1.1.1 HISTORY OF CHHATTISGARH STATE

Chhattisgarh, a 21st century State, came into being on November 1, 2000. Larger than Tamil Nadu, it is just the right size, and is also fortunate to have a low population density. Good Governance is the highest priority in this Fast Track State. There is both policy stability as well as political stability. Government has been kept small and the State is in excellent fiscal health.

The name Chhattisgarh is not ancient and has come into popular usage in the last few centuries. In ancient times the region was called Dakshin Kosala. All inscriptions, literary works and the accounts of foreign travelers, call this region Kosala of Dakshin Kosala. According to Hari Thakur, the contest between Jabalpur and Chhattisgarh for the name Mahakosala is settled beyond doubt in favour of Chhattisgarh in the light of available evidence. Even during the reign of the Mughals, it was called Ratanpur territory and not Chhattisgarh. The word Chhattisgarh was popularized during the Maratha period and was first used in an official document in 1795.

A British Chronicler, J.B. Beglar provides an interesting story explaining the origins of the name Chhattisgarh. It becomes very relevant in the context of contemporary caste consciousness and the caste configuration of the region. According to Beglar "the real name is Chhattisghar and not Chhattisgarh. There is a tradition saying that ages ago about the time of Jarasandha, thirty six families of dalits (leather workers) emigrated southwards from Jarasandha's kingdom and established themselves in country, which after them is called Chhattisgarh". Another common explanation regarding the origins of the name Chhattisgarh is that it denotes the number of forts in the region, which are supposed to be thirty six in number. However, experts do not agree with this explanation, as thirty-six forts cannot be identified in the region. An explanation popular with the experts and historians is that Chhattisgarh is the corrupted form of 'Chedisgarh' or the political seat of the Chedis. 18 forts were in the north of Shivnath River where as 18 were in the south of it, who particular is as follow-

From Shivnath River to the -

North Direction – Ratanpur, Maro, Vijaypur, Kharod, Kotgarh, Navagarh, Sondhi, Okhar, Pandharbhata, Sumeria, Madan (Champa Janimdar). Kosgai, Lafagarh, Kenda, Uproda, Matin, Kandari (Pendra), Karkatti (now Baghelkhand)


According to a mythological legend, Ram, during his Vanvas stayed in Dakshin Kosala. The unbroken history of Chhattisgarh or of South Kosala can be traced back to fourth century A.D. and its mythological history goes back as far back as the Mahabharata and the Ramayana. About the history of the region the famous historian C.W.Wills writes, 'in the 10th century A.D. a powerful Rajput family ruled at Tripuri near Jabalpur, issuing from the kingdom of Chedi (also known as Kalchuri dynasty) a scion of the royal house by the name Kalingraja, settled about the year 1000 A.D., at Tuman, a site at present marked only by a few ruins in the north east of the erstwhile Laphazamidari of the Bilaspur district.
His grandson Ratanraja founded Ratanpur which continued as the capital of a large part of the country now known as Chhattisgarh. This Rajput family called themselves the Haihaya dynasty. This dynasty continued ruling Chhattisgarh for six centuries about the 14th century it split into parts, the elder branch continued at Ratanpur, while the younger settled in semi-independent state at Raipur. At the end of 16th century it acknowledged the suzerainty of the Mughals. In Bastar, in the middle ages, Chalukya dynasty established its rule. The first Chalukya ruler was Anmdev, who established the dynasty in Bastar in 1320.

The Marathas attacked Chhattisgarh in 1741 and destroyed the Haihaya power. In 1745 A.D. after conquering the region, they deposed Raghunath Singhji, the last surviving member of the Ratanpur house. In 1758, the Marathas finally annexed Chhattisgarh, it came directly under Maratha rule and Bimbaji Bhonsle, was appointed the rule. After death of Bimbaji Bhonsle, the Marathas adopted the Suba system. The Maratha rule was a period of unrest and misrule. There was large-scale loot and plunder by the Maratha army. The Maratha officials were openly surrendering the interests of the region to the British. As a result of this, the region became extremely poor and the people began resenting the Maratha rule. Only the Gonds continued to resist and challenge the advances of the Marathas and this led to several conflicts and much animosity between the Gonds and the Marathas (Captain Blunt, 1975). The Pindaris also attacked and plundered the region in the beginning of the Nineteenth Century.

In 1818 Chhattisgarh came under some sort of British control for the first time. In 1854, when the province of Nagpur lapsed to the British government, Chhattisgarh was formed into a deputy commissionership with its headquarters at Raipur. Historian C.W. Wills, writing about Chhattisgarh says, Chhattisgarh presents the remarkable picture of a Hindu government continuing till modern times outside the sphere of direct Mohammedan control. The British made certain changes in the administrative and revenue systems of Chhattisgarh, which adversely affected the people of Chhattisgarh. The intrusion of the British was resisted strongly in Bastar by the tribals and the Halba rebellion which lasted nearly five year (1774-1779) which was the first documented rebellion against the British and Marathas in Bastar. 4

The First war of independence in 1857 was spearheaded in Chhattisgarh by Vir Narain Singh who was a benevolent jamindar of Sonakhan. The British arrested him in 1856 for looting a trader's grain stocks and distributing it amongst the poor in a severe famine year. In 1857 with the help of the soldiers of the British Army at Raipur, Vir Narain Singh escaped from prison. He reached Sonakhan and formed an army of 500 men. Under the leadership of Smith, a powerful British army was dispatched to crush the Sonakhan army. The British succeeded after a prolonged battle and Vir Narain Singh was arrested and later hanged on the 10th December, 1857. He became the first martyr from Chhattisgarh in the War of Independence. Vir Narain Singh's martyrdom has been resurrected in the 1980's and he has become a potent symbol of Chhattisgarhi pride. 5

The Movement and Creation of Chhattisgarh

The demand for a separate Chhattisgarh state was first raised in the early twenties. Similar demands kept cropping up at regular intervals; however, a well-organised movement was never launched. Several efforts were made by individuals and organisations
towards highlighting the Chhattisgarh identity and expressing the sense of perceived marginalisation. There were certain protests with mass support but these were limited and sporadic. There were several all-party platforms formed and they usually resolved around petitions, public meetings, seminars, rallies and bandhs.6

A demand for separate Chhattisgarh was raised in 1924 by the Raipur Congress unit, and later on also discussed in the Annual Session of the Indian Congress at Tripuri. A discussion also took place of forming a Regional Congress organisation for Chhattisgarh. Sporadic attempts to give a call for a separate state for Chhattisgarh continued in the years immediately following Independence. In 1955, a demand for a separate state was raised in the Nagpur assembly of the then state of Madhya Bharat.7

When the State Reorganisation Commission was set up in 1954, the demand for a separate Chhattisgarh was put forward to it, through this was not accepted. It was reported that the State Reorganisation Commission rejected the demand for Chhattisgarh on the grounds that the prosperity of Chhattisgarh would compensate for the poverty of other regions of Madhya Pradesh.

The eighties were a comparatively quiet phase in the demand for Chhattisgarh. The 1990's saw more activity for a demand for the new state, such as formation of a state wide political forum, especially the Chhattisgarh Rajya Nirman Manch. The Late Chandulal Chadrakar led this forum, several successful region-wide Bandhs and rallies were organised under the banner of the forum all of which were supported by major political parties including the Congress and the BJP. The rallies of the all party forum were attended by leaders from most political parties.8

The Congress Government of Madhya Pradesh took the first institutional and legislative initiative for the creation of Chhattisgarh. On the 18th March 1994, a resolution demanding a separate Chhattisgarh was tabled and unanimously approved by the Madhya Pradesh Vidhan Sabha. Both the Congress and the Bhartiya Janta Party supported the resolution. The election manifestos of the Congress and the BJP for both the 1998 and the 1999 parliamentary elections as well as the Madhya Pradesh assembly election of 1998 included the demand for creation of separate Chhattisgarh. In 1998, the BJP led Union Government drafted a bill for the creation of a separate state of Chhattisgarh from sixteen districts of Madhya Pradesh. This draft bill was sent to the Madhya Pradesh assembly for approval. It was unanimously approved in 1998, although with certain modifications.

The union government did not survive and fresh elections were declared. The new National Democratic Alliance (NDA) government sent the redrafted Separate Chhattisgarh Bill for the approval of the Madhya Pradesh Assembly, where it was once again unanimously approved and then it was tabled in the Lok Sabha. This bill for a separate Chhattisgarh was passed in the Lok Sabha and the Rajya Sabha, paving the way for the creation of a separate state of Chhattisgarh. The President of India gave his consent to The Madhya Pradesh Reorganisation Act 2000 on the 25th August 2000. The Government of India subsequently set the First day of November 2000 as the day on which the state of Madhya Pradesh would be bifurcated into Chhattisgarh and Madhya Pradesh. Many political observers have commented on the relatively peaceful manner in which the Chhattisgarh state has been created.
There is no single factor responsible for the creation of Chhattisgarh. It is in fact a complex interplay of a combination of factors that paved the path for a separate state. The long standing demand and the movement for Uttarakhand and Jharkhand which led to the acceptance of separate states for these two regions, created a sensitive environment for the Prithak Chhattisgarh demand. Therefore, the creation of Chhattisgarh coincided with the creation of these two states and became a concurrent process. Another important factor leading to the creation of Chhattisgarh was that there was clear acceptance, within Chhattisgarh and outside that Chhattisgarh had a distinct socio-cultural regional identity that had evolved over centuries.

A consensus had evolved and emerged on the distinctiveness of Chhattisgarh. The people of Chhattisgarh accepted this and saw Prithak Chhattisgarh as giving expression to this identity. A sense of relative deprivation had also developed in the region and people felt that a separate state was imperative for development to take place in the region. In a democratic polity, the people's demand has a high degree of legitimacy and weight. Therefore the people's demand voiced through democratic channels was heard and contributed immensely to the creation of Chhattisgarh.

The consensus regarding the distinctiveness of Chhattisgarh did not remain limited to its socio-cultural identity. All over Madhya Pradesh, the consensus on a need for separate Chhattisgarh was also carefully developed. This consensus cuts across geographical regions castes, classes and political parties. A strong reflection of this consensus was evident in the unanimous passing of the Chhattisgarh bill in the Madhya Pradesh Vidhan Sabha. This consensus is a pointer to the high degree of maturity of Madhya Pradesh polity and the smooth passage of the Prithak Chhattisgarh bill resulting in the peaceful and unanimous creation of a new state a tribute to this maturity.

The movement for consolidating the Chhattisgarh identity has continued through the decades. It would become dormant for some years and then against erupt in some other district. It is therefore, impossible to create a linear pattern of the creation of Chhattisgarh identity. However, it is important to underscore that the multilayered and multilateral process of formulating and expressing Chhattisgarhi identity took place over a long period of time. Various other political and non-political formations have, within the framework of their ideological positions and worldview, been working towards the formation of an identity for Chhattisgarh.

Chhattisgarh Samaj, an organisation formed under the umbrella of the Proutist Sarva Samaj Samiti has working for the development of a political, social and cultural consciousness of Chhattisgarh. Since the late sixties the Samaj has been publishing a weekly news paper in Chhattisgarhi through which they have been working for the growth of the Chhattisgarhi language. Through the different wings of the Samja, an attempt is being made to spread regional consciousness which they believe will then translate into the development of Chhattisgarh. A diametrically opposite non-party political formation struggling for the identity of Chhattisgarh is Chhattisgarh Mukti Morcha or the CMM.

This mass based people’s movement started as a trade union movement and then moved on to link the exploitation of the region to the fact that its cultural identity had been suppressed. Gradually the movement started focussing on the struggle of Chhattisgarh against the exploitative oppressive and hegemonic mainstream. On 19th December, 1979,
in an attempt to link the tradition of struggle to the ethos of Chhattisgarh, the CMM then the CMSS, initiated the tradition of observing Shahid Vir Narain Singh's date of execution by the British as martyr's day.

The identity of Chhattisgarh has been created and evolved through a complex process that has largely charted its own course. A combination of cultural historical, social, economic and political factors have contributed to this process. The wide pluralities of cultures, traditions, histories and customs existing in the region have combined to form a unique mixture that has fed into the development of the Chhattisgarh ethos and identity. However, the key point is that the identity of Chhattisgarh cannot be viewed as separate from the people of Chhattisgarh. It is important to note that the Chhattisgarh identity has been asserted in different forms and has become more pronounced in adverse circumstances manifesting itself especially as protest against exploitation. Dr. H. L. Shukla distinguishes between self image and other image for a more holistic understanding of Chhattisgarh identity and ethos. It is imperative to synthesize and blend the two images to understand the priorities and challenges facing new Chhattisgarh. The identity of Chhattisgarh is an inclusive identity, in spite of the movement for Prathak Chhattisgarh. There exists in the Chhattisgarh identity while being sensitive towards as well as protecting and preserving the plurality of customs, traditions and cultures.9

Thus, Chhattisgarh was formed as a separate state of India from Madhya Pradesh on 1st November, 2000 bounded by Jharkhand in South and Orissa in the east, Madhya Pradesh and Maharashtra in the west, Uttar Pradesh and Western Jharkhand in the north and Andhra Pradesh in the South. Areawise Chhattisgarh is the ninth largest state and population-wise it is seventeenth state of the nation.

1.1.2 GEOGRAPHY OF CHHATTISGARH

Chhattisgarh is a state in central India, with Raipur as the state capital. The state gained statehood on November 1, 2000 after it got divided from Madhya Pradesh. With a geographical area of 135,195sq km., it is the 10th largest state of India by area. Chhattisgarh takes its name from 36 (Chattis is thirty-six in Hindi and Garh is Fort) princely states in this region. Chhattisgarh is bordered by Bihar, Jharkhand and Uttar Pradesh in the north, Andhra Pradesh in the south, Orissa in the east and Madhya Pradesh in the west. Chhattisgarh has a population density of 154 persons per square kilometer, the highest concentration being in the areas of Raipur and Durg. Chhattisgarh, situated in central India, has a rich history but a recent geography. The capital city of this state is Raipur. The state lies between 80°15" to 84°20" longitude and between 17°46"N to 24°5"N latitude. This is possible owing to the unique geography of Chhattisgarh.

Chhattisgarh is a landlocked state in east central India. It shares borders with six states. About 44% of the state's area is under forest cover. It is rich in biodiversity of flora and fauna. The Green State of Chhattisgarh has the densest forests in India, rich wildlife, and above all, over 200 non-timber forest products, with tremendous potential for value addition. The northern part of the state lies on the edge of the great Indo-Gangetic plain. The Rihand River, a tributary of the Ganges, drains this area. The eastern end of the
Satpura Range and the western edge of the Chota Nagpur Plateau form an east-west belt of hills that divide the Mahanadi River basin from the Indo-Gangetic plain. The central part of the state lies in the fertile plain of the Mahanadi and its tributaries, with extensive rice cultivation. The southern part of the state lies on the Deccan plateau, in the watershed of the Godavari River and its tributary the Indravati. This basin is an extremely fertile region and has ample scope for rice cultivation. The upper portion of the Mahanadi basin is separated from the upper Narmada basin to the west by the Maikal range, which is a part of the Satpuras.

**Profile of Chhattisgarh**

<table>
<thead>
<tr>
<th>CAPITAL</th>
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<tbody>
<tr>
<td>PRINCIPAL LANGUAGE</td>
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<tr>
<td>AREA (In Sq.Km.)</td>
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<td>FEMALE LITERATE in numbers</td>
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<td>NSDP at current prices Crores (2001-2002)</td>
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</tr>
<tr>
<td>PER CAPITA NSDP (2001-02) at current prices</td>
<td>12476 Rs</td>
</tr>
</tbody>
</table>

Sex Ratio: Number of Females per 1000 males.

Literacy Rate: Literacy rate is the percentage of literates to total population.

(Source: Director of Economics & Statistics of respective State Governments (As on March 26, 2004), Ministry of Health and Family Welfare, Govt. of India)

**Climate**

The climate of Chhattisgarh is mainly tropical. It is hot and humid because of its proximity to the Tropic of Cancer. It is dependent completely on the monsoons for rains. Summer in Chhattisgarh is from April to June, and can be uncomfortably hot, with the mercury hitting the high 40's. Monsoon season is from middle and late June to October and is a wonderful time to visit Chhattisgarh. The rains provide a welcome relief from the scorching summer heat and the whole state is covered with greens and waterfalls are at
their best. Winter season is from November to January is also a good time to visit Chhattisgarh. Winters are pleasant with low temperatures and less humidity.

**Connectivity**

Chhattisgarh state as compared to Madhya Pradesh has a much lower population density of 154 persons to the 158 of Madhya Pradesh. While Chhattisgarh has 30.49 percent of the land area of the undivided Madhya Pradesh, only 26.7 percent of the total villages are in Chhattisgarh. Both of these, when taken together point to a state with relatively longer distances.

Transportation services in the region are in process of development. Chhattisgarh has thousand kms. of Railway tracks and 20,000 kms. of roads out of which 1/3rd of the road are tarmac and the rest are mud roads. Goods transports are in the hands of private transporters. Raipur has the only airport in the region.10

Rocks: The road infrastructure of Chhattisgarh, despite these large distances, is in fact better than other parts of the undivided Madhya Pradesh. Chhattisgarh currently has 24.6 kilometers of road for every 100 square kilometers of area. In terms of village roads Chhattisgarh has 1.3 kilometers of village roads for every village. The total length of the roads in the State is 45,288 kms. The length of the national highways is 2,228 kms, state highways are 3,213 kms, district roads are 4,814 kms and rural roads are 25,811 kms. The state has a vast network of highways and is well connected by other parts of the country by road. The state has 11 national highways.11

Railways: Raipur, Bilaspur, Durg, Rajnandgaon, Raigarh and Korba are important railway stations. Total railway route length is 891 kms. New railway zone in Bilaspur started functioning from 1st April 2003. The rail network in Chhattisgarh is centered on Bilaspur, which is the zonal headquarters of South East Central Railway of Indian Railways. Other main railway junctions include Raipur, Durg, and Champa. These junctions are well connected to all the major cities of India.

Airlines: Raipur is connected with New Delhi, Nagpur, Mumbai and Bhubaneswar by daily flights. Bilaspur, Bhilai, Raigarh, Jagdalpur, Ambikapur, Korba, Jashpurnagar and Rajnandgaon are having airstrips. The air infrastructure as of now in the state is not well equipped. Raipur, the capital city, is the sole commercially operating airport of the state.

**Demographic profile**

Chhattisgarh accounts for two per cent of India’s population, of which 20 per cent live in urban areas and the remaining 80 per cent in rural areas. The population is primarily concentrated in the central plains region. Of the total population of 20.83 million, 43.4 per cent represent scheduled castes and scheduled tribes, who live mostly in the thickly forested areas in the north and south.12

Chhattisgarh has a population of over 20.8 million (Census 2001). Its population density stands at 154 persons per sq km, much lower than the all India-average of 324 persons per sq km. Population growth rate in Chhattisgarh stood at 18.06 per cent during 1991-2001, lower than the national growth rate of 21.3 per cent during the same period.13
As per the 2005 UNDP report on Human Development Index (HDI), Chhattisgarh has an HDI of 0.447. Korba district, which ranks first in the HDI rankings (0.625), also has the highest income index of 0.980.14

Rivers

The Mahanadi is the main river of the state. Other rivers are Hasdo (a tributary of Mahanadi), Rihand, Indravati, Jonk and Arpa.

Water Resources

Nature is very kind to Chhattisgarh in terms of rainfall as compared to several other states of the Union. Average rainfall in the state is around 1136.41 mm. and about 90% of the total rainfall is confined in the Monsoon season i.e. June to October.15 The rainfall has erratic temporal and spatial distribution in the state. Due to this variation in the rainfall, the agriculture production of the state, which is mainly Paddy, is affected. It is obvious that irrigation is the prime need of the state.

The main sources of water in the state are Rivers, Tanks and Ground-water. The state has important rivers providing a lifeline to the socio-economic development of the state, such as Mahanadi, Shivnath, Indravati, Arpa, Hasdeo, Kelo, Son, Rehar, Kanhar etc.

Estimated surface water flowing through rivers with 75% dependability is 59.90 Billion Cum. and due to various geographical and interstate constraints the usable surface water in the state is 41.72 Billion Cum. Surface water being used at present is only about 9.2 Billion Cum. Estimated ground-water in the state is 13.68 Billion Cubic meters and present utilization is 2.79 Billion Cubic meters.

There are 4 Major, 33 Medium and 2199 Minor completed irrigation projects in the state as on 31st March 2006. To overcome condition of recurrent draughts due to varying rainfall, the state government has taken-up many new irrigation projects on top priority with an ultimate aim of achieving irrigation for 75% cultivable area. A comprehensive master plan for the state, for optimum use of water resources is also being prepared.

Forests

Chhattisgarh has been provided huge forests resources by the nature. The total geographical area of the state is 137,360 Sq. Kms. and nearly 46% of it is covered with forests. 12% of India's forests are in Chhattisgarh. Identified as one of the richest biodiversity habitats, the Green State of Chhattisgarh has the densest forests in India, and rich wildlife. Over 200 non-timber forest products, with tremendous potential for value addition are produced in the state. The forests here exhibit a unique variety of flora and fauna. The state has formulated a goal to be the 'greenest state' by way of planting more than 100 million Jatropha, Carcus saplings in the next few years. There are more than 88 types of medicinal produce in Chhattisgarh.

