

CHAPTER - 8.

THE SUMMARY & CONCLUSION.

The socio-economic conditions of India were in the sorry state of affairs on the eve of independence. The agriculture was the main profession of the people ; but it was in the primitive stage. The industrial development was most insignificant. A remarkable part of the total population of the country was living below the poverty line. There was huge unemployment. In fine, the total condition of the country was very much critical at that time.

Under the same circumstances, the government had to step in formulating constructive plan and programme. The Five Year Plan was adopted. Taking notes and lessons from the greater world, the industrial development was given high priority. A list of priority was prepared in this respect. There were searches of potential places to locate the forthcoming enterprises.

In the footsteps of national policy, plan and programme, the searches of suitable sites for industrial development were started in West Bengal. Durgapur came to be known in this regard through a series of study and analysis by the state sponsored agencies. The personal role and vision of Dr. Bidhan Chandra Roy, the then Chief Minister of the state might be marked as a directing factor in this respect.

Durgapur was not at all a significant place before the planned industrial development. The agriculture was the main profe-

ession of the people of the area; but it was never a profitable profession. There was no irrigation facility in this area. The surface of the land was hilly-undulating. In fine, it might be said that the socio-economic conditions of the area in general were not at all favourable for a standard human life.

The spatial characteristics of the place were, however, very much favourable for the planned industrial development programme. Firstly, because of the substandard socio-economic conditions, there appeared no problem to acquire the required land for the proposed complex. Secondly, the soil conditions of the area were found favourable for the heavy industries. Thirdly, the proximity to Raniganj - Jharia coal belt appeared conducive for the power generation industry. Fourthly, sufficient water was found ~~available~~ available from River Damodar. Fifthly, the then existing Railway facilities and Grand Trunk Road appeared there as the suitable means of commercial transportation facilities for the proposed complex. Sixthly, the place was situated just within 158 km on the Railways from Calcutta. In fine, it might, therefore, be said that the spatial characteristics of Durgapur were sufficiently conducive for the planned industrial development.

Taking advantage of the easy availability of coal, the thermal power generation appeared as the first kind of industry of Durgapur complex. This might also be said as the beginning of the industrial development of the place. But, the development

programme took a definite shape and galloping speed only with the coming of Durgapur Steel Plant in 1960. In course of time, there appeared as many as 18 major enterprises and 431 small scale units in Durgapur industrial complex.

The remarkable feature here is that the linkage is the background of the present structure of the complex. The government has promoted the complex by taking up all possible initial development plan, programme and jobs. Some spatial facilities-based basic industries, viz, the thermal power and steel, have also been established by the government to give a definite shape of the development prospect of the complex. It is already observed that the spatial facilities of Durgapur area are reasonably conducive for the thermal power generation and steel industry. Other operating enterprises, including the small scale enterprises, are found related or co-related either among themselves or to the basic industries of the complex. The total picture may, therefore, be said as operationally quite feasible and economically prospecting, so far as the running enterprises are concerned.

While appraising the performance, it is found that most of the operating enterprises are not effecting a fair rate of capacity utilisation. Notable among them are Durgapur Steel Plant, Mining & Allied Machinery Corporation, Alloy Steels Plant, Hindustan Fertiliser Corporation Limited, Durgapur Projects Limited, Durgapur Thermal Power Station of Damodar Valley Corpo-

ration, Bharat Ophthalmic Glass Limited, Durgapur Chemicals Limited, etc. The fair rate of capacity utilisation has been attained by Philips Carbon Black Limited, Graphite India Limited, Sankey Wheels Limited, Indo-American Electricals Works Limited and Hein-Lehmann India Limited. A reasonable rate of capacity utilisation has been attained by ACC-Babcock Limited, Durgapur Cement Works, Asiatic Oxygen Limited, Durgapur Pharmaceutical Works and Eastern India Pharmaceutical Limited. The small scale sector as a whole has been found running almost in the red. The salient observations of the study here are that the public sector enterprises as a whole are effecting poor rate of capacity utilisation; it is the performance appraisal of the basic industries, i.e., the power units and the steel plants; only some medium scale public limited enterprises, who have very little to contribute in the actual growth of the complex, have effected a reasonable rate of capacity utilisation and the small enterprises in general are running out of the beams. In fine, it may, therefore, be said that the performance appraisal in general is not found encouraging in Durgapur industrial complex.

