

## CHAPTER - 1.

### THE EVOLUTION OF INDUSTRIAL ACTIVITIES IN DURGAPUR AREA

#### The History of the Area before industrial development

Durgapur is now the second most techno-economically important place of West Bengal. It was, however, altogether an insignificant place before the planned industrial development. It was marked only as a small Railway Station between Howrah and Asansol. The place was picked up for planned industrial development during the Second Five Year Plan.<sup>I</sup>

The complex is now known in the name of Durgapur alone. But, it has been grown up in the area consisting of another eleven small and insignificant villages. Because of the Railway Station in its name, Durgapur was comparatively better known in greater India.

Taking the Railway Station as the centre point, Durgapur is situated only 64 km away in the west of the district head quarter in Burdwan. Calcutta, the capital of West Bengal and the international city with Air Port, River Port and Dock on River Gang , is found 158 km away on the Railway in the east of Durgapur. The famous coal field of Raniganj stands only 15 km away in the west of the area. Asansol, an old but well known industrial town of West Bengal and one of the important Divisional Head Quarter of the Indian Railways, is found only 25 km away in the west of Durgapur region. The River Damodar is flowing across the southern front of the area ( Annex/Map - 1).

Before industrial development, Durgapur area was considered as a geo-economically unimportant place. It was widely a jungle-based and under populated area. It was commonly known as an integral part of the famous 'jungle Mahal' of Burdwan district. The density of population of the area was only 55 persons per sq. mile <sup>2</sup>. It was a roughly surfaced and hilly-undulating place. There was no modern irrigation facility in the area to promote scientific agriculture. The soil conditions were also not conducive for it.

On the other hand, there was no scientific development programme of the area before the scheme taken after the attainment of independence. The tile and brick factory of M/S Burn & Co. was the only industrial establishment of the area since 1905. Thereafter, there was a long gap till the place was picked up for planned industrial development only since 1955 <sup>3</sup>.

How the Area was picked up  
for development programme

On the eve of independence, the country as a whole and West Bengal in particular had to face many unprecedented socio-economic constraints mainly due to partition. West Bengal had to accommodate a sudden heavy inflow of refugees. This part of the undivided Bengal was already running in the socio-economic problems. The added burden put the state in an alarming condition <sup>4</sup>. The government, therefore, had no alternative but to step in searching out the ways and means to face the emerged challenges of the time. Incidentally, the industrial development became a solid national policy to foster the techno-economic growth of the country as a whole since the early days of the independence <sup>5</sup>.

In the outline of national policy, steps were taken to search out the industrial potentialities of West Bengal. No authentic or official record was available to identify clearly the picture in this respect. But for the discovery of Durgapur as a place in this direction, the personal vision and initiative of Dr. Bidhan Chandra Roy, the then Chief Minister of the state, was widely considered as the directing factor<sup>6</sup>.

#### The Role of the State.

Despite nonavailability of official information, considering the circumstantial evidences, there are sufficient reasons to take it granted that the primary jobs of industrial development of Durgapur were initiated by the state government. Initially, the jobs were learnt to have been taken up departmentally. But, the jobs were left to be taken up in the name of Durgapur Projects Limited, a Government of West Bengal enterprise since the early 60s. Of course, a good number of other government sections and sponsored agencies, viz, Durgapur Notified Area Authority (DNAA), Asansol-Durgapur Development Authority (ADDA), Block Development Offices, etc, were deployed to carry out these jobs in the subsequent stages in different areas of the jobs.

The construction of the barrage on River Damodar is usually considered as the beginning of the development of so-called deserted Durgapur. But, the place became prominent in the techno-economic map of the country only with the establishment of Durgapur Steel Plant. The development, however, becomes phenomenal with a good number of other industrial enterprises at the subsequent period.

Reportedly, being pursued by the Government of West Bengal, particularly by the Chief Minister Dr. Bidhan Chandra Roy, the Colombo Plan Mission, headed by U.K. born Sir Eric Coate, was deployed by the union government to study the industrial potentiality, particularly for the steel industry in Durgapur. The Mission submitted its report in 1956<sup>7</sup>. The project in the name of Durgapur Steel Plant as a public sector enterprise was taken up by the central government in the same year<sup>8</sup>.