Reserved area of forest (2006-07) is 24452 sq. kms., protected area of forest is 15409 sq. k.ms. and unclassified forest is 5478 sq. k.ms. The main forests products are timber wood (176453 sq. k.ms.), fire wood (205314 sq. k.ms.), industrial bamboo (24994 sq. k.ms.) and commercial bamboo (39665 sq. k.ms.) whereas main forest produce are lakh (510 quintals), mahul patta (3295 quintals), honey (769 quintals), tamarind (5916 quintals), oil seed (250 quintals), amla (32 quintals) and medicinal produce (50 quintals).16
Agriculture

Chhattisgarh is known as the "rice bowl" of central India. Chhattisgarh used to produce over seventy percent of the total paddy production in the state. Apart from paddy, cereals like maize, kodo-kutki and other small millets, pulses like tur and kulthi and oilseeds like groundnut, soyabean, niger and sunflower are also grown. Chhattisgarh produced nearly half of all food grains, and one third of all major crops were grown in the undivided Madhya Pradesh during the kharif season. The main Rabi crops of Chhattisgarh are jowar, gram, urad, mong and moth. Chhattisgarh produces 45 percent of the jower and over eighty percent of the gram which was produced in undivided Madhya Pradesh. Chhattisgarh produces very little wheat. A quarter of all produce of pulses in Madhya Pradesh during the Rabi season comes from Chhattisgarh. There are very few cash crops grown in Chhattisgarh, and there is a need to diversify the agriculture produce towards oilseeds and other cash crops.

Districts and Administrative Set-up

It comprises of 18 districts which are Bilaspur, Dhamtari, Janjgir-Champa, Korba, Mahasamund, Raipur, Surguja, Narayanpur, Dantewada (south Bastar), Durg, Kawardha, Koriya, Raigarh, Kanker (North Bastar), Bijapur, Bastar and Rajnandgaon.

A district of Chhattisgarh is headed by a Deputy Commissioner who is over all in-charge of the administration in that particular district. He has to perform triple functions as he holds three positions of a Deputy Commissioner, the district Magistrate and that of a Collector. As a Deputy Commissioner he is the executive head of the district with multifarious responsibilities. As the District Magistrate he is responsible for maintaining the law and order situation in the district and as the Collector he is the Chief Revenue Officer of the district, responsible for revenue collection and recovery. The Police administration in the district is under the control of Superintendent of Police (SP). To decentralize the authority in administrative set up a district is divided into one or more subdivisions, which are further divided into tehsils and blocks.

Languages

The languages of Chhattisgarh are unique and distinct. Hindi is widely spoken in the state. Especially in the urban areas of the state, Hindi is spoken to a great extent. It is perhaps considered an influence of Madhya Pradesh, the state which Chhattisgarh was once a part of. Korku, Kharia and Korba are the important munda dialects used in Chhattisgarh. Till some years, Korku was the most important Munda dialect with around 200,000 speakers. But the singular linguistic aspect of Chhattisgarh is the Chhattisgarhi language. All dialects of Chhattisgarhi use the Devanagari script.

Chhattisgarhi is spoken by a whooping number of 11.5 million people, who are primarily from Chhattisgarh and Madhya Pradesh. Some speakers of this language also hail from Orissa and Bihar. Chhattisgarhi is spoken in the rural areas and hilly tribal districts of the state. The language has 93 dialects and is read and written in the Devanagari script out of which 70 belong to the Indo-European language family. The language is closely related to Bagheli and Awadhi. It is referred to as Khaltahi in the hilly areas and is called Lariya in Orissa. The language is considered an eastern dialect of Hindi, although many linguists regard it to be a language quite distinct from Hindi.
Education

The rate of development in the field of education is slow still the state has committed to spread the knowledge and freedom of thought among its citizens, which is reflected in its policy. The overall literacy rate for the state as per census 2001 is 64.70 per cent, with male literacy rate at 77.40 per cent and female literacy rate at 51.90%. The state has been providing free and compulsory education to its children until they complete the age of fourteen years.

The state government is emphasizing more on the educational interests of the underprivileged sections, particularly, the Scheduled Castes and Scheduled Tribes to raise their literacy standards. The state follows a uniform system of school education i.e. the 10+2 pattern. Schools in Chhattisgarh are either run by the state government or privately by trusts and individuals.

The state of education infrastructure is gradually improving in the state. As per the 2001 census, Chhattisgarh has a male literacy rate of 77.4 per cent, which is 2.1 per cent higher than the national average. The average literacy rate in the state is 64.7 per cent. The state has 139 government colleges, 17 engineering colleges including National Institute of Technology, one Indian Institute of Management, 12 polytechnics, eight private pharmacy colleges, three medical colleges, three dental colleges (including one government college) and one government nursing college in all.17

The literacy rate in Chhattisgarh has improved steadily from 42.91 per cent in 1991 to 64.7 per cent in 2001, registering a growth of 21.79 per cent. With 77.4 per cent male and 51.9 per cent female literacy rates, the gender gap in literacy is 25.5% as against the country’s average of 21.6%. The rural literacy rate is 60.50 per cent with 74.10 per cent male and 47.0 per cent female. The urban literacy rate is 80.60 per cent with male registering at 89.40 per cent and female showing literacy rate of 71.10 per cent.18

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<th>All</th>
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<th>Female</th>
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<td>Chhattisgarh</td>
<td>42.9 %</td>
<td>58.1 %</td>
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<tr>
<td>Rural</td>
<td>36.7 %</td>
<td>52.4 %</td>
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<td>Urban</td>
<td>71.4 %</td>
<td>82.7 %</td>
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(Source: Primary Census Abstract, Census of India 1991 Registrar General of India.)

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<th>Area</th>
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</thead>
<tbody>
<tr>
<td>Chhattisgarh</td>
<td>64.66 %</td>
<td>77.38 %</td>
<td>51.85 %</td>
</tr>
<tr>
<td>Rural</td>
<td>60.48 %</td>
<td>74.09 %</td>
<td>46.99 %</td>
</tr>
<tr>
<td>Urban</td>
<td>80.58 %</td>
<td>89.39 %</td>
<td>71.11 %</td>
</tr>
</tbody>
</table>

(Source: Primary Census Abstract, Census of India 2001, Registrar General of India.)

The low level of literacy, especially amongst women, Scheduled Castes and Scheduled Tribes is a cause for concern. The literacy rate amongst the Scheduled Castes was 64.00 per cent in 2001 and 52.1 percent amongst the scheduled tribes. The general enrolment and access to primary schools in the undivided Madhya Pradesh, including areas
of Chhattisgarh has received a tremendous boost in the last decade with increased availability of functional primary schools and the starting of the Education Guarantee Scheme.

Health

Chhattisgarh has done remarkably great in a variety of fields of basic and necessary domains. The state has moved far in the field of health infrastructure with 16 district hospitals, 708 primary health centres and 4994 sub-health centres in total, 634 Government Ayurvedic hospitals, 52 Homeopathy hospitals, 6 Unani hospitals. Chhattisgarh has sexually transmitted diseases (STD) clinics established in all its districts. There are blood bank facilities in 12 districts in the state. Three two medical college hospitals at Raipur and Bilaspur have strength of over 1,000 beds offering a wide range of specialised services.19

In 1990, 1991 and 1992 the Infant Mortality Rate for rural Chhattisgarh fluctuated from 82.7 to 111.8 and then to 76.5, while the Infant Mortality Rate for all of rural Madhya Pradesh moved from 120 to 125 to 109. The Infant Mortality Rates for rural Chhattisgarh are significantly lower than entire rural Madhya Pradesh. The Death Rates in rural Chhattisgarh are lower than Death rates for Rural Madhya Pradesh in the same years.

Data from the Census of 1991 also give us mortality and fertility indicators for the year 1991. The table below presents some basic health indicators from 1991. The life expectancy at birth in Chhattisgarh is better as compared to Madhya Pradesh. In 1991, while the Life expectancy in Chhattisgarh was 61.4 years, it was 57.3 years for the entire Madhya Pradesh. What is also very encouraging in Chhattisgarh is that female life expectancy in higher than that of males.

<table>
<thead>
<tr>
<th>Table 1.3 Health Indicators of Chhattisgarh, 1991</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Mean Age of Marriage</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Total Fertility Rate</td>
</tr>
<tr>
<td>Infant Mortality Rate</td>
</tr>
<tr>
<td>Life Expectancy at Birth</td>
</tr>
<tr>
<td>Population expected to survive beyond 20 years</td>
</tr>
<tr>
<td>Child Mortality until 5 years</td>
</tr>
</tbody>
</table>

(Source: Indicators calculated from Fertility Tables, Census of India 1991, Registrar General of India, New Delhi.)

The Total Fertility Rate of the State is 3.0. The Infant Mortality Rate is 57 and Maternal Mortality Ratio is 335 (SRS 2004 - 2006) which are higher than the National average. The Sex Ratio in the State is 989 (as compared to 933 for the country). Comparative figures of major health and demographic indicators are as follows:
Table 1.4: Demographic, Socio-economic and Health profile of Chhattisgarh State as compared to India figures:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Item</th>
<th>Chhattisgarh</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total population (Census 2001) (in millions)</td>
<td>20.83</td>
<td>1028.61</td>
</tr>
<tr>
<td>2</td>
<td>Decadal Growth (Census 2001) (%)</td>
<td>NA</td>
<td>21.54</td>
</tr>
<tr>
<td>3</td>
<td>Crude Birth Rate (SRS 2008)</td>
<td>26.1</td>
<td>22.8</td>
</tr>
<tr>
<td>4</td>
<td>Crude Death Rate (SRS 2008)</td>
<td>8.1</td>
<td>7.4</td>
</tr>
<tr>
<td>5</td>
<td>Total Fertility Rate (SRS 2008)</td>
<td>3.0</td>
<td>2.6</td>
</tr>
<tr>
<td>6</td>
<td>Infant Mortality Rate (SRS 2008)</td>
<td>57</td>
<td>53</td>
</tr>
<tr>
<td>7</td>
<td>Maternal Mortality Ratio (SRS 2004 - 2006)</td>
<td>335</td>
<td>254</td>
</tr>
<tr>
<td>8</td>
<td>Sex Ratio (Census 2001)</td>
<td>989</td>
<td>933</td>
</tr>
<tr>
<td>9</td>
<td>Population below Poverty line (%)</td>
<td>-</td>
<td>26.10</td>
</tr>
<tr>
<td>10</td>
<td>Schedule Caste population (in millions)</td>
<td>2.42</td>
<td>166.64</td>
</tr>
<tr>
<td>11</td>
<td>Schedule Tribe population (in millions)</td>
<td>6.62</td>
<td>84.33</td>
</tr>
<tr>
<td>12</td>
<td>Female Literacy Rate (Census 2001) (%)</td>
<td>51.9</td>
<td>53.7</td>
</tr>
</tbody>
</table>

(Source: RHS Bulletin, March 2008, M/O Health & F.W., GOI)

Table 1.5: Health Infrastructure of Chhattisgarh

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Required</th>
<th>In position</th>
<th>Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-centre</td>
<td>4164</td>
<td>4741</td>
<td>-</td>
</tr>
<tr>
<td>Primary Health Centre</td>
<td>659</td>
<td>721</td>
<td>-</td>
</tr>
<tr>
<td>Community Health Centre</td>
<td>164</td>
<td>136</td>
<td>28</td>
</tr>
<tr>
<td>Multipurpose worker (Female)/ANM at Sub Centres &amp; PHCs</td>
<td>5462</td>
<td>4850</td>
<td>612</td>
</tr>
<tr>
<td>Health Worker (Male) MPW(M) at Sub Centres</td>
<td>4741</td>
<td>2514</td>
<td>2227</td>
</tr>
<tr>
<td>Health Assistant (Female)/LHV at PHCs</td>
<td>721</td>
<td>749</td>
<td>-</td>
</tr>
<tr>
<td>Health Assistant (Male) at PHCs</td>
<td>721</td>
<td>114</td>
<td>607</td>
</tr>
<tr>
<td>Doctor at PHCs</td>
<td>721</td>
<td>862</td>
<td>-</td>
</tr>
<tr>
<td>Obstetricians &amp; Gynecologists at CHCs</td>
<td>136</td>
<td>35</td>
<td>101</td>
</tr>
<tr>
<td>Physicians at CHCs</td>
<td>136</td>
<td>6</td>
<td>130</td>
</tr>
<tr>
<td>Pediatricians at CHCs</td>
<td>136</td>
<td>33</td>
<td>103</td>
</tr>
<tr>
<td>Total specialists at CHCs</td>
<td>544</td>
<td>107</td>
<td>437</td>
</tr>
<tr>
<td>Radiographers</td>
<td>136</td>
<td>108</td>
<td>28</td>
</tr>
<tr>
<td>Pharmacist</td>
<td>857</td>
<td>791</td>
<td>66</td>
</tr>
<tr>
<td>Laboratory Technicians</td>
<td>857</td>
<td>474</td>
<td>383</td>
</tr>
<tr>
<td>Nurse/Midwife</td>
<td>1673</td>
<td>639</td>
<td>1034</td>
</tr>
</tbody>
</table>

(Source: RHS Bulletin, March 2008, M/O Health & F.W., GOI)
The other Health Institution in the State are detailed as under:

<table>
<thead>
<tr>
<th>Health Institution</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical College</td>
<td>3</td>
</tr>
<tr>
<td>District Hospitals</td>
<td>16</td>
</tr>
<tr>
<td>Referral Hospitals</td>
<td>Na</td>
</tr>
<tr>
<td>City Family Welfare Centre</td>
<td>Na</td>
</tr>
<tr>
<td>Rural Dispensaries</td>
<td>Na</td>
</tr>
<tr>
<td>Ayurvedic Hospitals</td>
<td>8</td>
</tr>
<tr>
<td>Ayurvedic Dispensaries</td>
<td>634</td>
</tr>
<tr>
<td>Unani Hospitals</td>
<td>1</td>
</tr>
<tr>
<td>Unani Dispensaries</td>
<td>6</td>
</tr>
<tr>
<td>Homeopathic Hospitals</td>
<td>3</td>
</tr>
<tr>
<td>Homeopathic Dispensary</td>
<td>52</td>
</tr>
</tbody>
</table>

(Source: RHS Bulletin, March 2008, M/O Health & F.W., GOI)

**Housing and Basic Amenities**

The 1991 census provides detailed information on the type of houses occupied in Chhattisgarh as well as access to basic amenities of safe drinking water, electricity, and sanitation by households. More than three fourths of the households in Chhattisgarh resided in semi-pucca houses and about 19 percent lived in pucca houses. Eleven percent rural houses in 1991 were kutcha houses. In terms of access to amenities the table below shows the situation as in 1991.

<table>
<thead>
<tr>
<th>Basic Amenity</th>
<th>All</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to Electricity</td>
<td>31.8%</td>
<td>25.4%</td>
<td>61.2%</td>
</tr>
<tr>
<td>Access to Safe Drinking Water</td>
<td>51.2%</td>
<td>45.1%</td>
<td>79.6%</td>
</tr>
<tr>
<td>Access to Toilet</td>
<td>10.3%</td>
<td>3.3%</td>
<td>42.4%</td>
</tr>
<tr>
<td>Access to all Three</td>
<td>7.6%</td>
<td>1.5%</td>
<td>35.6%</td>
</tr>
<tr>
<td>Access to None of the Three</td>
<td>36.1%</td>
<td>41.9%</td>
<td>09.6%</td>
</tr>
</tbody>
</table>

(Source: Household tables, Census of India 1991, Registrar General of India, New Delhi.)

**Food**

Rice is the principal crop of the area, and forms the main part of the diet of these people. Interestingly red ants, flying ants, mushrooms, squirrels, and rats are some of the other special delicacies. Liquor, brewed from mahuwa is an important delicacy among the tribal people. They are fond of fish as well. Pork is a major item in their diet and almost every major ceremony commences with the sacrifice of a pig. Wheat, jowar and maize form the staple foods of the state. Rice is grown here on an extensive scale. No wonder rice also forms an important constituent of people's diet here. Other important agricultural produce used in the diet comprises of coarse grains, fruits, pulses, etc. The Chhattisgarhi cuisine is reflected in the festivals here like Madai, Bastar Lokastav, Hareli, etc. Interestingly, the local food materials from Chhattisgarh are outsourced to some countries abroad. Many international chocolate brands use the Bastar sal butter as a raw material.
Arts & Culture

Majority of the population in Chhattisgarh comprises of the local tribal groups. Gonds form the largest group among these natural residents of the land followed by Oraon, Kanwar, Baiga, Kamar, Birhar Saura, Role and so many other tribes. Besides having a rich reservoir of minerals, the state of Chhattisgarh is also characterized by an equally rich culture and heritage, which is manifested by its tribal population. The state of Chhattisgarh is infused with spectacular colours. Colors are exhibited in every aspect of the lifestyle here. The people here wear colorful attires. Previously some women in the rural areas here would wear garlands made of one rupee coins. But now this trend is dying down. However, the people of Chhattisgarh have a tendency to adopt new trends and lifestyles. Beautifully and skillfully decorated artifacts made from bamboos, jute, clay wood, mud, etc. are famous here. These exquisite handicrafts can act as wonderful mementos for the tourists.

Dance and Music

Chhattisgarh often resounds and reverberates with the beats of the drum. Country-dances are the chief source of amusement. Dance and music forms of this state have very close relation to its tribal heritage and culture that they are practicing from the time immemorial. Major music forms of the state are Pandwani singing, Chandeni, and Bharthari. Some of the popular dance forms of the state are Panthi dance, Nacha, Gond, Muria, Damkach dance, Bhagoriya dance, Sela dance, Dandia dance, Dandari dance, Karma dance, Chaitra dance, Gendi dance, Phag dance and Lota dance. Ghotul is a better-known event in tribal life and they have aroused considerable interest from anthropologists to study the tradition.

Music is an integral component of the culture of Chhattisgarh. Pathoni, sohar and bihav are some of the popular forms of songs in Chhattisgarh. Pathoni songs are usually sung in gouna, which marks the departure of the bride to the bridegroom's place, whereas Sohar songs are related to child birth. Similarly, the Bihavi songs are sung in all marital celebrations. Main portions of the Vihavi songs include Nahdouri, Telmati, Maymouri, Chulmati, Parghani, Bhadoni and others. They are all related to Vidai.

The most unique feature of Chhattisgarh is the presence of a wide spectrum of tribal groups having their own language, culture, art forms, music and dances. The dances of Chhattisgarh exhibit beauty, diversity, quality, energy and variety.

Festivals

Chhattisgarh is famous for its festivals. Generally, all the festivals are being celebrated in the state due to diversification of society. Pola, Nawakhai, Dussehra, Deepawali, Holi, GovardhanPooja, RathYatra, etc. are celebrated with gaiety and festivity.

Tourism

The state of Chhattisgarh in central India is like a whiff of fresh air, especially if you happen to arrive here from a concrete jungle. The state has a great variety to offer in terms of travel and tourism. The presence of several ethnic tribal groups here has led to the rise of a unique cultural diversity. Furthermore, an impressive forest cover, and a rich historical heritage have contributed to make Chhattisgarh a uniquely beautiful travel
destination. With such a grand variety of tourist destinations, a tour to Chhattisgarh truly is a rewarding experience.

Eco-tourism is a special feature of the tourism of Chhattisgarh. The state has 12 percent share of India's total forests. The three national parks and 11 wildlife sanctuaries here are perhaps the best bet for all wildlife lovers. Besides these wildlife reserves, Ayurvedic medicines, and exquisite handicrafts produced by the tribes also contribute to the special tourist attractions of Chhattisgarh. The Indravati National Park, the Kanger Valley National Park, the Sanjay National Park, the Barnawapara National Park, the Udanti Wildlife Sanctuary and the Sitanadi Wildlife Sanctuary, are perhaps the State’s finest and the most exhilarating wildlife reserve.

Unique architectural monuments consisting of temples, monuments, caves, palaces, etc. comprise of the sites of cultural heritage in Chhattisgarh. Rajim, Champaranaya, Sheorinarayan, Giodhpuri, Dantewada, Ratanpur, Sirpur, Dongargarh are the prime pilgrimage centers of Chhattisgarh. The rock paintings of Kabra Mountains, Singhanpur, Sita Bhengra will make your visit to Chhattisgarh worthwhile. Bhoramdeo, Dantewada, Deepadih, Malhar, Jogibhatta, etc. are the other interesting sites of cultural heritage in Chhattisgarh.

**Costumes**

Chhattisgarh is a state with a rich heritage, striking diversity, lush green forests, distinct geographical features and a multitude of ethnic groups. The presence of several ethnic tribal groups adds more hues to the costumes of Chhattisgarh. the costumes of Chhattisgarh are the costumes of the rural and tribal groups. They are rich, beautiful and inimitable.

The costumes of Chhattisgarh exhibit colours. Fabrics like linen, silk and cotton are used in the costumes made here. Batik, Bandhani, weaving and tie-dye are the various techniques used in fabric-making. In the urban areas, trousers and shirts, sarees and salwar suits are worn by the men and the women respectively. Sarees in varieties like Maheshwari silk, Orissa silk, Chanderi silk, Batik print sarees, etc. are worn by the women in the urban areas here. Jewelry like neckpieces made of metal casts, silver ghungroos, chunky wooden bangles, etc. is worn widely by the tribal population. Men in tribal groups like Halbas, Ghotuls, Abhuj Marias, Murias, etc. wear dhotis and headgears like cotton turbans, for protection from the harsh sun during the day. The women wear knee-length or full length sarees in bright colours.

**Handicrafts**

Chhattisgarh has a vivid variety of fascinating handicrafts. The folk paintings here depict several expressions and emotions and also portray the socio-cultural ambience of the people of the state. Bamboo crafts, wood works, bell metals, Terracota, Bamboo thickets and folk paintings are the major handicrafts produced here. The other varieties of handicrafts produced in Chhattisgarh include terracotta articles, wrought iron, cotton fabrics, Wall hangings, fishing traps, agricultural implements, tables and chairs, hunting tools, baskets, table lamps, table mats, etc. are all produced from bamboo, by the artisans here. Bamboo works truly can be termed as the heart of handicrafts of Chhattisgarh.
Paintings are perhaps the most expressive of the handicrafts of Chhattisgarh, which aesthetically encapsulates the various facets of life of these Chhattisgarh tribes. Pithora paintings are the most common paintings in the tribal areas of the state. These paintings are usually made during childbirth, marriages, and other occasions of wish fulfillment. They are found in most of the tribal homes and generally comprise of a horse, which is considered auspicious in most of the communities in Chhattisgarh.