There have been found many deterrents for the average poor rate of performance of the enterprises of the complex. Some of them are common and others are institutional in nature. The common problems of the major enterprises, other than the small scale units, are the power crisis, the crisis of the raw materials, the shortage of spare parts, insufficient transportation facilities

the labour unrest, the maintenance delays, the obsolescence of the machineries, etc. There has been found a very close relationship among some of the above deterrent of poor performance. For example, the crisis of raw materials is caused mainly due to insufficient transportation facilities, since there is no dearth of the materials in the country in most of the cases. Again, the labour unrest is one of the major root of the maintenance delays. The insufficient transportation and the crisis of coal are the main reasons for the running power crisis.

While analysing the above mentioned deterrents, the managerial failure may be marked as the main cause in most of the cases. There is no basic marketing problem for either of the major enterprises of the complex. None of the enterprises is found in any kind of geo-economic crisis. The problems may be observed as the result of the developed conditions. Incidentally, it may be noted that the problem is the outcome of the twentieth century culture. It is the inherent responsibility of the management to take care of the problem in right direction and in time. It may not be possible to overcome ^{all} the problems by the single-handed efforts of the management of a particular organisation. The co-ordinated efforts may be required to get a definite result in some of the cases. Under the same circumstances, the co-ordination among the related managements should be ^{the} call of the days. It is a fulfilled subject by itself. It may be taken up for details discussion and study in an appropriate project. The topic does not come under the purview

of the present study in any way. It may, however, be briefly said here that a nationwide cultural change of the managerial practices may only help in this direction.

Regarding the small scale enterprises of the complex, it is found that they are in the problems mainly due to poor rate of capacity utilisation of the major enterprises of the complex. These enterprises are heavily constrained due to the power crisis, which is the failure only of Durgapur Projects Limited. They are not getting sufficient sale orders from the major units, since the major units themselves are widely in the reds. In fine, it may be said that unless the major units are out of the reds, the small units of the complex would continue in the problems.

Under the same circumstances, the prospect of the complex in general may be said as considerably uncertain. This is, however, a primary observation. This observation has been based upon the running condition of the operating enterprises of the complex.

There is, however, another side of the subject, which also influences the prospect of the enterprises. This is the prospect of the industries in general of the country. This is ^avery much critical subject. It is hardly possible to present a thorough picture of it in the scope of the present study. But, there are sufficient reasons to say here that the conditions are widely positive in this respect. This hypothesis is based mainly upon the information available on the marketing prospect of the products of the

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operating enterprises of the complex. Any basic problem of marketing the products is not found to face by any of the enterprises. There are, however, secondary marketing problems, which are entirely related to the effective rate of capacity utilisation. It is too much to expect that below quality and higher priced products will get ready salability, when there are many competitors in the market in most of the cases. Under the same circumstances, it may be said that there is prospect of course on the all out better rate of performance of the respective organisation. This is the logical conclusion mostly for the engineering industries.

But for the basic industries of the complex, the prospect is widely bright. The power crisis is the cause of agony of the national economy. Many power stations are under-construction; fresh schemes are frequently coming up. Even then it is expected that the country would have to face serious power crisis at the end of the Seventh Five Year Plan. Searches are going on to find^{out} other sources of power. But, there are reasons to assume that the thermal power would continue in the directing role at least in the near future of the country. That is why the nation is continuing efforts on the thermal power generation industry. It may, therefore, be said that there is definite prospect of the power sector of Durgapur industrial complex.

Next most important basic industry of the complex is the steel. The steel is an important basic industry of the country at

large. The progress of other techno-economic sectors of the country is very much dependent upon the progress of the steel industry. Taking note of this hypothesis, huge steel production programme has been taken in this country. Sufficient provision has also been kept in the Seventh Five Year Plan in this regard. This is a definite positive indication of the prospect of the steel industry in general of the country. Again, the suitable alternative of steel is yet to be discovered and there are sufficient indications to believe that the steel would continue in the present status at least in the near future, particularly in the developing countries as India, where industrialisation is still continuing almost in the primary stage as compared to that of the developed countries, viz, USA, USSR, UK, Japan, West Germany, etc.

While concluding the study, it may, therefore, be said that geo-economically, Durgapur is a suitable place for planned industrial development. The place is particularly suitable for the growth of the coal based industries. The place is found dominated by the enterprises of this nature. But, none of the basic enterprises and the heavy engineering units are found to continue in the good running conditions. The deterrents are mostly secondary in nature and come to be enshouldered by the management of the respective organisation.

By management here, it is wanted to mean the concept as a whole. Incidentally, it may be mentioned here that the mana-

gement culture in general may only help to derive effective results from a planned development programme. It is the means to get effective utilisation of the available resources.

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