Other phase-changing industrial enterprises of Durgapur complex are Durgapur Thermal Power Station of Damodar Valley Corporation, a Government of India multipurpose project of 1957, Durgapur Projects Limited, a Government of West Bengal multipurpose organisation of 1959, ACC-Babcock Limited, a public limited company of 1962, Philips Carbon Black Limited, a public limited company of 1962, Asiatic Oxygen Limited, a public limited company of 1963, Durgapur Chemicals Limited, a Government of West Bengal undertaking of 1963, Hindustan Fertilisers Corporation Limited, a Government of India enterprise of 1964, Sankey Wheels Limited, a public limited company of 1964, Indo-American Electricals Limited, a public limited company of 1964, Mining & Allied Machinery Corporation, a central government enterprise of 1965, Alloy Steels Plant, a Government of India undertaking of 1966, Jessop & Co. Limited, a nationalised central public enterprise of 1966, Hein-Lehmann India Limited, a public limited company of 1966, Graphite India Limited, a public limited company of 1967, Bharat Ophthalmic Glass Plant, a Government of India undertaking of 1968, Durgapur Pharmaceutical Works, a partnership

firm of 1969 and Durgapur Cement Works, a public limited company of 1975 (Annex/Map - 2).

The above noted enterprises are either heavy or medium scale units. On the other hand, a huge number of small scale units have been established gradually in the complex.

THE GROWTH TREND OF SMALL SCALE ENTERPRISES OF DURGAPUR COMPLEX

TABLE NO : 1.

SL.NO.	Ø	BLOCK YEAR	Ø	NUMBER OF SMALL SCALE UNITS
1.		1955-58		11
2.		1958-61		19
3.		1961-64		16
4.		1964-67		72
5.		1967-70		107
6.		1970-73		127
7.		1973-76		79
8.		1976-79		0
9.		1979-82		0
10.		1982-85		0
			TOTAL :	431

Source : Field Survey.

It is, therefore, found that there is an upward trend of growth of the small scale enterprises of the complex till the sixth block-year. In the seventh block-year, the trend is downward.

But, the trend is sharply zero in the last three block-years. It may be considered as an unhealthy sign (Annex/Pic - 3).

According to another point of the survey, these small scale enterprises are mostly owned either by the individuals or by the co-operative of the individuals or by the partnership firms. There is no state-owned small scale enterprise in the complex. But, it may be noted here that these small scale enterprises are being grown under the shadow of the giant enterprises, most of which are public sector undertakings.

To identify the role of the state in the growth of Durgapur industrial complex in greater details, the prominent enterprises may be classified accordingly.

THE MAJOR ENTERPRISES OF  
DURGAPUR COMPLEX CLASSIFIED

TABLE NO : 2.

SL.NO.	NAME OF THE ENTERPRISE	RATED CAPACITY (ANNUAL)	OWNERSHIP
<u>A. LARGE SCALE UNITS:</u>			
1.	Durgapur Steel Plant	- 1.6 million	- Public Sector.
2.	Mining & Allied Machinery Corporation.	- 50,000 tonnes	- -do-
3.	Hindustan Fertilisers Corporation Limited.	- 3 lakh tonnes	- -do-
4.	Durgapur Thermal Power Station of DVC.	- 460 mw.	- -do-
5.	Alloy Steels Plant	- 1 lakh tonnes	- -do-
6.	Durgapur Projects Ltd.	- 285 mw.	- -do-
7.	Durgapur Chemicals Ltd.	- 41,000 tonnes	- -do-
8.	Bharat Ophthalmic Glass Plant.	- 200 tonnes	- -do-

Contd-----P/7.

TABLE NO : 2 (Contd)

SL.NO.	NAME OF THE ENTERPRISE	RATED CAPACITY ( ANNUAL)	OWNERSHIP
9.	ACC-Babcock Limited	- 14,500 tonnes	- Public Ltd.Co.
<b>B. MEDIUM SCALE UNITS :</b>			
1.	Philips Carbon Black Ltd.	- 36,000 tonnes	-do-
2.	Sankey Wheels Limited	- 4 lakh sets	-do-
3.	Graphite India Limited	- 45,000 tonnes	-do-
4.	Durgapur Cement Works	- 6 lakh tonnes	-do-
5.	Asiatic Oxygen Limited	- -	-do-
6.	Hein-Lehmann India Ltd.	- -	-do-
7.	Indo-American Elect.Ltd.	- 150 tonnes	-do-
8.	Durgapur Pharmaceutical Works.	- -	- Partnership.
9.	Jessop & Co. Limited	- 3,600 tonnes	- Public Sector.