Cotton fabrics produced in Chhattisgarh lend a new meaning to the handicrafts of Chhattisgarh. The tribals of Chhattisgarh engage in this art and make cotton fabrics from a thread known as the kosa thread. They are hand-woven and hand-printed by the tribes. Hand-printing is done with a vegetable dye called aal.

So we can rightly say that the tribal groups hold a lion's share in the handicrafts of Chhattisgarh.

Media

The media of Chhattisgarh comprises of newspapers, magazines and news journals, radio and television. The media here is spread mostly in the urban areas and is primarily accessed by those living in the urban areas. The newspapers having presence in Chhattisgarh include Dainik Bhaskar, Deshbandhu, Navbharat, Amrit Sandesh, Samvet Shikhar, Central Chronicle, Highway Channel, Patrika, Chhattisgarh Yug and Era Films, Savera Sanket, Nandgaon Times, Krishak Yug, Chhattisgarh Jhalak, Dava, Choubey Times, and many other newspapers. Most of these newspapers are weekly, daily and evening, are published in Hindi and English. All these news publications form an important constituent of the media of Chhattisgarh.

All India Radio (AIR) stations have spread all over India, with presence in all the major cities. There are five radio relay centres in Chhattisgarh e.g. Raipur, Bilaspur, Jagdalpur, Ambikapur and Raigarh. Raipur has many FM radios like MY FM, Radio Mirchi, FM Tadka, etc. There is also a MY FM station in Bilaspur, which belongs to a private enterprise. Radio is an important feature of media of Chhattisgarh.

However, the media of Chhattisgarh does not have much of a reach in the rural and the tribal areas of the state.

Sports

The state of Chhattisgarh has a robust culture of sports. The sports of Chhattisgarh comprise of football, hockey, cricket, basketball, kabbadi, volleyball, badminton and almost all other sports activities practiced all over India. Traditional sports activities too are practiced all over Chhattisgarh.

The Chhattisgarh Football Federation is the state association affiliated to the All India Football Federation. Its office is in Bhilai. The important football stadiums in Chhattisgarh include the Pant Stadium in Bhilai, the NTPC Football Stadium in Korba, Ravishankar Shukla Stadium in Durg, Priyadarshini Indira Stadium in Korba and Digvijaya Stadium in Rajnandgaon. Moreover, a futuristic sports complex is under construction in the city of Raipur. Rajnandgaon is famous for the sport of hockey. In fact, it is known as the 'Nursery of Hockey'. The city boasts of the Mahant Sarveshwar Das Memorial all India hockey tournaments, which was inaugurated in 1941. Both cricket and
hockey matches are held here. The Ranji Trophy tournaments too are held here. The SAIL Athletics Academy at Bhilai facilitates in moulding and honing champions of tomorrow. About 75 sports tournaments have been organized in this city since the formation of Chhattisgarh. There is a Sports Authority of India (SAI) training centre in Rajnandgaon.

**Poverty**

Estimates of poverty are available from two main sources. One is the large surveys undertaken by the National Sample Survey Organisation (NSSO) every five years and the second is from the State Government own surveys conducted to identify household below the poverty line for the express purpose of benefit under poverty alleviation programmes. Results for the NSS survey of 1993-94 are available, wherein two estimates have been given.

One is the poverty line head count ratio depending on the official poverty line and the other is as suggested by the Expert Group set up by the Planning Commission on estimates of poverty. While there is still some lack of certainty on the head count ratio, we use the recommendations of the Expert Group, as calculated by NSSO’s special study. The total estimated head count ratio for poverty in 1993-94 was 28.6 percent which was marginally lower at 25.74 percent for rural Chhattisgarh and much higher at 42.2 percent for urban Chhattisgarh. In the same year, the overall poverty ratio was found to be 33.51 percent for all India and 31.3 percent for the undivided Madhya Pradesh.

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987-88</td>
<td>55.35</td>
<td>58.47</td>
<td>35.38</td>
</tr>
<tr>
<td>1993-94</td>
<td>38.91</td>
<td>38.21</td>
<td>42.21</td>
</tr>
</tbody>
</table>


**Telecom**

The state is in the process of implementing the State Wireless Area Network (SWAN), which will be a hybrid of wireless and wire-line access – supporting voice, data and video traffic. The wire-line telecom providers are Bharat Sanchar Nigam Limited (BSNL) and Touchtel, while the wireless providers are BhartiAirtel, Vodafone, Idea Cellular, Reliance Communications and TATA Docomo.
Telecom infrastructure

<table>
<thead>
<tr>
<th>Service</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of telephone connections</td>
<td>1,210,503^</td>
</tr>
<tr>
<td>Broadband subscribers</td>
<td>168,951*</td>
</tr>
<tr>
<td>Post offices</td>
<td>3,124</td>
</tr>
<tr>
<td>Telephone exchanges</td>
<td>608^</td>
</tr>
</tbody>
</table>

(Sources: Cellular Operators Association of India, Chhattisgarh at a glance, 2007, Department of Telecommunications, 2009-2010 *Includes Madhya Pradesh ^As of December 2009)

State Government

The Bharatiya Janata Party (BJP), the Congress, and the Bahujan Samaj Party (BSP) have significant presence in the politics of Chhattisgarh. Presently BJP is having majority in the legislative assembly, whereas Congress enjoyed a majority in the last term. Congress and BJP are probably the most influential political parties of Chhattisgarh.

The government and administration in Chhattisgarh is controlled on the same lines as in other states of the country. The state follows a unicameral system of government i.e. it has only one house – the Chhattisgarh Legislative Assembly (Vidhan Sabha). The Vidhan Sabha consists of 90 members. Chhattisgarh has 11 seats in the Lok Sabha – the lower house of Parliament. Like all other states of India, the head of the state is the Governor, appointed by the President of India. His or her post is largely ceremonial. The Chief Minister is headed by a group of ministers with independent power. The Chief Minister is the head of government and is vested with most of the executive powers. The Chief Minister leads his council of ministers. Dr. Raman Singh is the present Chief Minister of the State. This is second tenure in the state as the Chief Minister. Ajit Jogi was the first Chief Minister of this newly-formed state. Representing the Mahasamund constituency, he enjoyed his tenure of Chief Minister from 2000 to 2003.

Some Other Information

- It has 10 municipal corporations and 28 municipalities. Maharashtra’s City and Industrial Development Corporation (CIDCO) has been appointed as the advisor to upgrade the capital city of Raipur and create a new planned city, called ‘NayaRaipur’. The project is estimated to cost US$ 450 million and includes the following:
  - A water supply project for meeting the requirements of an estimated 2.5 million population by 2031. A transport hub in the city.
  - Naya Raipur Development Authority (NRDA) has been set up as the nodal agency for comprehensive development of the green field city.

(Sources: Releases from Government of India: Sector-wise, 2000-08, Finance Department, Government of Chhattisgarh)

Thus, from the above it is clear that the profile of Chhattisgarh State is rich in every sense. It is making a good image at the National level. Though only some years have passed since its birth but even though it is showing a good progress in the demography.
1.1.3 ECONOMIC BACKGROUND

Economy of Chhattisgarh boasts a thriving infrastructural support which is aptly enhanced by multifarious industries. While agriculture and power are the key drivers of growth in the state, real estate, banking & finance and tourism sector are the other allied industrial zones that collectively form a strong economic platform for Chhattisgarh. Economy of Chhattisgarh makes the state one of the prominent commercially viable states of India which is performing remarkably well.

In the vein of most of the states of India, Chhattisgarh is also inclined towards agriculture. Besides great prospects of power and electricity, the state has seen great rise in the establishment of industries. Chhattisgarh, being a mineral-rich state, contributes 20% in the country’s total production of steel and cement. It also owns country’s largest integrated steel plant - Bhilai Steel Plant, in its periphery. Its economy is further stimulated by the S.E.C.Railway Zone, BALCO Aluminium Plant (Korba), and NTPC Korba (National Thermal Power Corporation Ltd), and S.E.C.L. (South Eastern Coalfields Limited). Chhattisgarh is also planning to become bio-fuel self-sufficient by initiating a grand plan of planting crops of jatropha, by the year 2015.

About 80 percent of the total population of Chhattisgarh depends on agriculture. Wheat, paddy, maize and groundnut are the major crops produced in the region. Chhattisgarh is also rich in mineral resources and about 20 percent of the country’s steel and cement are produced here. Chhattisgarh has large supply of power which can be easily transmitted to any of the four grids of India. About 90 percent of the villages in Chhattisgarh have been electrified.

Chhattisgarh has been famous for its rice mills, cement and steel plants. Durg, Raipur, Korba and Bilaspur are the leading districts in the field of industrial development in the State. The Bhilai Steel Plant (BSP) in Durg district happens to be the largest integrated steel plant of the country. The establishment of BSP in the 1950’s led to the development of a wide range of industries at Raipur and Bhilai. Raipur district has got the rare distinction of having the largest number of big and small-scale cement plants. Bilaspur and Durg districts, too, are home to a number of large-scale cement plants. Korba, with a number of power generating units established by NTPC and MPEB, is among the leading power generation centers in the country. Aluminum and explosive plants are also located in Korba district. There are a number of industrial growth centers in the State which host hundreds of industrial units.

Chhattisgarh’s GSDP grew by 15.1 per cent (at current prices) in fiscal 2005-06, amounting to $12.27 billion. The improvement in the standard of living and quality of life of the people of Chhattisgarh is evidence of the increase in income levels. Net per capita income at current prices grew by 13.16 per cent in fiscal 2005-06, touching $474.05. The economy of Chhattisgarh has grown rapidly in recent years: GDP grew 7.35% from 2004–05 to 2008–09.
Access Infrastructure

Chhattisgarh is a land locked state that is surrounded by six Indian states - Uttar Pradesh, Jharkhand, Orissa, Andhra Pradesh, Maharashtra and Madhya Pradesh. This makes its geographic location strategic. By developing its infrastructure the state can use its geographic location to develop a logistics and warehousing network to serve the region.

Chhattisgarh has a developed its physical infrastructure to attract the attention of domestic as well as foreign investors. Transport has been given immense focus. The total length of the roads in the State is 45,288 kms. The length of the national highways is 2,228 kms, state highways are 3,213 kms, district roads are 4,814 kms and rural roads are 25,811 kms. The state has a vast network of highways and is well connected by other parts of the country by road. The state has 11 national highways. The large road network spreading in the state is a strong factor for attracting huge investment in the state.

To meet state's growing transport requirements, the National Highways Authority of India (NHAI) is planning to develop five national highway projects aggregating 450 km through private sector participation. The state's highway network is being upgraded with funding from the Asian Development Bank. The project envisages improving 1,700 km of state roads by 2009 with an investment of USD 286 million. Another five projects aggregating USD 50 million of private investment are in various stages of implementation in the state.

The existing industrial areas, industrial parks, export zones etc. and those to be set up in future, will be connected by excellent roads with the national / state highways and important railway stations. Given the significant presence of mineral-based industries in the state, availability of efficient railway links is critical. Currently, the total railway network in Chhattisgarh is 1,180 km. Of this, almost 861 km is electrified track.

All necessary efforts will be made and steps taken for early commencement of work on Dalli-Rajhara-Raoghat-Jagdalpur rail line project. Recognizing the potential for mining and metal industry related traffic in the state, the Indian Railways has established a new zone named South-East Central Railway with its headquarters at Bilaspur. Indian Railways is also implementing projects for new railway lines in the state aggregating 235 km at a cost of approximately USD 80 million.

Expansion and capacity augmentation of the railway network in Chhattisgarh will provide impetus to movement of goods within and outside the state. It will also improve Chhattisgarh's integration with the national railway system and enhance the competitiveness of industries located in Chhattisgarh's hinterland.

Chhattisgarh has one airport in Raipur, the state capital. Raipur is connected by air to New Delhi, Mumbai, and Kolkata etc. The state does have smaller airports / air strips helipads at a number of locations including Raigarh, Jashpur, Ambikapur, Bilaspur, Korba, Sarangarh, Jagdalpur, Bhilai etc.

Both domestic and foreign capital and public private partnership will be encouraged in the basic infrastructure projects. For this purpose, apart from the State Government implemented projects from its own resources, projects based on "BOT", "BOOT" etc. will be permitted.
**Human Resources**

Chhattisgarh’s human resources, at varying skill levels, would be the key to the State’s future and prosperity. Known for their sincerity and hard work, the "Chhattisgarh" promise to make a name for themselves both in the ‘brick as well as the ‘click’ economy. The State Government believes that only by preparing all cross-sections of the society for the future challenges can Chhattisgarh realize its potential and promise. The Government of Chhattisgarh has taken several steps to prepare its human resources for Chhattisgarh. One of the first concerns is to raise the level of literacy, as a strategy towards empowerment of communities, from the present 42.9 percent Government would give priority to raising the level of women’s literacy in both urban and rural areas, particularly among the vulnerable sections of the society.

The Chief Minister is equally concerned about the perennial drought situation resulting in out-migration from rural arisen search of employment. Formulation of robust and long-term policies to prepare the population for alternative employment and other economic activities is high in his Vision for Chhattisgarh. The Chief Minister has also initiated action for introducing a legal frame work for protecting interest of migrant labour. The State Government has taken a range of decisions in all social sectors for developing the State’s human resources. Expansion of small scale and village industries based on agricultural, forest and mineral resources would also be taken up to add value to produce and to generate employment. Emphasis would be on vocational and employment oriented education. State Government is reviewing the relevance of the present academic in primary schools, use of IT enabled education, free IT education for poor girls of all categories in Secondary and Senior Secondary Schools under the Indira Soochna-Shakti Yojana, IT education in all Secondary and Senior Secondary Schools through private participation on user charge basis for other students’ are some of the innovative decisions taken by the Government within the first two months of assuming charge in the new State.

Above all, the State's biggest asset is its 208 lakhs people. The people are friendly, open, warm and industrious. Chhattisgarh has an enviable record of social harmony and maintenance of public order. Upholding the Rule of Law is top priority for the Government. Chhattisgarh's social performance (as measured by the Human Development Index in 2001) shows that certain parts of the state (Durg-0.6, Raipur-0.6 and Korba-0.6) have a better developed social infrastructure as compared to the other districts in the state. This may be attributed to industrialization and better infrastructure in these regions.

**Agriculture**

Agriculture is counted as the chief economic occupation of the state of Chhattisgarh. According to a government estimate of 2006-07, the gross cropped area was 5732 thousand hectares out of a total geographical region of 13790 thousand hectares. Horticulture and animal husbandry also engages a major share of the total population of the state.

Up till now, over 80% of the state’s population relies on agriculture for their livelihood. Indeed agriculture is the main business of most tradesmen. About 43% of the total area is under cultivation, whereas 45% is occupied by forests. The main crops produced here are paddy, wheat, maize, groundnut, pulses, and oilseeds.
Chhattisgarh is known as the "rice bowl" of Madhya Pradesh. Chhattisgarh used to produce over seventy percent of the total paddy production in the state. Apart from paddy, cereals like maize, kodo-kutki and other small millets, pulses like tur and kulthi and oilseeds like groundnut, soyabean, niger and sunflower are also grown. Chhattisgarh produced nearly half of all food grains during the kharif season. Kharif is the main cropping season which accounts for about 4,640 thousand hectares. The main Rabi crops of Chhattisgarh are jowar, gram, urad, mong and moth. Chhattisgarh produces 45 percent of the jowar and over eighty percent of the gram produced in undivided Madhya Pradesh. Chhattisgarh produces very little wheat.

The state has one of the biggest collections of Rice Germ plasm, which has approximately 21,000 entries. Horticulture crops are grown in an area of about 123 thousand hectares. States innovative, “Rajiv Kisan Mitan” programme for encouraging farmers, to move away from unviable varieties of paddy to commercially viable varieties of paddy and other crops is launched just two years ago and now over 5.18 lakh hectares of land is under this diversification programme.

The land under cultivation in Chhattisgarh is around 5800-6000 hectares which is around 23-24 percent of the total area cultivated in undivided Madhya Pradesh. The average yield of principal crops are paddy 1425 per hect/kg, wheat 1044 per hect/kg, jowar 873 per hect/kg, soyabean 998 per hect/kg, maize 1225 per hect/kg, gram 843 per hect/kg and tur 426 per hect/kg.21

Bastar plateau, Chhattisgarh plains and Northern hills are the prime geographical landmarks that have been marked as the productive areas of Chhattisgarh Agriculture. In the year 2002, out of the entire land area of 13787000 hectares, the net irrigated region of Chhattisgarh was around 10,72,000 hectares. This indicates the extensive contribution of agriculture towards the economy of Chhattisgarh. Except from a total of 10,13,000 hectares which has been recognized as unsuitable for farming, the remaining lands of the state are extremely fertile and gives a high production of crops round the year.

Engineering equipment plays a vital role in enhancing the agricultural production. Chhattisgarh has a well-equipped agricultural engineering department which specializes in different types of advanced tools and machineries that are used by the farmers of the place to increase the overall grain production. Horticulture is a significant extension of agriculture industry in the state of Chhattisgarh. Medicinal herbs, flowers and aromatic plants form the key component of horticulture in the state. Farmers migrating from other adjacent states and villages are primarily absorbed by the horticulture industry of Chhattisgarh. This in turn leads to better economic prospects of the specific sector.

Animal husbandry is also a widely practiced occupation in the state of Chhattisgarh. Animals like horse, sheep, cows, hens, etc. are bred here on a large scale. The state's animal husbandry department is taking great efforts to make animal husbandry a profitable profession in the state. The tribal groups and socio-economically backward groups here contribute to the business and economy of Chhattisgarh through fish culture. Fish culture and fish farming are emerging as important occupations in Chhattisgarh.

The government of Chhattisgarh offers co-operatives to the farmers of the state to enable them to buy best quality seeds and agricultural tools. Also, from time to time, the
state and district level co-operatives provide loan facilities to the under privileged peasants. Chhattisgarh agriculture, with each passing day, is gaining a new momentum which will help it to forward its steps towards an economically viable phase.

**Forests**

Slightly less than half of the geographical area of Chhattisgarh is covered by forest cover is an extremely valuable asset of the state nearly one-third of the forests comprises Sal forest produce which provide livelihood to large numbers of our population. Timber wood has an important place among the major forest produce. It contributes about forty percent of the total forest revenue. Nearly ten thousand industrial units depend on forests for their raw material base.

These small-scale industries include saw-mills, furniture units, bidi, silk and ‘kattha’ industries. The State Government of Chhattisgarh has initiated strong measures for providing fair value for the labour put in by forest produce collectors. Government believes that transparent market mechanism should be promoted, and competitive prices offered to the collectors. For the first time in the country, an institutional arrangement has been created in Chhattisgarh for fixing minimum support prices for minor forest produce. Some 120 minor forests produce except tendu leaves would be covered under the arrangement. Special efforts are being made to involve Gram-Sabhas in the protection of forests and the collection of minor forest produce. Minor forest produce like lac, tendu leaves, bamboo, honey, sal, seed, etc. contribute in their own way to the state's economy. Special attention is being paid to management of the state's resources to boost the use of irrigation facilities in the state. Allied to agriculture, horticulture is practiced here on a large scale.

**Industry**

Chhattisgarh industries include power, mining, agriculture, cement, steel and thermal power plants, all of which generate considerable amount of income in the state making its economy one of the most flourishing ones. Chhattisgarh Industries in a way symbolizes the prosperous stage of its economy.

Chhattisgarh is generously bestowed with natural resources like forests, minerals and surface water. Till yesteryears—the State has undergone a radical change and is thriving with industrial activities now. Chhattisgarh is producing approximately 20 per cent of steel and 15 per cent in the country. Many Government of India undertakings like Bhilai Steel Plant, National Mineral Development Corporation, South-Eastern Coal Field Limited, NTPC and a number of large cement plants belonging to groups like ACC, Gujarat Ambuja, Grasim, L&T, CCI and Lafarge of France and many steel projects (sponge iron/pig iron route) in private sector are also under different stages of implementation. There are approximately 130 steel re-rolling mills, a number of mini steel plants, ferro-alloy units, steel/cast iron casting units, engineering and fabrication units apart from large number of agro based and food processing, chemical, plastic, constructions material, forest produce based units.

Bengal-Nagpur Cotton Mill is the oldest industry of Chhattisgarh State. Strategically located in central India, Chhattisgarh is able to supply power to units for all the time. There are huge coals reserves (87 per cent of India) in the state, offering cheap pithead power generation opportunities and has potential to produce up to 50,000 MW of
power. NTPC is now installing a new power generation unit, largest ever, by it in Bilaspur District. NTPC has started construction on its 2,640 MW Super Thermal plant in Sipat and another 600 MW plant in Korba. Government of Gujarat is putting up a 500 MW generation plant in Korba. Several other states are also interested in installing plants here. Private sector MOUs for more than 1,500 MW and more projects are in the pipeline. Chhattisgarh State Industrial Development Corp. Ltd., Raipur has developed maintained and is managing approximately an area of 3,112 hectares of industrial land. More than 830 industries with investment of more than Rs 16,510 million providing direct employment to 25,000 persons have been setup on the land developed by this corporation. Rani Durgavati Industrial Area-Anjani Pendra Road, Cycle Complex-Siltara is established in Raipur District, and the I.T. Park has been established by CHIPS.

Some of the major districts where industrial development is occurring at fast pace are Durg, Raipur, Korba, and Bilaspur. Where Raipur district is known for having the largest number of big and small-scale cement plants, the districts of Bilaspur and Durg also address many large-scale cement plants. Besides the Bhilai Steel Plant (BSP) with capacity of 40 lakh tonnes, Chhattisgarh boasts of 8 iron plants in the private sector, 13 ferro-alloy plants, 125 steel rolling mills, and 1 H.R. strip plant. It also has 9 chief cement plants. The state also has iron casting units, engineering and fabrication units, agro-based food processing, and chemical and plastic industries.

