the town. Thus Raghunathpur has its own situational importance. Tassar handloom weaving industry has its main concentration at Raghunathpur. This town has five Rice Mills, ten saw mills, fourteen bidi manufacturing units and a number of other conventional units.

Open east china clay quarry at Dhatara is only 10 Kms and the felspar quarry at Benagaria is about 6 Kms from this town. The availability of China Clay suitable for whiteware and the use of the available felspar as a glaze material to ceramic products favour the establishment of ceramic units in this town. The working coal mines of Nituria are within 24 Kms from here and Santaldih Thermal Power

Cont'd.....284
Station is about 24 Kms. The infrastructure facilities available add to the importance of the town.

Jhalda : The town with a population of 11,732 persons stands on the road to Ranchi 45 Kms from Purulia in the North-West. Bokaro Steel city is only 69 Kms from here and Muri is 11 Kms. The town is connected with Purulia by rail and road. Jhalda is noted as a collection centre for stick lac from the nearby forests and from Ranchi District in Bihar as well. A number of factories are producing seedlac and shellac here. Handtool industry is second important industry employing a substantial number of people. Bidi Units have their main concentration in Jhalda. The working limestone quarries in Jhalda Blocks are lifting appreciable quantities of limestone suitable for portland cement manufacture.

Besides, a good number of mineral deposits have been explored at the foot of Balamu Hills within one mile of Jhalda Town.

Again with the implementation of M.F.A.L Development Scheme, it is expected that the production of fruits, vegetables, commercial crops will increase within a few years. This will offer scope for a fruit processing unit and a cold storage plant.

That the problem of eradicating regional imbalance and thus to find the ways and means for dispersal of industries are getting more and more importance from the Government is revealed by the official announcements, both at the Central and the State level, of extra incentives and their extensions to cover a wide range of activities. West Bengal Infrastructure Development Corporation has been formed. A few growth centres in different districts have been selected. However, despite the best effort and will, there exists a yawning gap
between policy-making and policy-implementation for growth centres development in West Bengal. In fact, conditions for development obtaining in West Bengals' growth centres are anything but satisfactory due to inadequate mobilisation of investment interest. At present there is no institution dealing specifically with the promotional activity for growth centres. There should be some Regional Planning Authority capable of formulating a consistent development plan for the State's growth centres. It is gathered that the State Government is giving serious thoughts for planning in this micro-level. However, whatever be the official proclamations and press statements, from the progress of the work it appears that Purulia is still receiving a low priority.