Source : Field Survey.

It is now found that other than ACC-Babcock Limited, eight other large scale enterprises of the complex are public sector units. It is also found that these are the dominating units of the complex. Only one medium scale unit of the complex is in public sector.

Although other than Jessop & Co. Limited, no other medium scale unit of the complex is in public sector, it may, however, be marked that these enterprises have come at a later state, when the progress of the complex has already reached to a remarkable stage. The subject is, however, left to be discussed in details at the appropriate level of the study. In fine, it may be said that the

state has played a very remarkable role in the development of Durgapur industrial complex.

Finding the positive role of the state in the promotion of a modern industrial complex in Durgapur, it should not be assumed that it is an isolated case. It is, therefore, an obvious issue to study the all India picture with a view to understand the subject in right perspective, since an isolated step is not sufficient to mark the progress of a developing country like India to come out of the socio-economic odds; nor it is possible for a single industrial complex of its kind to prosper isolatedly. It is usually believed that modern industrial complex as in Durgapur needs a variety of assistances and supports from the greater fields to attain a reasonable result?

THE STATE INVESTMENT OF INDUSTRIAL DEVELOPMENT IN INDIA

TABLE NO : 3

Nature of Investment	FIVE YEAR PLANS					
	1st	2nd	3rd.	4th	5th.	6th.
Total Investment in the productive Sectors: by the state (Rs/Crores):	1,560	3,650	6,100	13,655	31,400	97,500
% of the total Investment.	46.4	54.1	58.6	60.3	66.0	57.0

Source : The Sixth Five-Year Plan, 1980-85.

It is, therefore, observed that the state has taken intensive and increasing role in the techno-economic development of the country. It is a huge subject by itself; but it does not come for details study and discussion in the scope of the present study. It may, however,

be briefly said that the promotion of Durgapur industrial complex has become possible due to intensive state roles.<sup>10</sup>

### SUMMARY.

On the eve of independence, India was altogether an underdeveloped country. Either in the field of industrial development or in the field of agricultural progress, the conditions of the country were practically very wretched. It was the result of the negative role of the British Rule of the country for long two hundred years. They were practically interested only to exploit this country in their own interests.

The independence of the country was subjected to the partition of Bengal and Punjab. A huge number of refugee switched over to this country. The refugee problems appeared very severe particularly in West Bengal due to some specific developments.

The western part of undivided Bengal was already running with socio-economic odds. The additional burden of refugee from the eastern part increased the burden to a considerable degree. The government has to step in taking over the responsibility and to search out ways and means in this direction.

Intensive industrial development became a national policy of the country on the eve of independence. Starting from a very wretched conditions, the government has to start almost from the beginning of the issue. Intensive searches were started to find out the industrial potentialities in the length and breadth of the country. This might be called as the beginning of the state role in this direction.

In the outline of national policy, the searches were also started in West Bengal. For the discovery of Durgapur as a suitable place for industrial development, the personal vision and initiative of the great Dr. Bidhan Chandra Roy, the then Chief Minister of the state might be considered here as the directing factor. Any official information was, however, <sup>not</sup> available in this respect.

Despite nonavailability of recorded information, from the circumstantial evidences, there are sufficient reasons to assume that it is the state government, which has initiated the development of Durgapur as a modern industrial complex.

The initial jobs of industrial development of Durgapur were started by the state government departments. But with the increasing work load, Durgapur Projects Limited was reportedly formed by the state government to carry out the on the spot jobs. It might, therefore, be said that the early jobs of the industrial development of Durgapur were carried out by the Government of West Bengal.

As many as 18 large and medium scale industrial enterprises and 431 small scale units have been established in Durgapur complex. Out of 9 giant units, 8 units are state-owned enterprises. Other enterprises have practically been grown under the shadow of the giant public sector enterprises of the complex. It may again be said here that the growth of the complex is also the result of the direct state-participation in the industrial development.

In fine, it may, therefore, be said that the state has initiated the complex and n<sup>o</sup>urished it to grow in the present form.

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