Chhattisgarh Steel industry holds a major position in the arena of Indian industries. Steel sector is one of the biggest zone of Chhattisgarh which has a reputation of producing high quality equipments and products that have high export value. Bhilai Steel Plant with a capacity of 3.6 million tonnes per year is regarded as a significant growth indicator of the state and efficiently produces considerable amount of steel products round the year. Bhilai Steel Plant specializes in heavy rail plates, bars, beams, structural, wire rods, rails, pig iron, plates, channels, billets, rebars and slabs. Apart from a major economic hub, merchant products and structural that are used by various other industries of India. There are more than 100 steel rolling mills, sponge iron plants and ferro-alloy units in Chhattisgarh all of which are able to provide world-class output.

The iron ore reserves of Chhattisgarh are quite abundant in nature. Supported by government and private bodies, today even the remote locales where iron deposit are found, have become flourishing industrial zones. Steel rolling mills are also present in the state of Chhattisgarh which are deft in sheet and foil manufacturing and extrusions. The government of Chhattisgarh has opened its doors to private investors who wish to set up new steel plants in the state. With such a significant step, the state government has already covered a considerable journey towards becoming the ultimate steel hub of India.

It can be said that Chhattisgarh Steel industry provides momentum to the process of economic progress in the state.

Chhattisgarh Aluminum sector boasts of several core units and extrusion plants that are famous for their world-class quality. Aluminum industry of Chhattisgarh comprises of Bharat Aluminum Company limited which has a capacity of around ten million tonne each year. Bharat Aluminum Company Limited ranks high on the horizon of Chhattisgarh industries. Producing million tonnes of sheets and foils, the other aluminum units of the state aptly encourages the overall development of the economy. From aluminum extrusions
to sheet rolling, the aluminum sector of Chhattisgarh is equipped with all types of intricate functionalities.

Bharat Aluminum Company Limited in the Korba district is one of the proud manifestations of the industrial advancement of Chhattisgarh. Catering to the needs of a diversified range of manufacturing sectors of the state, the company also acts a vital job providing sector. Engaging a major portion of the local population, the company enables the state to increase the volume of income generation.

The Chhattisgarh Mineral Development Corporation provides all possible assistance to the aluminum industries of the state so that more productive results could be achieved within a short span of time. Providing the basic framework for varied exploration works, the corporation also sees to the fact that not a single aluminum company of the state lags behind due to any financial or infrastructural constraint.

As significant drivers of economic progress, Chhattisgarh Aluminum industries perform extremely well on both the state and national levels.

Cement industry is yet another significant sector of Chhattisgarh. The cement companies of the state are located in every part of the state. Chhattisgarh Cement industry presents a total of around nine major units that are effectively performing on the economic domain of the state. Raipur, Bilaspur and Durg districts of Chhattisgarh are known to house some of the notable cement industries of the state.

Specializing in dry and semi-dry qualities, the ACC cement plant is situated in the Jamul region of Chhattisgarh state. The Akaltara and Mandhar areas of the state have the plants of CCI Cement Company which produces only the dry quality ones. Lafarge, Ambuja, Grasim, Larsen & Toubro are some other important names that have set up their units in various locations of Chhattisgarh.

With the expansion of real estate industry and increase in the need of infrastructural needs, the demand for cement has risen considerably in the recent past. Also, with industrialization plans gaining new momentum, the state of Chhattisgarh is becoming a favorite land of biggest commercial units. Several foreign collaborators are also vying for a share of space in the densely populated areas of Chhattisgarh.

All the above factors have led to considerable requirement of cement in the state. In order to meet the ever-increasing cement demands, the government of Chhattisgarh is widening its options with respect to establishment of various global cement factories within the geographical premises. Today, extensive public-private partnerships are taking place in Chhattisgarh that surely indicates the positive inclination of the state towards transforming itself into a remarkable hub of cement producing state.

The pace with which Chhattisgarh Cement factories are progressing, there is no denying the fact that in the near these will be able to satisfy the industrial and non-industrial units.
## Table 1.6 Annual Survey of All Industries (Factory Sector) – Chhattisgarh

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Source: Central Statistical Organisation

### Industrial Hubs

The nodal agency CSIDC acts as a facilitator for development of medium and large industries in this region. It conceptualizes, plans, implements and maintains various infrastructure facilities in the region. Chhattisgarh State Industrial Development Corporation Limited, Raipur has developed maintained and is managing approximately an area of 3112 hectares of industrial land. CSIDC has developed various Industrial Growth Centres & Industrial Areas namely Urla, Sarora, Bhanpuri, Rawabhata, Siltara in Raipur district, Borai in Durg district, Sirgitti, Rani Durgavati in Bilaspur district. The investment of more than Rs. 16,510 million and more than 830 industrial units have been set up in the industrial areas of the State. These units have provided employment to 25,000 people of the State.

Chhattisgarh Industrial Areas boast of a varied array of commercial units most of which deals with thermal power plants, steel plants, mineral mining, cement factories and agriculture engineering companies. Chhattisgarh has several industrial parks / growth centres, which act as hubs of industrial development in the state. These include industrial parks in Bhilai, Korba, Borai in Durg, Urla in Raipur city, Siltara, Sirgitti in Bilaspur, among others.

For planning and development of basic infrastructure for new industries, initiative will be taken for preparation of an "Industrial Zoning Atlas". Development of private industrial areas will also be encouraged. The state plans to adopt cluster approach for setting up of new industries and suitable areas will be identified for development of herbal park, food park, aluminium park, metal park, cycle complex, apparel park, IT park, gem and jewellery park etc.

Provision of roads, water supply, power supply and other common facilities, their up-gradation and maintenance will be taken up from the State's own resources and through Special Purpose Vehicles (SPVs). The SPVs will be set up under the industrial infrastructure up-gradation scheme of the Government of India. To promote exports from the State, efforts will be made to set up "special economic zone", "agro export zone" and "air cargo complex". Efforts will also be made for upgradation of facilities in the existing "inland container depot". A dry port has been established at Urla in Raipur city, to facilitate movement of international trade cargo from the state.
The division of some major industries of Chhattisgarh may be as follows:
- The State Industrial provincial head office is at Durg.
- The Fertilizer industries of the state are at Bilaspur and Durg.
- The Cement and Chemical industries of the state is located in Raipur.
- The information technology industries of the state are in Bhilai.

Information Technology and E-Governance

E-Governance in Chhattisgarh is oriented towards ensuring people's access to government, which makes the government even more responsive and transparent. CHiPs (Chhattisgarh Infotech and biotech Promotion Society) have been setup with a high powered governing council under the Chief Minister's chairperson ship, to act as a prime mover for IT and Biotechnology in the state. The largest secondary school level IT programme “Indira Soochna Shakti” is achieving its target. All citizen services of e-governance are under one umbrella project called CHOICE (Chhattisgarh Online Information for Citizen Empowerment). BHUIYAN programme (Bhuiyan means land in Chhattisgarhi) under CHOICE is a networked land records service accessible from “virtual” Tehsil offices, within easy reach of villagers on an anytime-anywhere basis.

Irrigation

Average rainfall in the state is around 1136.41 mm. and about 90% of the total rainfall is confined in the Monsoon season i.e. June to October and the entire state falls under Rice-agro-climatic zone. 80% population of the state is rural and the main livelihood of the villagers is agriculture and agriculture based small industry. Large variation in the yearly rainfall directly affects the main crop i.e. Paddy.

Obviously, irrigation is the prime need of the state for its overall development and therefore the state government has given top priority to development of irrigation potential. Net sown area of the Chhattisgarh state is 4.828 Million hectares and the gross sown area is 5.788 Million hectares. Irrigation potential was 1.328 Million hectares at the time of formation of the state (i.e. on 1st November 2000) which was 23% of the gross sown area.

The irrigation potential has now been raised to 1.681 Million hectares at the end of March 2006 which is 26.21% of gross sown area. A total of 4 Major, 33 Medium and 2199 Minor irrigation projects have been completed and 5 Major, 9 Medium and 312 Minor projects are under construction, as on 31st March 2006. Proposed budget for the year 2006-07 is Rs. 8541.9 Million and the target is to create additional irrigation potential of 76000 hectares. Apart from the state budget, irrigation projects are also being financially assisted by NABARD and AIBP.

When the state came into being, the total irrigation capacity was 13.28 lakh hectares (as on 1 November 2000). After that, 1.25 lakh hectare additional capacities was created within 2 years and nine months, by mobilising resources of various departments and public participation, construction of 50,000 debris on the farmer's land, a total of 5 lakh hectare additional capacity had been created. Major completed projects are Tandula, Kodar and Pairy. Hasdev, Mahanadi Reservoir Project, Sondhur and Jonk are some of the other projects.

Electricity

Chhattisgarh has the unique distinction of being a power surplus state. Chhattisgarh produced a substantial 36 percent of the total power generated in undivided Madhya Pradesh, contributing 42 percent Thermal and 14 percent of Hydel power. In terms of
power consumption, Chhattisgarh consumes around 24 percent of total consumption in 1996-97 and 1997-98.

Chhattisgarh thermal power plants generate electricity on such levels that are quite sufficient in meeting the demands of the whole state. Korba Thermal Power Plant, Balco Captive Power Plant, Hasdeo Thermal Power station and National thermal Power Corporation (NTPC) at Korba comes under the thermal industry of Chhattisgarh. Korba thermal Power station at the CSEB East Bank, National Thermal Power Corporation Limited, Hasdeo Bango project are worth to mention.

The state government has introduced a very pro-active power policy under which the public sector represented by the Chhattisgarh state electricity board, as well as the private sector have well defined roles to play. Around 90 per cent of 19,720 inhabited villages of Chhattisgarh have been electrified. Chhattisgarh Thermal Power industry is a notable success story of the state. Korba is the hub for power generation in Chhattisgarh; actually it is the leading power generation center of India. The Electricity Board of Chhattisgarh has total capacity of 1.42385 MW, in which the thermal power share is 1.28600 MW and hydel power has a share of 1.3785 MW. The state supplies power to other states as well.

It is believed that that the state of Chhattisgarh, with its wide-spread coal mines possesses a total capacity of 61000 MW of thermal power generation. Over the years, with the installation of captive power plants in various strategically located areas, a major boost is experienced by the electricity generating units of the state.

Electricity consumption in Chhattisgarh increased from 2,977 million units (MU) in 1996-97 to over 3,540 MU in 2001-02, thus indicating a compounded annual growth rate of 3 per cent. On a per capita basis, electricity consumption in Chhattisgarh stands at 284 kWh per annum. Industry represents the largest consumer category, followed by domestic and agriculture consumers.

### Selected projects for the Eleventh Five-Year Plan

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<td>Marwa</td>
<td>CSEB</td>
<td>State</td>
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</tr>
<tr>
<td>Korba South</td>
<td>CSEB</td>
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</tr>
<tr>
<td>Bhaiyathan</td>
<td>CSEB</td>
<td>Private</td>
<td>1,600</td>
</tr>
</tbody>
</table>

(Source: Chhattisgarh at a glance, 2007, Directorate of Economics and Statistics; Ministry of Power, Government of India; Chhattisgarh State Electricity Regulatory Commission)

### Mineral Resources

Chhattisgarh region is as well known for its rich cultural heritage as for its abundant deposits of natural resources. Chhattisgarh has a rich reserve of minerals.
Diamond mines, coal, iron, etc. all make the state's economy prolific. After the bifurcation of this state from Madhya Pradesh, the new state produces 30 percent of the mineral output of the old state. The presence of a variety of minerals has given a great push to mineral-based industries in the state.

A variety of mineral resources are fond in this region, diamond, gold, iron-ore, coal, corundum, bauxite, dolomite, lime, tin, granite to name a few. Deposits of cumberlite pipe found in Pailikhand and Deobhog area and gold deposits in Sonakhan area of Raipur district have evoked investor interest. High quality iron-ore deposits are found in the Bailadila hill ranges as well as in Dalhi-Rajhara. Abundant deposits of lime stone are found in the districts of Raipur, Bilaspur, Durg and Bastar facilitating the growth of several large cement plants in the area.

The mining and value addition activities through industries provide employment to large sections of Chhattisgarh's population. The State Government follows a sound public policy of exploiting mineral wealth in keeping with sustainability and ecological balance. The State would welcome investment in setting up industries to add value to the natural resources found within, and an investor friendly ambience conductive serious business.

Chhattisgarh hosts a wide variety of minerals found in igneous, sedimentary and metamorphic terrains. Large deposits of coal, iron ore, Limestone, Bauxite, Dolomite and Tin ore are located in several parts of the state. Lately, Diamondiferous Kimberlites identified in Raipur district are likely to yield substantial quantity of Diamonds. Medium to small deposits of gold, base metals, quartzite, soap stone, Fluorite, Corundum, Graphite, Lepidolite, Amblygonite of workable size are also likely to graduate to the category of large deposits after prospecting. Twenty per cent of the country's steel and cement is produced in the State. It is the only tin-ore producing state in the country. The mineral resources have immense potential for large investment in mining, setting of mineral based industries and generating employment. Chhattisgarh is nestling atop the world's largest Kimberlite area. Eight blocks have been demarcated for diamond exploration. Apart from diamond, four blocks of gold exploration and five blocks for base metal investigation have been demarcated.

The state has a rich reserve of minerals and contributes substantially to the Indian economy. Steel, aluminum and cement industries are found here in abundance. Chhattisgarh accounts for more than 13 per cent of India's total mineral production, worth around Rs. 4,000 crores a year. Twenty-three per cent of the country's iron-ore deposits, 14 per cent of the dolomite deposits, and 6.6 per cent of the limestone deposits are found here. Chhattisgarh has 18 percent of coal reserves of the country, and the state is ranked third after Jharkhand and Orissa.

Chhattisgarh Mineral Development Corporation is counted as an important element of the Mining industry of the state. Facilitating exploration of the rich deposits of limestones, bauxite, corundum and dolomite, the corporation aims at increasing the scope of mining activities in the state. Chhattisgarh Mining sector has emerged in the state with huge possibilities. Since the entire region is blessed with rich deposits of iron ore, coal, bauxite, cassiterite and dolomite, the Chhattisgarh Mineral Development Corporation continuously engages in various commercially-benefiting exploration and mining lease activities.
South Eastern Coal Fields, also called as SECL, at Korba of Chhattisgarh is an excellent base from where the mining sector of the state has received major impetus.

Singhbhum and Bastar regions of Chhattisgarh are coming up as prominent hubs of Jewellery and Gems Park. Since there are evidences of diamond and gold deposits too, hence the government of Chhattisgarh is welcoming many private mining companies also. In the recent past, several foreign investors have showed considerable interest in the mining industry of Chhattisgarh.

As the Chhattisgarh Mining rules and regulation of the state are quite conducive to export-related opportunities, so a number of mining units have already started establishing their base in the state. Reserves of bauxite ore are spread across the length and breadth of Chhattisgarh. In fact such is the abundance of bauxite deposits in the various districts of the state that even after ample usage; a portion is transferred to other states of India for different industrial zones.

Chhattisgarh industrial areas house a number of multifarious units each of which specializes in a specific commercial resource. From engineering equipments to steel plants, the industrial area of Chhattisgarh presents hordes of profitable venture companies.

The NDMC, which is located in Dantewara district, is excavating iron-ore form the southern part of the state to meet the demands of the country and also exporting iron to other countries, like Japan. Of late, ESSAR has begun transporting iron ore via pipe lines to Visakhapatnam.

**Reserves of important minerals in Chhattisgarh**

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Mineral</th>
<th>Unit</th>
<th>India</th>
<th>Chhattisgarh</th>
<th>% of reserves in India</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Iron ore</td>
<td>Million tonnes</td>
<td>10,052</td>
<td>2,336</td>
<td>23.23</td>
</tr>
<tr>
<td>2</td>
<td>Coal</td>
<td>Million tonnes</td>
<td>204,652</td>
<td>35,375</td>
<td>17.28</td>
</tr>
<tr>
<td>3</td>
<td>Bauxite</td>
<td>Million tonnes</td>
<td>24,622</td>
<td>96</td>
<td>3.89</td>
</tr>
<tr>
<td>4</td>
<td>Limestone</td>
<td>Million tonnes</td>
<td>75,658</td>
<td>3,580</td>
<td>4.73</td>
</tr>
<tr>
<td>5</td>
<td>Dolomite</td>
<td>Million tonnes</td>
<td>4,386</td>
<td>606</td>
<td>13.81</td>
</tr>
<tr>
<td>6</td>
<td>Tin Ore</td>
<td>tonnes</td>
<td>8,907</td>
<td>28,894</td>
<td>99.96</td>
</tr>
<tr>
<td>7</td>
<td>Gold</td>
<td>tonnes</td>
<td>68</td>
<td>3</td>
<td>4.41</td>
</tr>
<tr>
<td>8</td>
<td>Corundum</td>
<td>tonnes</td>
<td>-</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Quartzite</td>
<td>Million tonnes</td>
<td>2,707</td>
<td>44</td>
<td>1.62</td>
</tr>
</tbody>
</table>

(Source: Directorate of Geology and Mining, Government of Chhattisgarh, Chhattisgarh State Industrial Development Corporation)

**District-wise Minerals found in Chhattisgarh**

RAIPUR : Limestone, diamond, alexandrite, garnet, dolomite, granite, iron ore.

MAHASAMUND : Gold fluorite

DURG : Iron ore, lime stone, dolomite, quartzite

RAJNANDGAON : Iron ore, lime stone, fluorite, quartz, granite
KAWARDHA : Bauxite, lime stone
BILASPUR : Dolomite, lime stone
JANJGIR : Lime stone, dolomite
KORBA : Bauxite, coal
RAigarh : Lime stone, coal quartzite
KORIA : Coal, fire clay
BASTAR : Lime stone, dolomite, tin ore, diamond
DANTEWADA : Iron ore, Corundum
KANKER : Iron ore, bauxite

Employment

Information on Employment in Chhattisgarh is available on a comprehensive scale only from the Census of 1991. The analysis has therefore been based on data from the year. The Worker Participation Rate in Chhattisgarh was 47.7 percent, 54.3 percent for males and 41 percent for females. This is much higher when compared to the Worker Participation Rate in Madhya Pradesh, which is 41.1 percent. The high Worker Participation Rate for females is commensurate with paddy being a major crop for the region. Paddy is sown in around 90 percent of the total sown area under cereals in kharif and about 85 percent of all area sown under food grains in kharif in Chhattisgarh. The southern and eastern districts have the highest worker participation rates, all well above fifty percent. The same areas of Bastar, Dantewara, Kanker, Rajnandgaon and Kawardha also have high female worker participation rates.

The Farm Sector dominates employment. The census of 1991 found that 82 percent of all workers and 90 percent of rural workers were involved in farm related activities including cultivation and agriculture allied activities. After the primary sector, the services sector offers the highest employment. Eleven percent of the entire Chhattisgarh and fifty two percent of urban employment were in the services sector.

Chhattisgarh jobs offer multi-dimensional scopes to the aspirants. In every government and non-government organization recruitment process goes on throughout the year and only the most deserving candidate is accepted as an employee. The flexible job options of the state in turn help to generate more revenue for Chhattisgarh as a whole.

Commerce and industry, banking and finance, agriculture engineering, mining sector, steel and cement industries are some of the prime sectors where options of Chhattisgarh Jobs are available. The Directorate of Employment and Training run by the government of Chhattisgarh assists students and aspirants to get desired jobs in various industrial sectors of the state.

Conducting a wide array of professional courses, the Directorate strives to equip the job applicants of Chhattisgarh with all pragmatic domains of the modern world. Apart from the regular vocational courses, the directorate of employment and training also issue notices regarding vacancy information in various departments of Chhattisgarh government. The Public Service Commission of Chhattisgarh recruits people for different government
posts through entrance examination in which the candidate has to score well. The Commission provides special privileges to the backward and less-developed sections of Chhattisgarh so that the people of these classes can come to the forefront of progress. There are a number of private organizations too in Chhattisgarh that offer lucrative job opportunities to the people of the state. Non Governmental Organizations (NGOs), financial institutions, unorganized sectors and many allied zones provide ample scope of employment to the local aspirants of Chhattisgarh.

With the apt support of the state government and private organizations, opportunities of Chhattisgarh Jobs are widening everyday which will ultimately lead to higher income generation and stable economic status of the state.

**Banking & Finance**

Governed by the finance department of the state government, the Banking and Finance sector of Chhattisgarh efficiently performs on the economic front by operating and regulating a number of commercial transactions. Banking and Finance plays a significant role in the over-all progress of the economy of the state. Banking sector of the state involves a wide gamut of operational transactions such as cash withdraw and deposit various types of loans, acceptance and encashment of cheques, among many others.

Providing a number of flexible financial services like that of home loans, ATMs, car loans etc, the banking and financial institutions of the state forms a compatible base on which factors of economic growth gain a positive dimension. Almost all the nationalized banks of India are present in each of the districts of Chhattisgarh. All the nationalized banks with State Bank of India as their head, and many private sector banks are present in the state of Chhattisgarh.

Treating customers with all the advanced financial facilities, the banking and finance industry of the state strives to perform better than the best of all other fiscal organizations of India.

**Real Estate**

Chhattisgarh Real Estate is one of the crucial catalysts of economic enhancement of the state. As a famous tourist destination and a fertile land, the state of Chhattisgarh pulls a large number of people from other parts of India. In order to provide full-fledged accommodation facilities, the government of Chhattisgarh has entered into private partnerships too.

Chhattisgarh Real Estate industry marks the tremendous infrastructure possibilities of the state. Starting from housing complex and official buildings to tourist resorts, bungalows and shopping malls, the industry of real estate in Chhattisgarh boasts of numerous profitable building and construction ventures that can transform the present economy into a symbol of immense prosperity.

With the joint effort of both the government of the state and Chhattisgarh Real Estate agents, the state is steadily getting an all new look.
Communications infrastructure

Chhattisgarh has a very strong infrastructure for telecommunication. This has attracted many business units from across the globe. Many national and international telecom giants have started offering their services in the state. All districts in the state are linked with optical fibre cable and all district centres have Internet facilities. Cellular mobile telephony has gained considerable ground in the state with the presence of private cellular players such as Reliance, Idea, Airtel, Vodafone, Tata Docomo, Videocon, etc.

Chhattisgarh’s economy has seen a steady growth since its formation in 2000. The primary sector, more specifically agriculture and allied activities, forms the base of the state’s economy and provides livelihood to 80 per cent of the rural population. Chhattisgarh's gross state domestic product for 2004 is estimated at 12 billion USD in current prices. After partition, this mineral-rich state produces 30% of the output of the old Madhya Pradesh state. The tertiary sector, however, contributes the highest – 37% – to the state economy. In 2005-06, agriculture registered a growth of 18.85% and the manufacturing sector of 24.61%.

1.1.4 ROLE OF INDUSTRIES IN THE ECONOMIC GROWTH OF THE STATE

Economic growth is a positive change in the level of production of goods and services by a country over a certain period of time. Nominal growth is defined as economic growth including inflation, while real growth is nominal growth minus inflation. Economic growth is usually brought about by technological innovation and positive external forces.

Economic development is the increase in the standard of living in a nation's population with sustained growth from a simple, low-income economy to a modern, high-income economy. Also, if the local quality of life could be improved, economic development would be enhanced. Its scope includes the process and policies by which a nation improves the economic, political, and social well-being of its people.

Chhattisgarh, which was carved out as a new State from the erstwhile State of Madhya Pradesh in the year 2000 is not only rich in diversified tribal culture but also has a reserve of mineral resources in abundance. The State has four favourable factors for industrial growth and agriculture productivity - land, labour, power and water. This nascent State has peaceful people, political stability, good infrastructure, power and perennial rivers. The State, which boasts of rich reserve of iron ore, bauxite mines, coal and precious gems of international quality, is drawing attention of global community.

Economic growth is the increase of per capita gross domestic product (GDP) or other measures of aggregate income, typically reported as the annual rate of change in real GDP. Economic growth is primarily driven by improvements in productivity, which involves producing more goods and services with the same inputs of labour, capital, energy and materials. Economists draw a distinction between short-term economic stabilization and long-term economic growth. The topic of economic growth is primarily concerned with the long run. The short-run variation of economic growth is termed as the business cycle.

The long-run path of economic growth is one of the central questions of economics; despite some problems of measurement, an increase in GDP of a country greater than
population growth is generally taken as an increase in the standard of living of its inhabitants. Over long periods of time, even small rates of annual growth can have large effects through compounding. A growth rate of 2.5% per annum will lead to a doubling of GDP within 29 years, whilst a growth rate of 8% per annum (experienced by some Four Asian Tigers) will lead to a doubling of GDP within 10 years. This exponential characteristic can exacerbate differences across nations.

In order to compare per capita income among countries, the statistics may be quoted in a single currency, based on either prevailing exchange rates or purchasing power parity. To compensate for changes in the value of money (inflation or deflation) the GDP or GNP is usually given in "real" or inflation adjusted, terms rather than the actual money figure compiled in a given year, which is called the nominal or current figure.

Chhattisgarh has adopted its five-year Industrial Policy in 2001. The four basic strategies identified in the policy are Cluster based industrial development, Good governance and excellent infrastructure, improving the competitiveness of small scale industries, and Directed incentives. The State has formulated and is implementing stable macro-economic policies, and ensuring transparency and accountability in the administering of rules and regulations. Government has enhanced allocations including by way of public-private PARTNERSHIPS, for providing basic and specialised physical infrastructure, especially in industrial parks. It is also focusing on concerted human resource development.

Incentives, in keeping with our Industrial policy, are directed only at thrust industries, mega projects and small scale industries. Additional incentives are being provided to industries that employ a large number of women workers, industries that are set up by Scheduled Tribes/Scheduled Castes and those units investing in quality control and innovation. Thrust sector industries including Export Oriented units will get infrastructure support, to the extent of 25% of infrastructure cost, subject to a maximum of Rs 1 crore. New units will be exempted from electricity duty for 10 years, and commercial tax would be the floor rate of Value Added Tax, when introduced.

Chhattisgarh, endowed with abundant natural resources, is a 21st century state. The state contains rich forests and minor forest produce having more than 88 species of medicinal plants and is a store house of huge mineral deposits, including precious minerals. Due to easy availability of these resources, it has immense potential for industrial development. It is the endeavour of the State Government to work towards rapid economic growth with regional balance so as to take the state to the category of "developed states". To bring about prosperity to the people of Chhattisgarh, it is necessary that the present rate of industrial growth increases substantially. Therefore, creation of a favourable investment environment for increasing industrial production and creating employment opportunities is one of the priority areas of the State Government.

The main objective of the new industrial policy is to add maximum value to state's abundant natural resources within the state itself, and create maximum employment opportunities by setting up industries in all its districts across the state. To attract industrial investment in the state, the policy attempts at providing necessary infrastructure for investment, reducing the cost of production for the investor and ensuring an investor
friendly administration. Towards this end, special importance has been given to private sector participation.\textsuperscript{30}

Special effort has been made in the policy to see that, in addition to the industrially more developed areas, industries are set up in the state's industrially backward areas also, and that entrepreneurs from scheduled caste and scheduled tribe category also join the process of industrial development. Due attention has also been paid to investments by non-resident Indians, foreign direct investment, rehabilitation of closed and sick industries, development of skills for industrial employment, etc.\textsuperscript{31}

Mega Projects (with investment in fixed assets in excess of Rs.1000 million - Rs 100 crores) will be eligible for infrastructure support outside Industrial Estates, up to 25\% of the infrastructure cost subject to a maximum of 5 years’ sales tax. Such units would be allowed to have captive power plants, to generate power from waste heat recovery, and to wheel power to sister concerns. They will also enjoy exemption from Electricity Duty for a period of 15 years.

Small scale industries enjoy Interest subsidy at 5\% per annum for 5 years upto Rs 5 lakhs. For change of land use, conversion fees have been waived for the land converted from agricultural to industrial use. A Technology Upgradation Fund of Rs 30 crores over the next 5 years is providing financial assistance to small and medium industries. Quality certification is being encouraged by underwriting 50\% of the cost of obtaining such certification including ISO9000 and ISO14000, with a ceiling of Rs 75000 per unit.

Units set up in Scheduled Areas will get infrastructure support equal to 10\% of the project cost. All industries, irrespective of size, will be exempted from Entry Tax, and payment of stamp duty. To facilitate entrepreneurs in matters relating to Patents and Intellectual Property Rights, the State will bear 50\% of such expenses, with a maximum of Rs 5 lakhs.

For those units having more than 500 workers on permanent pay-roll, if women constitute more than 50\% of their work force, an additional incentive equal to 10\% of the capital investment over 5 years will be given. A special Package has also been given for entrepreneurs belonging to the weaker sections.

The Industrial growth in Chhattisgarh has been very satisfactory and has now established its identity as a growth center of cement and steel industries. A number of wide ranging industries can come up in this State due to availability of minerals, power, labour and agricultural base. The recently announced Chhattisgarh’s Industrial Policy is based on two primary factors. Firstly, creating basic infrastructure, friendly labour relations, transparency and accountability and reducing red Taoism. The other factor is best planning and encouraging administration.

Considering the State’s potential for industrial growth, traditional sector like agriculture, forest produce, minerals, weaving, handicrafts and modern areas like information technology and biotechnology have been termed as the ‘thrust areas’. Thrust sector and mega projects have been given some concessions. Government is working as a facilitator for creating more jobs through industries, development of regions and increase in exports.
Objectives of Industrial Policy of Chhattisgarh State

- To create additional employment opportunities by accelerating the process of industrialisation in the state.
- To create enabling environment for ensuring maximum value addition to the abundant, locally available mineral and forest based resources.
- To ensure balanced regional development by attracting industries in the economically backward areas of the state.
- To ensure participation of scheduled castes, scheduled tribes and other weaker sections in the development process.
- To make industrial investments in the state competitive vis-a-vis other states in the country.
- To promote private sector participation for creation of industrial infrastructure in the state.
- To create an enabling environment for increasing industrial production, productivity and quality upgradation to face the challenge of competition emerging from economic liberalisation.

Industrial Infrastructure

- For planning and development of basic infrastructure for new industries, initiative will be taken for preparation of an "Industrial Zoning Atlas".
- To ensure balanced regional development in the State, industrial areas will be developed at suitable sites near each district headquarter for small scale and medium industries.
- Development of private industrial areas will be encouraged.
- Cluster approach will be adopted for setting up of new industries and suitable areas will be identified for development of herbal park, Food Park, Aluminium Park, metal park, cycle complex, apparel park, IT park, gem and jewelery park, etc.
- In the industrial areas and parks, State Government will ensure availability of essential common facilities like laboratory, quality certification, cold storage, etc.
- Provision of roads, water supply, power supply and other common facilities, their upgradation and maintenance will be taken up from the State's own resources and through special purpose vehicles to be set up under the industrial infrastructure upgradation scheme of the Government of India.
- To promote exports from the State, efforts will be made to set up "special economic zone", "agro export zone" and "air cargo complex", and for upgradation of facilities in the existing "inland container depot".
- For setting up industries, particularly large and mega industrial units, outside the industrial areas and parks, government revenue land and private land will be acquired and made available to investors through Chhattisgarh State Industrial Development Corporation.
• Initiatives will be taken for setting up residential facilities close to the industrial areas through the State Housing Board and other agencies in the government and private sector.

**Directed Incentives**

Directed Incentives will be provided for industrial investment in the State in the form of interest subsidy, infrastructure development / capital investment subsidy, exemption from electricity duty, exemption from stamp duty, exemption from entry tax, allotment of plots at concessional premium in industrial areas, exemption from land diversion fee, reimbursement of project report expenses, quality certification subsidy, technology patent subsidy, interest subsidy for technology up-gradation, etc.

For providing directed incentives, various districts of the State have been divided in the following two categories:-

(i) General area - All districts except those mentioned in clause (ii) below;

(ii) Most backward scheduled tribe dominant areas - Areas comprising South Bastar (Dantewara), Bastar, North Bastar (Kanker), Koria, Surguja and Jashpur districts.

Investors have been classified in the following three categories:-

(i) Investors from scheduled castes / scheduled tribes;

(ii) Non-Resident Indians and investors bringing 100 percent FDI; and

(iii) General category investors - All other investors except (i) and (i) above.

On the basis of size of investment, industries have been classified in the following four categories:-

(i) Small scale industries - As defined by the Government of India from time to time;

(ii) Medium-Large industries - Industries with total capital investment up to Rs. 100 crore except the small scale industries;

(iii) Mega projects - Large industries with total capital investment between Rs. 100 crore and Rs. 1000 crore; and

(iv) Very large industries with total capital investment of over Rs. 1000 crore.

From the angle of importance of industry, industries have been classified in the following three categories:-

(i) Negative list industries - which will not be entitled for any directed incentives;

(ii) Special thrust industries - which will be entitled for additional directed incentives; and

(iii) General industries - All industries except those included in the negative list and special thrust industries.

Directed incentives provided in this policy will be available to the following industrial undertakings:-

(i) New industrial projects - All such industrial units, which commence commercial production between 1st November, 2004 and 31st October, 2009.
(ii) Expansion projects of existing industrial units in production – Such industrial units in production on 1st November 2004, which expand their production capacity (installed capacity or three years’ actual average production immediately prior to the date of implementation of expansion project, whichever is higher) by at least 25% with a minimum investment of Rs. 25 crore and commence production from the expansion project before 31st October 2009.

In the case of capacity expansion projects, exemptions / concessions will be limited to the additional production capacity / additional investment. For the purpose of exemptions / concessions to be given on the basis of additional production, entitlement of exemptions / concessions will be determined by apportioning the total production after expansion in the ratio of original capacity to the additional capacity. Exemptions / concessions on raw material consumption will also be determined in the same manner.

Investors belonging to different categories, setting up small scale, medium-large and mega industrial projects in different areas of the State will be entitled to directed incentives.

Non-Resident Indians and investors bringing 100 percent FDI will be entitled to 5 percent extra incentives over and above the directed incentives available to general category investors in the same area.

Entitlement of directed incentives to expansion projects of the existing producing industrial units will be equivalent to the directed incentives available, as the case may be, to medium-large or mega industry in the general area.

Entitlement of directed incentives to industrial projects in Rs. 1000 crore plus capital investment category will be equivalent to the maximum available directed incentives to mega projects in most backward scheduled tribes predominant areas.

Directed incentives (exemptions / concessions) will be available only to those industrial undertakings which employ, in the case of unskilled labour at least 90 percent, in the case of skilled workers at least 50 percent, and in the case administrative posts at least 1/3rd persons domiciled in the State.

The investors, who had taken effective steps for setting up their industrial units prior to 1st November 2004, but commercial production had not commenced up to the appointed day, will have the option to avail of the benefit of the package of exemptions / concessions provided for in the Industrial Policy 2001- 2006.

Public sector undertakings of the Government of India or any State Government (except their joint ventures with private companies) will not be entitled to directed incentives (exemptions / concessions) under this policy.

Private sector participation

Private sector investment will be encouraged in the areas of basic infrastructure and industrial infrastructure and an enabling environment will be created for this purpose.

Public sector undertakings will be encouraged to form joint ventures, particularly in the area of mining, with the private companies making investments for value addition within the State.
Private sector participation in infrastructure building will be encouraged, particularly in the following areas:

(i) Basic infrastructure like roads, power, water supply, housing;

(ii) Industrial infrastructure such as development of industrial areas and parks, cluster development;

(iii) Logistics infrastructure like air-cargo complex, inland container depot, warehousing, logistics hub; and

(iv) Social infrastructure like health, education, tourism.

Promotion of small scale and village industries

- Having regard to the fact that maximum employment opportunities are generated in the small scale and rural industries sector, incentives for establishment of these industries have been rationalised and improved in this policy.

- For development and promotion of handloom and handicrafts, the existing institutional arrangements for the training and marketing will be strengthened.

- In addition to increasing the production and productivity of tusser, measures will be taken for strengthening the tusser based industries and the existing marketing facilities for tusser products.

- Presently available 10 percent price preference and up to 10 percent purchase preference to small scale units in purchases by / for government departments and undertakings will be continued.

Exemptions / Concessions for Promotion of Industrial Investment (ANNEXURE – 4)

1. Interest Subsidy - Interest Subsidy on term loan and working capital will be given to the small and medium–large industries but it will not be available to mega projects.

2. Infrastructure Cost / Fixed Capital Investment Subsidy – This subsidy will be provided to small, medium, large and mega industries.

3. Electricity Duty Exemption – Exemption from the payment of electricity duty will be given only to the new industries. Expansion projects of the existing industrial units will not be eligible for exemption from electricity duty.

4. Exemption from Stamp Duty – It will be given to the industries shown in Annexure – 4A.

5. Exemption from Entry Tax – Industries will be exemption from the entry tax for 5 to 7 years depending on the type of region, which will be computed from the date of commencement of commercial production or the date of availing exemptions for the first time, whichever is earlier


7. Project Report Subsidy – New industries will, after their establishment, be given subsidy for re-imbursement of expenses incurred on the project report.
8. Interest subsidy for Technology Upgradation – It will be provided to the existing industrial units from the “Technology Upgradation Fund” on the term loan and working capital borrowed from financial institutions for technology upgradation.

9. Exemption from Land Revenue on Land Diversion – New small scale industries will be given full exemption from the payment of land revenue on diverted land up to a maximum of 5 acres.

10. Service Charges for Allotment of Land outside Industrial Areas – 10 per cent service charges payable to District Collector for acquisition of private land and the service charges payable for acquisition of private land/allotment of government land by the Chhattisgarh State Industrial Development Corporation outside the industrial estates will be reduced.

11. Quality Certification Subsidy – On receiving ISO 9000, ISO 14000 or any equivalent national/international certificate, expenses incurred thereon will be reimbursed to the extent of 50 per cent or Rs. 75,000, whichever is less, to all new industries established in the state.

12. Technical Patent Subsidy – On obtaining a patent, expenses incurred thereupon will be reimbursed to the extent of 50% or Rs. 5 lakhs, whichever is less, to all new industries established in the state.

**Industries in Chhattisgarh**

The people of Chhattisgarh are set to usher in new era, even as the entire country is reeling under tremendous pressure due to recession. And, not just this, the Public Sector Undertakings (PSUs), have a different and successful story to their credit in the tribal-dominated Chhattisgarh State. The Bhilai Steel Plant (BSP), National Thermal Power Corporation (NTPC), Bharat Aluminium Corporation (BALCO) and South Eastern Coal Fields Limited (SECL) have managed to survive the reversionary phase, which has the industrial sector the world over under its spell.

A favourable industrial climate has developed leading to rapid industrialization in the newly formed State of Chhattisgarh. With the rich mineral resources, new industrial policy and concerted efforts of the State Government to provide best facilities to the industries, the flow of investment coming to the country has percolated down to Chhattisgarh. The pace of industrialization received a fillip when the First Elected Chief Minister, Dr. Raman Singh took over charge in December 2003.

The success of these PSUs needs to be looked in a broader perspective with special emphasis on human approach than technical excellence. For, it is the due to the efforts of the people that these PSUs could withstand testing times. “BSP is an island in itself in the whole country”. The people of this State have made the difference. The present pattern of work in BSP is an outcome of the four-decade exercise, which has instilled a sense of discipline among workers.

Even as steel-making technology has undergone a sea change the world over, BSP has been churning out profits by adhering to ‘twin hearth’ furnace. Earlier, the BSP was fully dependent on its traditional ‘open hearth’ technology. “Twin hearth technology is operational in BSP and nowhere in the world”. What makes the BSP a leader among steel
manufacturers is attributed to a sense of belongingness and determination in its workforce, which always strives for the best. “People put-in their heart for BSP”. “The worldwide recession to have its affect on the BSP by way of manifold rise in input cost. Add to it, even the finished product did not fetch the opposite amount, besides there was a sizeable cut in supply orders. The BSP resorted to cost-cutting measures and opted for technical innovations. The amount of steel produced by BSP is three times the rail tracks spread all over the globe. Another achievement is the high connectivity metro rail at Kolkata in West Bengal and even the fastest train on earth- Silver Star-runs on BSP tracks.

Balco (Sterlite), another PSU, which was in the eye of a storm over privatization, too believes that people make a difference. The credit for Balco’s success goes to the people of Chhattisgarh. Balco is the third largest producer of aluminium in the country. Balco accounts for 15 per cent of India’s Aluminium output. Balco has now set a target of producing 270 tonnes per day by December this year. Work in Balco was stopped after 7,000 employees went on strike. Barring recent protests over its privatization, it did not witness any major workers unrest all these years. The Balco unit is now Sterlate is progressing very well and now they are going for expansion.

A senior official of Korba-based NTPC attributing the credit for NTPCs success to the simple and cooperative people of Chhattisgarh, due to which the PSU could carve a niche for itself in the power sector. Another important aspect has been the cordial industrial relations between the management and employees. The NTPC Korba is performing on the basis of plant load sector (efficiency). Moreover, the official said that NTEC correlates better with the people of Chhattisgarh, which has been the driving force for it to progress leaps and bounds.

However, the South Eastern Coal fields Limited (SECL) is another jewel in Chhattisgarh’s crown; but appears to have been dogged by the outstanding. Exorbitant outstanding have eclipsed SECL’s profits. “As long as the realization of the product is not done, no company can be said to be earning profits.” The undivided Madhya Pradesh Government owes Rs. 700 to 800 crores as outstanding. In the same breath, the company has been making profits, but waiting for actual realization in cash. The SECL has undertaken a large number of community development projects in the region with aim of helping the people of Chhattisgarh in return of their cooperation and helping the company to grow. Unlike in other places, in Chhattisgarh, the SECL has always remained bereft of mafias operating in the coal belt. The people’s cooperation and the SECL welfare activities in the region have helped achieve compatibility between the two.

The other major factors that have to be taken note of are the availability of power and mineral resources like limestone in Chhattisgarh. So the effort on part of the government is to add value to the existing resources and convert them into a product so that they fetch good price in the open market. Availability of surplus power, access to cheaper raw material and no political interference are some of the factors that have added to the growth of the PSUs in Chhattisgarh.

Due to its mineral wealth, it has been able to attract about 165 large scale and medium industries with an investment of Rs. 80 billion giving employment to 2.30 lakh persons – 58 units in steel and 48 units in the chemical/cement segment alone.
The new industrial policy of the first government announced on its first anniversary on November 1, 2001 aims to make its industries globally competitive. ‘Chhattisgarh Vision 2010’ envisages the contribution of its industrial sector to Gross State Domestic Product (GSDP), currently estimated at Rs. 55 billion (Rs.5500 crore), to double within the next ten years.

The core strengths of State’s economy are expected to industries, to become the power hub in India-by promoting low cost pithead, thermal power plants, and to develop the State into a regional logistics and transshipment hub on vocational advantages. The State Government has decided to keep policy stability as its guiding principle to enable investors implement medium-term plans without hesitation or apprehension. It has also decided to encourage private participation in all possible areas. The main features of its new industrial policy emphasizes cluster based industrial development, good governance and excellent infrastructure, strengthening small scale industries and directed incentives.

The State has identified the major thrust sectors to agro-based and forest-based industries, mineral based industries, traditional industries like handloom and handicrafts, sunrise industries like IT and Biotechnology, and finally infrastructure provisioning.

The Government intends to attract external investment by forging partnership with the private sector and working closely with Industry Associations. The State Recognizes the importance of value addition in the primary sector that largely contributes to the State Domestic Product and employs 80 per cent of the State’s population. The forward linkage from cultivation to processing will be developed through industries involved in the processing of food grains, fruits, vegetables, herbal and medicinal plants, industries based on livestock processing and fisheries as well as development of specialized industrial estates with provision for infrastructure facilities like cold storage and air freighting of perishables.

The State has further decided to concentrate on mineral processing to maximize value addition within the State as this sector has immense potential to attract large investment and generate employment. Chhattisgarh has accorded high priority to Information Technology. A technical nodal agency called CHIPS (Chhattisgarh InfoTech Promotion Society) has been created to focus on IT in industry, governance and education. Biotechnology is a new area promising good scope for utilization and exploration.

Chhattisgarh is poised to emerge as the “Energy State” of India, with its enormous coal reserves and cheapest pithead power generation. A series of captive power plants are also likely to emerge very soon. The State will encourage private investment along with other State government and government undertakings in power generation to tide over power deficits in other states and save huge financial resources involved in such an activity. Chhattisgarh has decided to develop two North-South road corridors and four East-West road corridors of about 3000 km. This would lead to large investment opportunities in related areas. Warehousing is likely to occupy pivotal position in developing commerce & Industry and enable growth of commodity markets.

The Government is committed to providing a business friendly environment and to minimize rule and procedures that impede efficiency and add to transaction costs of doing business. A special statute is on the anvil to establish a three-tier system in which a State-
level investment promotion board, divisional level investment promotion committee and District level Investment promotion committee will be in position soon.

The idea in setting up these committees is to provide a single window clearance with legal backing for investment proposals that would be forthcoming in accordance with the new industrial policy. The State has already set up the following industrial growth centers and industrial areas like Urla, (Raipur), Siltara (Raipur), Borai (Durg), Sirigitti including Tifra (Bilaspur), Bhilai-Durg, Rajnandgaon, Jagdalpur, Ambikapur, Raigarh, Champa, Korba. Urla growth center has an area of approx. 700 hec. With a provision for expansion of 115 hectares of land, Siltara has approximately 1260 hectares whereas Sirigitti growth center is spread over approx. 430 hectares. Borai growth center is very special in having a 4 MLD water supply scheme, which can be augmented to 30 MLD with private participation on BOOT basis. The Government had constituted Chhattisgarh State Industrial Development Corporation to ensure creation and maintenance of industrial infrastructure in selected areas and growth centers. Where ever possible operation and maintenance of industrial estates developed by the State Government would be handed over to professional management agencies.

Mineral based industries can be expected in cement aluminium, iron & steel, refractory, graphite electrodes, tin smelter, flag stone/granite/marble-cutting and polishing, quartzite powder, polarization and captive power. In line with its strategy to promote cluster-based industrial development, assistance will be provided to establish common facilities covering quality improvement, technology upgradation, market promotion and technical skills. In order to achieve long-term sustainable growth, the Government has decided to strengthen small-scale industries and enhance their competitiveness through improved product quality and process innovation. A package of incentives has also been worked out for thrust industries, mega projects and small-scale industries.

Industrialists should come forward to invest in states like Chhattisgarh without any preconceived notions. Each place has its own peculiarities. Some think that others have no place in competition, while a few feel their own assessment alone should prevail in decision-making. If a proposal is technically feasible and financially viable one should take up the project. A little adjustment in location of units according to sentiments of the local population would instill confidence in their minds about the entrepreneur and his intentions.

The State came up with a New Industrial Policy for the period 2004 – 2009, which is rated as one of the most attractive and investor friendly Industrial Policy in the country. The New Industrial Policy of the State has created favourable industrial climate in the State. Impediments on the path of investment have been removed and time limit for industrial clearances has been fixed. Now entrepreneurs do not have to run from pillars to post for clearances.

**Encourage Private Participation**

Mineral-based industries as “Thrust Sector Industries” declared with an attractive package of incentives.

- Encourage private/foreign investment for high value minerals. E.g. diamond, other gem stones, gold based metals, tin and bauxite.
- Prepare and update inventory of minerals produced in the State to facilitate setting up of mineral based industries in Chhattisgarh.
- Allow private mining of mineral reserves located in tribal areas to unlock this potential sector and develop not only the mining sector but also the social sector of the State. The interest of tribal would be protected while granting such clearances. This would include development of detailed resettlement plans, earmarking a part of the mining royalty for local development and educating the local tribal population on the economic benefits of developing mineral the reserves.
- Identify and allocate an unutilized mineral reserve, which is reserved for public sector to private sector.
- Provide priority in grant of mining leases to entrepreneurs who are willing to install processing/beneficiation units.

Raman Singh told IANS in an exclusive interview. “In the power sector, we have agreements with 51 firms totaling about Rs.1,900 billion in investments,” he added. Raman Singh said the state had witnessed an industrial revolution ever since he was sworn in chief minister in December 2003. “Major players in the steel, power and cement sectors are in a hurry to set up new units and those who already have units are filing proposals to expand production by at least three-four times. This shows the state is on the fast track to industrial development,” he said.

Additionally, he said, three major steel plants are coming up in the state’s impoverished tribal but Maoist insurgency-hit southern Bastar region. “Tata Steel is setting up a five-million-tonne steel unit on a Rs.100 billion investment while Essar is investing Rs.70 billion for a 3.2-million-tonne plant,” he said. Both deals were signed in June 2005. “The state government has signed a deal with NMDC early this month for another three-million-tonne steel unit in Bastar.

The state's per capita income, which is an important indicator of economic development of a state, was Rs 34,483 during 2008-09. As per the quick estimates for 2008-09 at current prices, Gross State Domestic Product (GSDP) is estimated at Rs 95,204 crore, which has registered a growth of 19.88 per cent over previous year. The GSDP estimates for the primary sector, which includes agriculture, forestry, fisheries and mining, is Rs 27,250 crore while for the secondary sector that includes construction, manufacturing, electricity, gas and water supply is Rs 37,592 crore. The GSDP at current prices is likely to be Rs 1,07,847 crore in 2009-10 as per the advance estimation that shows 13.28 per cent growth over the previous year. The growth in primary and secondary sectors will be 7.72 per cent and 14.66 per cent respectively.”

It may be noted that Chief Minister Dr. Raman Singh was adjudged as the number one Chief Minister among the States in the survey conducted by India Today. Chhattisgarh also bagged number one position in creating better environment for investment in the country. The atmosphere for industrialization changed after Chief Minister Dr. Raman Singh initiated dialogue with the leading industrial houses and industrial organizations across the country and abroad to attract investment to the State. The efforts paid rich dividend and within two years, 50 industrial houses inked Memorandum of Understanding.
(MoU) with the Government of Chhattisgarh to invest Rs 51,000 crore in the State. Most of the companies have started the process of setting up the units.  

Chhattisgarh bagged third position in India in terms of industrial exports. As per data released by Ministry of Commerce and Industry in January 2005 Chhattisgarh has exported industrial goods of worth Rs 1057 crore in the year 2003-04 and registered export growth rate of 148.77 per cent. In terms of value year 2003-2004 exports is Rs. 632 crore more than the preceding years export of Rs 425 crores. Ministry of Commerce and Industry has sanctioned Rs 5.00 crore to Chhattisgarh for promoting export-oriented units of the State. Strategically located in central India Chhattisgarh has good road connectivity and is able to supply power to units round the clock. Situated just five hundred kilometers away from the coastal area, its location in the heart of the country makes this State important. It is an important junction to connect the two metros namely Mumbai and Kolkata. The Mana Airport near the capital Raipur connects it with Mumbai, Kolkata, New Delhi and Chennai.

In investment facilitation the approach of the State government has been that of providing various facilities like infrastructure subsidy, interest subsidy, electricity duty exemption and tax exemption in order to make the investment competitive. In order to make the atmosphere industrially friendly, the State Investment Promotion Act has been suitably amended providing for a State Investment Promotion Board, under the Chairmanship of the Chief Minister. This board meets every quarter and is empowered to take all decisions on behalf of all statutory bodies of the State Government. The State Government has also provided single point of contact for all investors, common application form for all clearances for any new investor coming to the State. The rules in the statute provide for time bound clearance in setting up industrial ventures, land clearance within 21 days, power clearance within 45 days and environment clearance within 120 days are a few examples. The rules also provide deemed clearance in case no action is taken in the stipulated time period. These efforts have paid rich dividends and within two and half years more than 40 industrial units have signed Memorandum of Understandings (MoUs) with Chhattisgarh government in order to invest more than Rs. 53,000 crores in various industrial ventures in the State.

In the last few years, Jindal Steel, Sterlite and others have signed MoUs for investment in the State. Prominent power companies like National Power Corporation Ltd. (NTPC) and State Electricity Board (CSEB) are in the process of commissioning of new power projects. NTPC is now installing a new power generation unit in Bilaspur district. NTPC has started construction work on its 2640 MW Super thermal Pant in Sipat 500 MW power plant in Bilai and another 600 MW plant in Korba. Government of Gujarat is putting up a 500 MW generation plant in Korba. Additionally new companies like IFFCO and Texas Power Generation have signed MoUs for establishing independent power plants in the State. The renowned cement companies like Lafarge, Grasim, Ambuja, ACC etc are now planning for expansion whereas SAIL unit Bhilai Steel Plant is planning to set up cement plant in the State.

Chhattisgarh is truly a land of opportunities. It is the richest state in natural resources. Chhattisgarh has adopted its five-year Industrial Policy in 2001. The four basic strategies identified in the policy are Cluster based industrial development, Good
governance and excellent infrastructure, improving the competitiveness of small scale industries, and Directed incentives. The State has formulated and is implementing stable macro-economic policies, and ensuring transparency and accountability in the administering of rules and regulations. Government has enhanced allocations including by way of public-private partnerships, for providing basic and specialised physical infrastructure, especially in industrial parks. It is also focusing on concerted human resource development.

Incentives, in keeping with our Industrial policy, are directed only at thrust industries, Mega projects and small scale industries. Additional incentives are being provided to industries that employ a large number of women workers, industries that are set up by Scheduled Tribes/Scheduled Castes, and those units investing in quality control and innovation.

The Industrial growth in Chhattisgarh has been satisfactory and has now established its identity as a growth center of cement and steel industries. A number of wide ranging industries can come up in this State due to availability of minerals, power, labour and agricultural base.

The recently announced Chhattisgarh’s Industrial Policy is based on two primary factors. Firstly, creating basic infrastructure, friendly labour relations, transparency and accountability and reducing red Taoism. The other factor is best planning and encouraging administration. Thrust sector and mega projects have been given some concessions. Government is working as a facilitator for creating more jobs through industries, development of regions and increase in exports.

The state's per capita income, which is an important indicator of economic development of a state, was Rs. 34,483 during 2008-09. As per the quick estimates for 2008-09 at current prices, Gross State Domestic Product (GSDP) is estimated at Rs. 95,204 crores, which has registered a growth of 19.88 per cent over previous year. The GSDP estimates for the primary sector, which includes agriculture, forestry, fisheries and mining, is Rs. 27,250 crores while for the secondary sector that includes construction, manufacturing, electricity, gas and water supply is Rs.37,592 crores. The GSDP at current prices is likely to be Rs.1,07,847 crores in 2009-10 as per the advance estimation that shows 13.28 per cent growth over the previous year. The growth in primary and secondary sectors will be 7.72 per cent and 14.66 per cent respectively.

Status of Large & Medium and Small Scale industries

The numbers of large and medium scale industries established in Chhattisgarh State were 18 with an investment of Rs. 877.88 crores of fixed capital and 1989 persons were employed.40

The numbers of large and medium scale industries established in Chhattisgarh State were 40 up to November 2004 with an investment of Rs. 419.43 crores of fixed capital and 4025 persons were employed. Out of 40 industries, 5 were Steel, 21 of Sponge Iron, 1 of Ferro Alloys and 13 were other industries.41

The numbers of large and medium scale industries established in Chhattisgarh State were 77 up to October 2005 with an investment of Rs. 1039.66 crores of fixed capital and
11312 persons were employed. Out of 77 industries, 5 were Steel, 43 of Sponge Iron, 2 of Ferro Alloys and 27 were other industries.\textsuperscript{42}

The numbers of large and medium scale industries established in Chhattisgarh State were 122 up to October 2006 with an investment of Rs. 1912.82 crores of fixed capital and 13171 persons were employed.\textsuperscript{43}

The numbers of large and medium scale industries established in Chhattisgarh State up to December 2007 were 156 with an investment of Rs. 5193.31 crores of fixed capital and 18473 persons were employed.\textsuperscript{44}

After the constitution of Chhattisgarh State, numbers of large and medium scale industries established in Chhattisgarh State up to December 2009 were 174 with an investment of Rs. 7517433.71 lakhs of fixed capital and 98276 persons were employed.\textsuperscript{45}

In the year 2002-03, 2375 small and cottage industries were established with an investment of Rs. 1635 lakhs providing employment to 5803 persons. 969 out of 2375 small and cottage industries were established by the scheduled caste and schedule tribe entrepreneurs with an investment of Rs. 198 lakhs.\textsuperscript{46}

In the financial year 2003-04 up to September 2003, 630 small and cottage industries were established with an investment of Rs. 874 lakhs generating employment to 1999 workers. 194 out of 630 small and cottage industries were established by the scheduled caste and schedule tribe entrepreneurs with an investment of Rs. 111 lakhs.\textsuperscript{47}

In the year 2004-05, 2034 small and cottage industries were established with an investment of Rs. 3701 lakhs providing employment to 6760 persons. 737 out of 2034 small and cottage industries were established by the scheduled caste and schedule tribe entrepreneurs with an investment of Rs. 233 lakhs generating employment to 1370 persons.\textsuperscript{48}

In the year 2005-06, 1400 small and cottage industries were established with an investment of Rs. 4673.19 lakhs providing employment to 6055 persons. 357 out of 1400 small and cottage industries were established by the scheduled caste and schedule tribe entrepreneurs with an investment of Rs. 137 lakhs generating employment to 793 persons.\textsuperscript{49}

In the year 2006-07, 813 small and cottage industries were established with an investment of Rs. 10248.07 lakhs providing employment to 6611 persons. 139 out of 813 small and cottage industries were established by the scheduled caste and schedule tribe entrepreneurs with an investment of Rs. 94.459 lakhs generating employment to 191 persons.\textsuperscript{50}

In the year 2007-08 up to October 2007, 332 small and cottage industries were established with an investment of Rs. 8813.11 lakhs generating employment to 3956 workers. 15 out of 332 small and cottage industries were established by the scheduled caste and schedule tribe entrepreneurs with an investment of Rs. 63.81 lakhs generating employment to 129 persons.\textsuperscript{51}
Accomplishment of MOU

- 32 MOU up to November 2004 has been executed after Chhattisgarh State came into force with a proposed investment of Rs. 19868 crores. Out of above MOU, 6 industries have started production with an investment of Rs. 1517 crores providing employment to 2023 workers.52

- 51 MOU has been executed after Chhattisgarh State came into force out of which 17 are producing units and 10 units are under construction. In this financial year (up to October 2005), 161 MOU have been executed with an investment of Rs. 15188.54 crores providing employment to 38443 workers.53

- 53 MOU has been executed after Chhattisgarh State came into force out of which 17 are producing units and 10 units are under construction, with an investment of Rs. 72170.65 crores providing employment to 38639 workers.54

- 67 MOU has been executed after Chhattisgarh State came into force out of which 24 are producing units and 30 units are under construction, in which Rs. 15000 crores have been invested.55

- 136 MOU has been executed after Chhattisgarh State came into force, with an investment of Rs. 178207 crores have been proposed against which Rs. 20174 have been invested.56

Table 1.7: Year-wise details of Large and Medium Industries in Chhattisgarh

<table>
<thead>
<tr>
<th>Period</th>
<th>Total No. of Units</th>
<th>Capital Investment (in Lakhs Rs.)</th>
<th>Employment (No.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961-62 to 31.10.2000</td>
<td>74</td>
<td>139907.87</td>
<td>13850</td>
</tr>
<tr>
<td>1.11.00 to 31.03.01</td>
<td>04</td>
<td>3285.90</td>
<td>184</td>
</tr>
<tr>
<td>2001-02</td>
<td>05</td>
<td>8813.44</td>
<td>602</td>
</tr>
<tr>
<td>2002-03</td>
<td>04</td>
<td>2248.71</td>
<td>261</td>
</tr>
<tr>
<td>2003-04</td>
<td>08</td>
<td>4410.72</td>
<td>467</td>
</tr>
<tr>
<td>2004-05</td>
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<td>1765</td>
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<tr>
<td>2006-07</td>
<td>21</td>
<td>31702.17</td>
<td>1847</td>
</tr>
<tr>
<td>2007-08</td>
<td>9</td>
<td>2758.35</td>
<td>512</td>
</tr>
<tr>
<td>2008-09</td>
<td>12</td>
<td>4045.58</td>
<td>1275</td>
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</table>

(Source: Commissioner, District Industry and Trade Centre, Raipur C.G.)
### Table 1.8: Details of Small Scale Industries established in Chhattisgarh

<table>
<thead>
<tr>
<th>Period</th>
<th>Total No. of Units</th>
<th>Capital Investment (in Lakhs Rs.)</th>
<th>Employment (No.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961-62 to 31.03.2000</td>
<td>7194</td>
<td>7548.74</td>
<td>32827</td>
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<tr>
<td>2000-01</td>
<td>1991</td>
<td>2431.00</td>
<td>4925</td>
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<tr>
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<td>2003-04</td>
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<tr>
<td>2005-06</td>
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<td>10248.00</td>
<td>6611</td>
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<tr>
<td>2006-07</td>
<td>557</td>
<td>12699.00</td>
<td>7536</td>
</tr>
<tr>
<td>2007-08</td>
<td>581</td>
<td>13508.00</td>
<td>6787</td>
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<tr>
<td>2008-09</td>
<td>558</td>
<td>17208.00</td>
<td>6630</td>
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### 1.9 Details of Small Scale Industries established in Chhattisgarh by Schedule Caste and Schedule Tribes

<table>
<thead>
<tr>
<th>Period</th>
<th>Total No. of Units</th>
<th>Capital Investment (in Lakhs Rs.)</th>
<th>Employment (No.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
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<td>127.56</td>
<td>1421</td>
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<tr>
<td>2002-03</td>
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<tr>
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<tr>
<td>2007-08</td>
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<td>224</td>
</tr>
<tr>
<td>2008-09</td>
<td>142</td>
<td>217.91</td>
<td>238</td>
</tr>
</tbody>
</table>

Chhattisgarh has various Industrial Growth Centres & Industrial Areas namely Urla, Sarora, Bhanpuri, Rawabhata, Siltara in Raipur, Borai in Durg and Sirgitti, Tifra, Rani Durgawati in Bilaspur, etc. These industrial estates are close to major cities and provide basic physical and social infrastructure facilities to industrial units. The Chhattisgarh State Industrial Development Corporation (CSIDC) manages these industrial estates. The state government has also set up a software technology park in Bhilai and another is being established at Korba.
KEY INDUSTRIAL CENTRES

Raipur region

Rich reserves of minerals, limestone, and coal have made Raipur district one of the key industrial centres in the state. Raipur city is also the state capital and the government proposes to develop the city into a new world-class capital city. Raipur has 58 large and middle scale industries with prominent players such as Monnet Ispat, Century Cement, Lafarge and Ambuja Cement.

The growth unit of Siltara in Chhattisgarh symbolizes one of the commercially-viable industrial parks of the state which is located in the nearby region of Raipur district. It is equipped with 48 industrial centers and there are upcoming plans of cooking gas bottling plants, sponge iron units and ferro-alloy plants. The entire area occupies a total of 1291 hectares.

Employing a total of 11259 people, the Urla industrial area of Chhattisgarh is spread over 334 hectares. The area comprises of 414 large, medium and small scale industries, all of which contribute significantly towards the growth of the economy of Chhattisgarh.

Durg-Bhilai region

The Durg-Bhilai region is rich in mineral deposits especially iron-ore, limestone and quartzite. The region is well connected by road and is just 50 km away from the Mana airport at Raipur. Major players located in the region include Bhilai Steel, the Steel Authority of India (SAIL) and Associated Cement Company (ACC). The Borai Industrial Growth Centre spread over 397 hectares is also in this region.

The Durg district of Chhattisgarh houses the Borai industrial area. With 45 industrial zones, this area symbolizes one of the pioneering joint ventures of state government and private bodies in the field of water supply. The total area spans over 437 hectares and engages 1505 local people.

Bilaspur region

Bilaspur is a prominent industrial centre in Chhattisgarh. The district has a total population of 1.7 million. The presence of South Eastern Coalfields Ltd in the region has ensured thriving operations for ancillary industrial units in the area. National Thermal Power Corporation (NTPC) is building the state's largest thermal power plant at Sipat in Bilaspur district.

The Sirgitti Industrial Growth Centre spread over 338 hectares is located in this region. Bilaspur is also the divisional headquarters for South Eastern Central Railways. Bilaspur's railway division is one of the most profitable in India, contributing about 17 per cent of the revenues of the Indian Railways.

The South Eastern Coal fields are the key components of the Bilaspur industrial area of Chhattisgarh. Supplying a huge amount of coal to different manufacturing zones of the state, this industrial area is counted as one of the vital economic link.
Korba region

Korba district is known as the Electricity Capital of India. The region has rich reserves of coal and bauxite. It is connected to Bilaspur; the divisional headquarter for South-Eastern Central Railways by rail. It is about 200 km from Mana airport in Raipur. Major industries present in the region include mining (coal and bauxite), electricity generation and aluminum production.

Undoubtedly, Chhattisgarh Industrial Areas are the biggest catalyst in the economic progress of the state.

Swot analysis of infrastructure for industrial development

STRENGTHS –

- Low land cost - Lot of land available for industrial set-ups.
- Surplus power is available which can attract more industries.
- Good connectivity -Well connected to major cities by railways, Roadways and Airways.
- Good communication facilities available.
- Export oriented promotional Activities.
- Sound fiscal position.
- Favorable industrial climate.
- Hard working and low cost labor.
- Abundant forest resources.
- Skill oriented EDPs, training by SISI, Raipur.

WEAKNESS –

- There is inadequate industrial infrastructure for the growth of industries.
- Less number of growth centers for industries.
- No water transport available. It’s a landlocked district.
- Entrepreneurs need proper guidance and training to diverse in industrial field from agro based or family businesses.
- Lack of skilled manpower.
• Lack of proper database - The State/District lacks a proper data bank and hence entrepreneurs are unable to do market survey for identification of products.

• Lack of traditional entrepreneurs in the State.

• Scarcity of primary raw material

**OPPORTUNITIES –**

• Lot of scope for improving the industrial infrastructure and incentives for attracting potential industries.

• Opportunities available for setting up resource based industries as its still in the budding stage.

• Setting up growth centers.

• To lure prospective local/outside entrepreneurs extensive product cum process oriented EDPs should be organized.

• Export promotional activities to be organized.

**THREATS –**

• Ecological Imbalance-There is the possibility of creating an ecological imbalance because of felling of trees, changing topography of the land, utilization of large quantity of ground water, digging of mines etc.

• Pollution-Creation of unacceptable levels of pollution in water, sound and air etc by the industries can be health hazard to living beings.

• High cost of living- The influx and migration of large work force may create pressures on land, housing and other facilities. Cost of land and construction cost of building may go up. The resulting high cost of living may be unbearable to the existing local people.

• Slowness and inertia in taking adequate and timely steps will result in the opportunities being converted to their advantage by neighboring states.

The Chhattisgarh Government is projecting the potentiality of the state to rope in major industrial groups to invest in the state and improve the overall industrial picture. It has achieved considerable success in bringing major industrial houses that have established factories and plants in different regions of the state. The presence of Industrial Organizations in Chhattisgarh proves the progress the state has achieved. These Industrial Organizations of Chhattisgarh have acted as the catalyst, building the industrial atmosphere of the province. The above-mentioned organizations do not only have their offices in the state but they have opened factories and plants that give large amounts of output. Also the presence of a major railway zone has helped the industrial communication to a great extent.
1.2.1 HISTORY OF RAIPUR DISTRICT

Raipur, the capital city of the newly formed Indian state Chhattisgarh has a population of over seven hundred thousand or seven lakhs. In terms of population it holds the fifty fifth position among all the Indian cities, that is, it is the fifty fifth largest cities in terms of population in India according to the census report of 2001. As the capital city of a state, it is also its administrative headquarters. The state of Chhattisgarh (formed in November, 2001) is a breakaway from the former state of Madhya Pradesh of which Raipur was previously an important city.

Raipur, the largest urban agglomerations in the state, consists of the Raipur Municipal Corporation (RMC). Planning area of Raipur is notified under the act on 22.11.73. It is spread over 188.01 sq.km. and consist of 41 villages with in the planning area. Raipur is the largest city in the state with a population of over seven lakhs as per census 2001.

Raipur is certainly one of the oldest cities in India, even though India boasts of many old cities. Raipur was founded in the 14th century. History has it that this region was ruled by the Kings of the Satvahana dynasty between the 2nd and the 3rd centuries AD and then by Somvanshi kings. Sirpur was their capital which is just a few hours away from Raipur. One could find the earliest evidence of the existence of this city from the 9th century ruins in the southern part of what is modern Raipur.

Later, the Kalchuris ruled this region and their capital was Ratanpur. King Ramchandra, a descendant of this dynasty founded the city of Raipur which was later made his capital. The city was given this name after his son Brahmdeo Rai. When the region disintegrated into small principalities, it passed from one kingdom to other until British finally conquered it in 1854. They then made Chattisgarh a separate Commissary (administrative unit) and Raipur was its district headquarters.

Raipur district is important in historical and archeological point of view. This district was once part of Southern Kosal and considered to be under Mourya Kingdom. Raipur city had been the capital of the Haihaya Kings, controlling the traditional forts of the Chhattisgarh for a long time. The town of Raipur has been in existence since the 9th century, the old site and ruins of the fort can be seen in the southern part of the city. Satawahana Kings ruled this part till the 2nd-3rd century AD.

In the 4th Century AD the king Samudragupta had conquered this region and established his domination till Fifth-Sixth Century AD when this part had come under the
rule of Sarabhupuri Kings. For some period in Fifth-Sixth Century A.D., Nala kings dominated this area. Later on Somavanshi kings had taken the control over this region and ruled with Sirpur (Sirpur-The city of Wealth) as their capital city. Mahashivgupt Balarjun was the mightiest emperor of this Dynasty. His mother, the widow Queen of Harshgupta of the Somavansh, Rani Vasata built the famous brick temple of Lakshman. The Kalchuri Kings of Tumman ruled this part for a long time making Ratanpur as capital. The old inscriptions of Ratanpur, Rajim and Khalari refer to the reign of kalchuri kings. It is believed that the King Ramachandra of this dynasty established the city of Raipur and subsequently made it the capital of his kingdom.

Another story about Raipur is that King Ramachandra's son Brahmdeo Rai had established Raipur. His capital was Khalwatika (Now Khallari). The newly constructed city was named after Brahmdeo Rai as 'Raipur'. It was during his time in 1402 A.D. that Hajiraj Naik the temple of Hatkeshwar Mahadev was constructed in the banks of river Kharun. The decline of this dynasty's rule came with the death of King Amarsingh Deo. This region had become the domain of Bhosle kings after the Amarsingh deo's death. With the death of Raghujii the III, the territory was assumed by the British Government from Bhonsla'a of Nagpur and Chhattisgarh was declared a seperate Commissionery with its Headquarters at Raipur in 1854. After independence Raipur district was included in Central Provinces and Berar.

1.2.2 GEOGRAPHICAL BACKGROUND

Raipur pronunciation (Hindi:रायपुर) is the capital city of the state of Chhattisgarh, India. The city is the administrative headquarters of Raipur District. It was formerly a part of Madhya Pradesh before the state of Chhattisgarh was formed on November 1, 2000. The population is 605,131.57

Raipur District is situated in the fertile plains of Chhattisgarh Region. This District is situated between 22°33' N to 21°14'N Latitude and 82°6' to 81°38'E Longtitude. The District is surrounded by District Bilaspur in North, District Bastar and part of Orissa state in South, District Raigarh and part of Orissa state in East and district Durg in West. The district occupies the south eastern part of the upper Mahanadi valley and the bordering hills in the south and the east. Thus, the district is divided into two major physical divisions, Viz., the Chattisgarh plain and the Hilly Areas.

Raipur is the Headquarters of the District and Division of the same name centrally located in the newly formed State Chhattisgarh. Raipur is the biggest city of the Region and a fast developing important industrial centre. The establishment of Chilli Steel Plant in the country has given added momentum to the pace of development of the city.

As of 2001 India census, Raipur had a population of 3,016,930. Males constitute 50.52 per cent of the population and females 49.48 per cent. Sex Ratio of Ratio is 980 females per 1000 males with a density of 230. The rural population of Raipur is 2,099,312 and uraban population is 917,618. Sex ratio of rural population is 1004 where as for urban population is 927. Literate persons of Raipur are 1,713,653 out of which males are 1,034,063 and females are 679,590. Raipur has a reported literacy rate of 68.50 per cent,
higher than the national average of 59.5%; male literacy is 82.00%, and female literacy is 54.80 %. The urban literacy rate is 79.60% and rural literacy rate is 63.50%. Raipur has a growth rate of 18.97 per cent.38

Raipur, the largest urban agglomerations in the state, consists of the Raipur Municipal Corporation (RMC). Planning area of Raipur is notified under the act on 22.11.73. It is spread over 188.01 sq.kms. and consist of 41 villages with in the planning area.

Being an important regional centre and a city with a history stretching back more than a thousand years, Raipur has been attracting people from different parts of Madhya Pradesh and neighbouring states. The demographic composition is a mixed one, comprising of local ethnic Chhattisgarhi, North Indians, South Indians and a few from the North East. Local ethnic Chhattisgarhi comprises of Kurmi, Swarnkar, Teli, Koshta and Satnami communities. The city is also inhabited by the trading communities like Baniyas, Agarwals, Jains, Gujaratis, and Marwaris.

Raipur is geographically located near the centre of a large plain a region which is often referred to as the rice bowl of India, where hundreds of varieties of rice are grown. This area is an extensive and very fertile plain which is conducive for the growth of various types of rice and hence such a name. There are dense forested lands to the south of this city. The Mahanadi river flows to the east of the city of Raipur. The famous Maikal hill range lies to the north west of this city. North of Raipur the elevation of the land increases until it merges with the ancient and extensive ChhotaNagpur Plateau. This plateau extends northwards up to the state of Jharkhand. Towards the south of Raipur lies another plateau region known as the Bastar region.

Raipur district is administratively divided into 13 Tehisils and 15 revenue blocks. It comprises of two LokSabha Constituencies (Raipur and Mahasamund) and 13 Vidhansabha constituencies. The chief crop of this region is Paddy. Raipur district is fast emerging an industrial centre too. There are 58 large and middle scale industries established so far in this district which have offered employment to nearly 12351 persons. Industrial development in this district is mainly because of availability of wide spread Minerals, Coal, Electricity and cheap labour cost.

Climate

Raipur has a tropical wet and dry climate, temperatures remain moderate throughout the year, except from March to June, which can be extremely hot. The city receives about 1,300 millimetres (51 in) of rain, mostly in the monsoon season from late June to early October. Winters last from November to January and are mild, although lows can fall to 5 °C (41 °F).It has mix climate where as more towards hotter side, summer are extremely hot and at times the mercury may rise to 47°C.
Connectivity

Raipur is situated on the Mumbai-Howrah route of the Indian Railways and is well connected with major cities.

National Highway 6 (Dhule-Kolkata) passes through Raipur. National Highways 43, 200 and 12A link the city with Jagdalpur, Bilaspur and Jabalpur. A four lane expressway has been constructed between Raipur, Bhilai and Durg, which is further extended up to Nagpur.

All the important Towns of the Region like Bhilai (25 km), Durg (41 km), Jagadalpur (297 km), Rajnandgaon (70 km), Bilaspur (115 km) Jabalpur (369 km) and Bhopal (712 km) are connected with Raipur by Road. Visitors can also go to Hirakud Dam near Sambalpur and Puri (Orissa) by Road for which Bus Service is available. Raipur offers an attractive alternate Road route to Kanha National Park and enroute the traveller may also visit Bhoramdeo too. The route is Raipur-Kawardha- Bhoramdeo-Bodla- Chilpi-Supkhar-Muddi (178Km)

Raipur is a well-connected city through railways. It is connected with other major cities such as Kolkata, Pune, Mumbai, Delhi, Bangalore, Kochi, Howrah, Patna, Dhanbad, Amritsar, Kochi, Bangalore, etc. It can be accessed through the Howrah to Mumbai route of the Eastern Indian Railways. The State Headquarters Raipur lies on the Bilaspur-Durg section of the Mumbai-Howrah broadguage line of South-Eastern Railways.

After Raipur became a state capital, many new air routes were opened connecting this city with the rest of the country. The airport located just outside the city is in a small bordering town called Mana. Hence, it is also known as the Mana Airport. Indian Airlines has a series of domestic flights to and from Raipur linking it with Visakhapatnam, Chennai, Nagpur, Mumbai, Bhubaneswar, New Delhi, Kolkata, Indore, Ahmedabad and Ranchi. Private airlines such as Air Deccan, Kingfisher Airlines and Jet Airways also have flights plying from Raipur and connecting it with the rest of India.

Rivers

Mahanadi is the principal river of this district. Its tributaries being Sendur, Pairy, Sondur, Joan, Kharun and Shivnath. The fertility of lands of Raipur district can be attributed to the presence of these rivers. Mahanadi originating in the hills of Sihava flows in the direction of East into the Bay of Bengal. Mahanadi crosses the district diagonally from its south western corner to Northern boundaries. The area to the west of the river comprising the North Eastern part of Dhamtari (now separated from the Raipur District), the whole of Raipur, Rajim Tehsil and the western part of Baloda Bazar Tehsil is a part of the open Chhattisgarh plain, gently sloping, thickly populated and closely cultivated and almost devoid of forests. The plain also extends in a belt of about 13 to 15 kilometers east of Mahanadi, except between Sirpur and Kasdol where the hills are much closed. The Southern part of Mahanadi plain is about 305 metres above the M.S.L., whereas the northern part is about 244 metres above the M.S.L.
Population Growth Rate

The connectivity of Raipur helped it to develop as the wholesale market and logistic hub for the adjoining states. Designation of capital city further added functions of administrative city to the list of other functions of town. Raipur also provides for higher order social infrastructure facilities in education and health for the entire state. These roles and functions have made Raipur a very active and high potential developing city. The Population that has been taken for CDP pertains to population of Municipal Corporation area as per census 2001. In the year 2003, 26 villages were brought under RMC. These villages had a population of 88139 as per 2001 census and were added as 16 Wards under RMC. The growth rate for projecting the population of these villages for the year 2003 has been taken at 2.01% (The growth rate for Rural Population in MP between 1991-2001). Considering that population the projection has been done for 2005 to 2021.

<table>
<thead>
<tr>
<th>Composition</th>
<th>Population Increase During</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1981-91</td>
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<tr>
<td>Year</td>
<td></td>
</tr>
<tr>
<td>Natural Increase</td>
<td>67650</td>
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<tr>
<td>In-migration</td>
<td>55350</td>
</tr>
<tr>
<td>Jurisdictional Change</td>
<td>0</td>
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<tr>
<td>Total Increase</td>
<td>123000</td>
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Population and Area Details under Raipur Planning area

<table>
<thead>
<tr>
<th>SL.No</th>
<th>Name of villages in planning area</th>
<th>Area in hect.</th>
<th>Population (Census 2001)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Raipur (U.A.)</td>
<td>699.264</td>
<td>670042</td>
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<tr>
<td>B</td>
<td>Raipur (M.C.)</td>
<td>1222.2</td>
<td>10653</td>
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<tr>
<td>1</td>
<td>Birgoan</td>
<td>345.8</td>
<td>3930</td>
</tr>
<tr>
<td>2</td>
<td>Deopuri</td>
<td>397.0</td>
<td>3218</td>
</tr>
<tr>
<td>3</td>
<td>Boriakhurd</td>
<td>424.1</td>
<td>5334</td>
</tr>
<tr>
<td>4</td>
<td>Urkura</td>
<td>551.3</td>
<td>3968</td>
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<tr>
<td>5</td>
<td>Jora</td>
<td>395.5</td>
<td>7074</td>
</tr>
<tr>
<td>6</td>
<td>Sarora</td>
<td>592.2</td>
<td>3205</td>
</tr>
<tr>
<td>7</td>
<td>Dumartarai</td>
<td>385.0</td>
<td>2952</td>
</tr>
<tr>
<td>8</td>
<td>Dunda</td>
<td>511.8</td>
<td>6469</td>
</tr>
<tr>
<td>9</td>
<td>Rawabhati</td>
<td>935.7</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Goagoan</td>
<td>303.3</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Mowa</td>
<td>387.7</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Tikrapara</td>
<td>687.4</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Saronia</td>
<td>561.00</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Sondongari</td>
<td>395.5</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Gondwara</td>
<td>343.3</td>
<td></td>
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<tr>
<td>16</td>
<td>Daldalseoni</td>
<td>688.1</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Labhandi</td>
<td>764.1</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Amlidih</td>
<td>385.2</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Bhatagoan</td>
<td>943.6</td>
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<tr>
<td>20</td>
<td>Hirapur (Jarvai)</td>
<td>447.0</td>
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<tr>
<td>21</td>
<td>Attari</td>
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<td>22</td>
<td>Tatibhandh</td>
<td>561.00</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Chandnidih</td>
<td>289.0</td>
<td></td>
</tr>
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<td>24</td>
<td>Bhanpuri</td>
<td>350.3</td>
<td></td>
</tr>
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<td>25</td>
<td>Khamtarai</td>
<td>449.2</td>
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</tr>
<tr>
<td>26</td>
<td>Raipur</td>
<td>659.3</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>ChangoraBhata</td>
<td>165.5</td>
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</tr>
<tr>
<td>28</td>
<td>Mathpurena</td>
<td>647.3</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Phundhar</td>
<td>244.3</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Telibandha</td>
<td>454.5</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Saddu</td>
<td>3003</td>
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</tr>
<tr>
<td>32</td>
<td>Dangania</td>
<td>45.8</td>
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<td>33</td>
<td>Chirhuldih</td>
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<tr>
<td>34</td>
<td>Gudhiyari</td>
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<td>35</td>
<td>Fafadih</td>
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<td>PandariTarai</td>
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<td>Kapa</td>
<td>301.5</td>
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<td>Sankarnagar</td>
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<td>Dumartalao</td>
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<tr>
<td>41</td>
<td>Raipur Khas</td>
<td>1163.8</td>
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</tr>
<tr>
<td></td>
<td>Grand Total Planning Area</td>
<td>18801.6</td>
<td>719848</td>
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</tbody>
</table>
Villages mentioned at serial number 1-9 fall outside municipal area, villages from 10-30 falls fully or partially within new Municipal Corporation area, village Saddu mentioned on serial no. 31 is included in new Municipal Corporation area but does not fall in planning area. However this village is included in revised planning area. Villages mentioned from 32-41 falls within old municipal area, therefore the population of villages falling partially or fully within municipal area is mentioned collectively as population of Raipur.

Planning area Raipur has got 4 urban settlements apart from Raipur municipal area, which constitutes 21+1(Saddu) urban settlements and 20 rural settlements. The settlements falling in planning area adjacent to municipal area are the ones who face and absorb the pressure of development. The demography of these villages is detailed in Table.
## Demography Details of Raipur Planning Area

<table>
<thead>
<tr>
<th>S.No.</th>
<th>VILLAGE NAME</th>
<th>TOTAL POP</th>
<th>SC POP.</th>
<th>ST POP.</th>
<th>LITERATE</th>
<th>WORKERS IN %</th>
<th>HOUSE HOLD SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gudhari</td>
<td>467</td>
<td>433</td>
<td>0</td>
<td>283</td>
<td>AL- 93.8</td>
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<tr>
<td>2</td>
<td>Tikrapara</td>
<td>6444</td>
<td>475</td>
<td>372</td>
<td>3877</td>
<td>OW- 91.0</td>
<td>5.3</td>
</tr>
<tr>
<td>3</td>
<td>Sarona</td>
<td>9820</td>
<td>1172</td>
<td>2043</td>
<td>3308</td>
<td>OW- 93.7</td>
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</tr>
<tr>
<td>4</td>
<td>Sondongari</td>
<td>2952</td>
<td>48</td>
<td>79</td>
<td>1413</td>
<td>OW- 65.2</td>
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<td>5</td>
<td>Gondwara</td>
<td>2713</td>
<td>1178</td>
<td>313</td>
<td>1452</td>
<td>OW- 81.8</td>
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<td>6</td>
<td>Daldalseoni</td>
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<td>285</td>
<td>77</td>
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<td>7</td>
<td>Labhandih</td>
<td>3949</td>
<td>1238</td>
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<td>1562</td>
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<td>8</td>
<td>Amlidih</td>
<td>2424</td>
<td>109</td>
<td>87</td>
<td>1396</td>
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<td>Deopuri</td>
<td>3930</td>
<td>1838</td>
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<td>2186</td>
<td>OW- 79.1</td>
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<td>Boriahurd</td>
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<td>1915</td>
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<td>11</td>
<td>BhataGoan</td>
<td>7751</td>
<td>133</td>
<td>531</td>
<td>4603</td>
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<td>Rawabhattha</td>
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<td>Urkura</td>
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<td>3043</td>
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<tr>
<td>14</td>
<td>Jora</td>
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<td>723</td>
<td>98</td>
<td>2651</td>
<td>OW- 67.8</td>
<td>5.9</td>
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<td>Sarora</td>
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<td>Dumartarai</td>
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<td>OW- 55.0</td>
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<td>1407</td>
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<td>397</td>
<td>39</td>
<td>1584</td>
<td>OW- 61.8</td>
<td>5.8</td>
</tr>
<tr>
<td>19</td>
<td>Banasari</td>
<td>10653</td>
<td>1186</td>
<td>413</td>
<td>7638</td>
<td>OW- 92.9</td>
<td>4.6</td>
</tr>
<tr>
<td>20</td>
<td>Birgoan</td>
<td>23562</td>
<td>3013</td>
<td>1094</td>
<td>13924</td>
<td>OW- 95.9</td>
<td>4.4</td>
</tr>
<tr>
<td>21</td>
<td>Gogoan</td>
<td>10456</td>
<td>2529</td>
<td>933</td>
<td>5644</td>
<td>OW- 91.7</td>
<td>4.3</td>
</tr>
<tr>
<td>22</td>
<td>Mowa</td>
<td>13706</td>
<td>2355</td>
<td>615</td>
<td>8798</td>
<td>OW- 96.8</td>
<td>4.9</td>
</tr>
</tbody>
</table>
Analysis of the above table reveals that Gudhiary has got maximum population (92.75%) as scheduled castes, followed by Deopuri (46.8%) and Gondwara (43.4%). There is only one village Sarona that has maximum congregation of 20.8% Scheduled Tribe population. The household size varies from 4.2 to 7.7; Dunda, Amlidih, Bhatgoan and Dumartarai are the critical villages having a high household size.

**Future growth pattern**

The rates of growth of population experienced by Raipur Urban Agglomeration during 1991 and 2001 will continue in future through at a lesser rate. The projections indicate that the Raipur Municipal Corporation would house a population of 10.64 lakhs in 2011 and 14.98 lakhs in 2021. The detail is shown in Table.

<table>
<thead>
<tr>
<th>Year</th>
<th>Decade</th>
<th>Growth Rate</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>1991-01</td>
<td>37.9%</td>
<td>670042</td>
</tr>
<tr>
<td>2011</td>
<td>2001-11</td>
<td>34.8%</td>
<td>1064045</td>
</tr>
<tr>
<td>2021</td>
<td>2011-21</td>
<td>34.8%</td>
<td>1498216</td>
</tr>
</tbody>
</table>

**Social Aspects**

The local language of Chhattisgarh is Chhattisgarhi. Another interesting thing or you might call it bizarre also is that there are Baogas (traditional medical practitioners) who use their own traditional methods (JhadPhook) to cure diseases. Dewar Nacha, Panti & Soowa, Raut Nacha, Padki and Pandwani are some of the traditional musical styles and dance drama. The epic Mahabharata is sung in the musical way named Pandwani.

Their traditional dress is the saree which has a typical manner of wearing, Kachhora. You would also find women wearing Lugda (saree) and Polkha (blouse) in addition to set of attractive ornaments. Some of the ornaments that are traditionally worn here are Baandha which is a necklace made of coins, Suta which is silver necklace, Phuli worn in nose, Bali and Khuntis worn in ears, Ainthi which is made of silver worn on forearm, Kardhani made of silver worn on waist (belt like structure), Patta and Choora (bangles), Pounchhi which is a ring worn on the upper arm and Bichhiya worn on toes. As for men, they also don't lag behind much. They wear Koundhi which is a necklace of beads and Kadhah which is a type of bangle. These are worn generally during some occasions like dances.

There are a number of colorful festivals held in this part of India that interests a lot of visitors and tourist. These include festivals like the Gouri-Goura, Surti, Hareli, Pola and Teeja. Hareli for instance is a celebration of greenery welcoming ‘savan’ or the monsoons. It is a time for the farmers to worship everything associated with the agricultural produce—from the farming tools to the animals like cows which are used to till the soil. The rituals include placing leafy branches of the bhelwa tree in the farming fields to bring
good crop. Seasonal diseases are warded off by the symbolical hanging neem leaves from the doors. Baigas or traditional doctors start imparting medicinal skills to their disciples starting on the first day of hareli. On this day, they examine their disciples for medical skills and if they satisfied with their performance, then traditionally they give the acceptance to practice medicine. Disciples who fail in such examination continue to learn techniques in subsequent years till they succeed to be recognized.

Chhattisgarhi and Hindi are the two most spoken languages in the state. Religion is very strong in Chhattisgarh. Religion is also mixed with superstition and belief in older ways of life. The Culture prevailing in Raipur district is that of Chhattisgarh. ‘Chhattisgarhi’ is the local language that most of the people in this area love to converse in.

People enjoy forms of entertainment such as communal dances and musical festivities. The culture of Chhattisgarh is rich in its music and dance forms. Dewar Nacha, Padki, Pandwani, Panthi and Soowa, and Raut Nacha are some of the styles of music and dance dramas. Pandwani is a form of music which is famously used in Chhattisgarh to sing the Mahabharata. TeejanBai and RituVerma are two well-known exponents of the Pandwani style of music.

However, known for their modesty, kindness and adjustable nature people of this area are fond of a variety in dressing, entertainment and way of living. They tend to follow new life styles and this is the prime reason behind people adopting modern life styles and thus Chhattisgarh culture and tradition are now mostly limited to rural areas. The feeling of togetherness and social harmony is filled in every festival and art of Chhattisgarh culture.

**Attractions**

Raipur, the capital of Chattisgarh was originally founded by King Ram Chandra of Kalchuri dynasty in the last quarter of the 14th century AD. It remained as the capital of the Haihaya kings for a long time. Raipur is amongst the biggest cities in the region and it is fast turning into a major industrial center for both small scale as well as large scale industries.

The region has Bilaspur to its north, Durg on the west, Bastar to its south, Raigarh on the east and lies in the south east part of the Mahanadi River valley. This reason is in fact very rich in mineral resources and includes two major physical divisions - Chattisgarh plans and the hilly areas. Paddy is their main crop.

Few places of attraction at Raipur - Champaran (Saint Vallabhacharya Temple, hampakeshwara Mahadeva) Sirpur (Laxman Temple and Gandheswar Temple), Turturiya (numerous Buddhist remains of 8th Century A.D. and the Brahmanical remains of later period, remains of STUPA made of fine bricks, traces of bathing Ghats, Lingams figures of four armed Vishnu, Ganesha, a man hunting a lion with sword and a man wrestling with an animal), Rajim (Rajivalochana Temple, Yamana (dwart) Temple, Narasimha (Man-cum-Lion) Temple, Badrinath Temple, Jagannath Temple Kuleshvara Mahadeva Temple), Radha Krishna Temple, Chand Temple, Ram Temple, SwastikVihar Monastery, AnandPremkutiVihar (Monastery), Museum.

Sanctuaries - Barnawapara Sanctuary, SitaNadi Sanctuary, Udanti Sanctuary - The sanctuaries are open throughout the year but looking to the accessibility it is advisable that the visits are made during November to June in the Year. The predominant species in the
sanctuaries are deer and the most easily sighted are the graceful little chinkara, the Indian gazelle and the chital or spotted deer. Other species that have their habitat in the sanctuaries are nilgai, Sambar, Kotri, barking deer, chausingha or four horned antelope, sloth bear, wild boar, wild dog, jackal, wolf, hyena and bison. Tiger & leopards/panthers can also be spotted in the sanctuaries, but they are certainly in limited numbers. The sanctuary's avifauna includes peacock, jungle fowl, pigeon, green pigeon, wood plucker, quail, gray-partridge, parrot, stork etc. Artificial water holes have been developed in the area to attract migratory birds which are good sites for bird-watchers in winter and for general tourists in summer.

List of Universities/Deemed Universities – There are many numbers of universities in Raipur district in which some are government while some are private. Name of some of the universities are Hidayatullah National Law University, Indian Institute of Management Raipur, Indira Gandhi Agricultural University, Kushabhau Thakre Patrakarita Avam Jansanchar Vishwavidyalaya, National Institute of Technology Raipur, Pt. Ravishankar Shukla University, C.G. Aayush State Medical University, MATS University, etc.

List of Engineering and Management colleges - Disha Institute of Managament and Technology (DIMAT), National Institute of Technology (N.I.T), Raipur, Pragati College of Engineering and Management, Raipur Institute of Technology, Shri Rawatpura Sarkar Institutions, Raipur, Bhilai Institute of Technology, Raipur, MM College of Technology, Raipur, Parthivi College of Engineering and Management, Raipur, Central Institute of Technology, Kriti Institute of Technology, Rungta Institute of Technology & Management, Central Institute of Technology, etc

List of Medical colleges - Pt. Jawaharlal Nehru Memorial Medical College, Raipur, Institute of Pharmacy, RSU Raipur, Govt. Ayurvedic College, Govt. Homeopathy College, Govt. Yunani Medical College, Columbia Institute of Pharmacy.

Media – There are many leading newspapers which are published from Raipur like Dainik Bhaskar, Navbharat, NaiDuniya, Deshbandhu, Amrit Sandesh, Patrika, Central Chronicle and many evening newspaper.

Shopping Malls in Raipur – The Raipur being the capital city of Chhattisgarh State and has a promising economic future so to boost the economy of Raipur some of the malls have either developed while some are still under progress like City Mall 36, Magneto the Mall, RK Mall, Chhattisgarh City Center, Colours, Ambuja City Centre, etc.

<table>
<thead>
<tr>
<th>Geographical Area</th>
<th>15190.62 thousand Sq. Km.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tehsil:</td>
<td>13 (Raipur, Abhanpur, Aarang, Tilda, Balodabazar, Palari, Bilaigarh, Kasdol, Simga, Bhatapara, Rajim, Devbhog, Bindranavagarh.)</td>
</tr>
<tr>
<td>Block Development Office:</td>
<td>15 (Raipur (Dharsinva), Abhanpur, Chandkhurai (Aarang), Tilda, Balodabazar, Palari, Bilaigarh, Kasdol, Simga, Bhatapara, Rajim, Devbhog, Gariyaband, Chhura &amp; Mainpur.)</td>
</tr>
<tr>
<td>Nagar Nigam:</td>
<td>1 (Raipur)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>-----------------------</td>
</tr>
<tr>
<td>1</td>
<td>Tehsils</td>
</tr>
<tr>
<td>2</td>
<td>Blocks</td>
</tr>
<tr>
<td>3</td>
<td>Tribal Blocks</td>
</tr>
<tr>
<td>4</td>
<td>Town</td>
</tr>
<tr>
<td>5</td>
<td>Villages</td>
</tr>
<tr>
<td></td>
<td>- Populated</td>
</tr>
<tr>
<td>5 (a)</td>
<td>Revenue Villages</td>
</tr>
<tr>
<td>5 (b)</td>
<td>Forest Villages</td>
</tr>
<tr>
<td>5 (c)</td>
<td>Uninhabited Villages</td>
</tr>
<tr>
<td>6</td>
<td>Revenue Inspector Mandal</td>
</tr>
<tr>
<td>7</td>
<td>Patwari Circle</td>
</tr>
<tr>
<td>8</td>
<td>Police Stations</td>
</tr>
<tr>
<td>9</td>
<td>Police Posts</td>
</tr>
<tr>
<td>10</td>
<td>Assembly Constituency Area</td>
</tr>
<tr>
<td>11</td>
<td>Municipal Corporation</td>
</tr>
<tr>
<td>12 (a)</td>
<td>Municipalities</td>
</tr>
<tr>
<td>12 (b)</td>
<td>Other Town</td>
</tr>
<tr>
<td>13</td>
<td>Urban Development Agency</td>
</tr>
<tr>
<td>14</td>
<td>Notified Area</td>
</tr>
<tr>
<td>15</td>
<td>Special Area Development Authority</td>
</tr>
<tr>
<td>16</td>
<td>Janpad Panchayat</td>
</tr>
<tr>
<td>17</td>
<td>Gram Panchayat</td>
</tr>
<tr>
<td>18</td>
<td>Krishi Upaj Mandi</td>
</tr>
<tr>
<td>Administrative Units</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Sub Division</strong></td>
<td><strong>Tehsil</strong></td>
</tr>
<tr>
<td>Raipur</td>
<td>Raipur</td>
</tr>
<tr>
<td></td>
<td>Tilda</td>
</tr>
<tr>
<td></td>
<td>Arang</td>
</tr>
<tr>
<td></td>
<td>Abhanpur</td>
</tr>
<tr>
<td>Baloda Bazar</td>
<td>Baloda Bazar</td>
</tr>
<tr>
<td></td>
<td>Palari</td>
</tr>
<tr>
<td>Bhatapara</td>
<td>Bhatapara</td>
</tr>
<tr>
<td></td>
<td>Simga</td>
</tr>
<tr>
<td>Bilaigarh</td>
<td>Bilaigarh</td>
</tr>
<tr>
<td></td>
<td>Kasdol</td>
</tr>
<tr>
<td>Gariyabandh</td>
<td>Gariyabandh</td>
</tr>
<tr>
<td></td>
<td>Mainpur</td>
</tr>
<tr>
<td></td>
<td>Fingeshwar (Rajim)</td>
</tr>
<tr>
<td></td>
<td>Deobhog</td>
</tr>
</tbody>
</table>

1.2.3 **ECONOMY**

Chattisgarh was a part of the state Madhya Pradesh up to 2000. It is known as the rice bowl of India. It is rich in natural resources. There are dense forests on the south, Maikal Hills on the north-west and the river Mahanadi on the east. The biggest occupation giving sector of Raipur is agriculture. Raipur has always been known for agricultural processing and saw mills. But it is fast turning out to be a major commercial center. There are many large scale industries like coal, power, steel, aluminum, cement, granite cutting and polishing, marble cutting and polishing industries here. Its 170 steel rolling mills make it one of the biggest iron markets in India. Some small scale industries like oil mills and soap manufacturers can also be found here.

Raipur pronunciation (Hindi:रायपुर) is the capital city of the state of Chhattisgarh, India. The city is the administrative headquarters of Raipur District. It was formerly a part of Madhya Pradesh before the state of Chhattisgarh was formed on November 1, 2000. The population is 605,131.59
Historically, when Raipur was a part of Madhya Pradesh, it was the second major commercial centre in Madhya Pradesh after Indore. Traditionally, Raipur's economy has been based on agricultural-processing and saw-milling. The city is located centrally in the state of Chhattisgarh, and now serves as a regional hub for trade and commerce for a variety of local agricultural and forest products.

It is a commercial city located centrally in the newly formed state of Chhattisgarh. You can find a number of small scale industries including soap manufacturing, oil milling and electrical welding. The traditional face of the city is changing, and the city of Raipur and its neighborhood are now becoming an important regional commercial and industrial destination for the coal, power, steel and aluminum industries. Close to Raipur, several industries have developed:

1. Several cement units.
2. Marble cutting and polishing industries.
3. Granite cutting and polishing industries

Raipur is India’s biggest iron market – there are about 200 steel rolling mills, 195 sponge iron plants, more than 250 steel plants, 800 agro-industries and 70 Ferro-alloy plants in and around the city. There are more than 300 rice milling plants, and all major and local cement manufacturing companies have a presence in the city.

As is the case with most of the world, the face of the city is fast changing and it is becoming one of the most important regional commercial and industrial centers for power, steel, aluminum and coal industries. Several industries have been set up near Raipur including cement, marble cutting and polishing and granite cutting and polishing industries.

With its 170 steel rolling mills, 170 sponge iron plants and more than 250 steel plants, Raipur is India’s biggest iron market. Raipur also boasts of 800 agro-industries and 70 ferro-alloy plants. As for agro processing, there are about 300 rice milling plants in and around Raipur.

The main occupation of Chhattisgarh is agriculture. Over 80% of the total population of Chhattisgarh is dependent on agriculture. The main crops produced in this region are wheat, paddy, groundnut and maize. Chhattisgarh is also richly endowed with mineral resources and about 20% of the country’s steel and cement are produced here. It is amongst the very few states in the country which boasts of a power surplus and about 90% of the villages here are electrified.

Due to its supremacy in rice production, Chhattisgarh is known as the rice bowl of central India. Over 70% of the total paddy production used to be done by Chhattisgarh alone. Chhattisgarh also produces cereals like maize, kodo-kutki and other millets; pulses like tur and kulthi and oilseeds like groundnut, Niger, sunflower and soybean. When it was a part of Madhya Pradesh, it used to produce about half of the food grains and about one third of all the major crops grown here. It used to produce over 45% of the jowar and over 80% of gram in undivided Madhya Pradesh. As for wheat, it produces very little of it. But about one fourth of pulses were produced by Chhattisgarh in undivided Madhya Pradesh. The only problem with Chhattisgarh is the lack of cash crops here. The agriculture needs diversification towards oilseeds and other cash crops.

Chhattisgarh has always been famous for its cement and steel plants and its rice mills. The districts of Raipur, Durg, Bilaspur and Korba are amongst the leading locations of industrial development. The Bhilai Steel Plant (BSP) is the largest integrated steel plant
in the country. It was the establishment of this plant that led to the development of a number of industries in Bhilai and Raipur. You would also find that Chhattisgarh has the largest number of small and big cement plants in the country. Korba with a number of power generating units established by MPEB and NTPC is one of the highest power generator in the country. There are a number of industrial centers in the state that are writing success stories. Some of the major centers are Urla and Siltara in Raipur; Sirgitti in Bilaspur and Borai in Durg.

The Raipur Urban agglomeration is experiencing population growth rates higher than the state. In the next two decades it is expected to touch 1.5 million marks. Most of the growth is taking outside the Raipur area in the urban agglomeration. This necessitates integrated planning, development and service delivery.

### Occupation Pattern

As per the 2001 Census over 46% of the total population comprises of city work force and the occupational pattern of Raipur indicates that it is a major center for tertiary activities. While 67.14% of the total workers in 1991 belonged to the tertiary sector, the proportion has increased to 75.13% of the total work force in 2001. On the other hand there has been a decline in the proportion of workers in the secondary sector from 25.49 % to 19.51% during 1991 and 2001 respectively. A detailed composition of work force has been enumerated in Table.

#### Table 1.10 : Economic Bases and Occupational Pattern of Raipur

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Category</th>
<th>1991</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>% of total workers</td>
<td>No.</td>
</tr>
<tr>
<td>Primary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>2493</td>
<td>1.81</td>
<td>1068</td>
</tr>
<tr>
<td>II</td>
<td>3278</td>
<td>2.38</td>
<td>1567</td>
</tr>
<tr>
<td>III</td>
<td>3899</td>
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<td>A</td>
</tr>
<tr>
<td>IV</td>
<td>437</td>
<td>0.31</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10107</td>
<td>7.36</td>
<td>5.36</td>
</tr>
<tr>
<td>Secondary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VA</td>
<td>2567</td>
<td>1.87</td>
<td>7582</td>
</tr>
<tr>
<td>V B</td>
<td>24392</td>
<td>17.77</td>
<td></td>
</tr>
<tr>
<td>VI</td>
<td>8023</td>
<td>5.84</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>34982</td>
<td>25.49</td>
<td>19.51</td>
</tr>
<tr>
<td>Tertiary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VII</td>
<td>36623</td>
<td>26.68</td>
<td></td>
</tr>
<tr>
<td>VIII</td>
<td>18277</td>
<td>13.31</td>
<td></td>
</tr>
<tr>
<td>IX</td>
<td>37234</td>
<td>27.13</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>92134</td>
<td>67.14</td>
<td>75.13</td>
</tr>
<tr>
<td>Grand Total</td>
<td>137223</td>
<td>100.00</td>
<td>217641</td>
</tr>
</tbody>
</table>

Work participation rate in Raipur Urban Agglomeration is 32.48%, which is slightly greater than the state urban work participation rate i.e., 31.11 %. Service sector has been increasing after becoming the state capital in 2000. Gudhiyari is one amongst the
initially developed areas. The literacy rate is above 50% in all the settlements of planning area but workers participation rate of female is high but participation of women in other working class is less.

Economic structure of the population of planning area falls in “other workers” category; only Gudhiyari has 93.8% population engaged in primary sector as agricultural labour and Dunda has 46.6% population engaged in primary sector as Cultivators.

**Trade and Commerce**

The city of Raipur is traditionally the main agricultural market center for the State. It acts a major commercial center to a host of wholesale and retail activities dealing in consumer goods, textiles, automobiles, industrial products etc. It is also major trading place for processed iron materials, Virginia Tobacco etc. The agricultural commodities produced in this part of Chhattisgarh finds its market in Raipur both for local consumption and export.

**Industries**

Agro based industrial activity is predominant around the city. The industrial base consists of solvent extraction plants, rice mills, oil and dal mills etc. There are 2 Industrial Estates in and around the city. Ural and siltara located in the northern part of the city. Total 850 Hect. Land was allocated under industrial use in planning area out of which only 430 Ha land is developed. But out of planning area 1608 Ha land is developed by AKVN outside planning area. Some unauthorized area is also developed in NE in Daldalseoni Mova, in East Dhomtarai, Deopuri, Tikarapara and in West Talibandh and Chandandeeh, which shows the development in almost all directions. The details are given in Table.

**Table 1.11 : Industrial Development in planning area**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Type of Industry</th>
<th>Plan 1991 Proposed Location</th>
<th>Area in Ha.</th>
<th>Implementation Status</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Heavy</td>
<td>Gogaon</td>
<td>200</td>
<td>Not Executed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Medium</td>
<td>Gogaon</td>
<td>65</td>
<td>Partly Executed (10%)</td>
<td>Private land</td>
</tr>
<tr>
<td></td>
<td>Service, SSI</td>
<td>Gogaon</td>
<td>80</td>
<td>Executed</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Polluting</td>
<td>Kelkarpara</td>
<td>50</td>
<td>Not Executed</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Agricultural Based</td>
<td>Near New Grain Mandi</td>
<td>110</td>
<td>Not Executed</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Forest</td>
<td>Gogaon</td>
<td>145</td>
<td>Partly Executed (5%)</td>
<td>Private land</td>
</tr>
<tr>
<td>5</td>
<td>Wagoan Workshop</td>
<td>Bhanpuri / Kampa</td>
<td>200</td>
<td>Executed</td>
<td></td>
</tr>
</tbody>
</table>

The execution status clearly shows that the developed land under industrial use is much more than the speculated and proposed, but not in the planning area. The reason being establishment of industrial growth centre at Siltara and industrial area at Ural around Raipur.
Land Use Pattern

The area of the municipal Corporation has increased from 140 Sq.Km to 188 Sq.Km the corporation’s administrative area comprises of 54 administrative divisions inclusive of the extension areas. With regards the existing land use (excluding the extension areas of the city) about 55.3% of area is categorized as residential and a significant 13.5% is assigned towards transport. On the other hand the proportion of commercial and public use land constitutes 4.8% and 12.1% respectively. The land use details of the added areas are unavailable. A detailed land use structure of the Corporation area has been enumerated in Table and Map

**Land Use in Raipur**

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Area in Ha</th>
<th>% Distribution in 1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>2050</td>
<td>55.3</td>
</tr>
<tr>
<td>Commercial</td>
<td>180</td>
<td>4.8</td>
</tr>
<tr>
<td>Industrial</td>
<td>430</td>
<td>11.6</td>
</tr>
<tr>
<td>PSP&amp; PUF</td>
<td>450</td>
<td>12.1</td>
</tr>
<tr>
<td>Recreational</td>
<td>100</td>
<td>2.7</td>
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<tr>
<td>Transportation</td>
<td>500</td>
<td>13.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3710</strong></td>
<td><strong>100.00</strong></td>
</tr>
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</table>

The economic base underlining Raipur revenues presents the picture of a tertiary led economy with a weak manufacturing base. Especially since the formation of Chhattisgarh state and the designation of the city as the state capital has contributed to rapid economic growth in the past seven years and has consequently resulted in a rapid rise in property assessments within the corporation area. While collection efficiency remains high, the lack of periodic revision of guidance values and some evidence of slackening of the collection system in recent years have significantly constrained the translation of economic growth into municipal revenues.

Raipur has witnessed an increasing level of financial self-reliance in recent years. However this has not corresponded to a corresponding robust growth in revenue receipts due to a substantial fall in the level of revenue support available from the state government and a tepid growth in assigned revenues. Some prudence in expenditure management can be discerned by the improving levels of financial flexibility. The proportion of revenue receipts going towards establishment expenses has improved from 53% in FY03 to 31% in FY07. Interest expense growth has also been significantly constrained resulting in an improving Interest to Revenue Receipt ratio.

Raipur has exhibited a fluctuating operating balance level which along with a relatively slower growth in capital receipts has constrained the sustainability of rapid asset formation of the corporation. Despite the same, the capital intensity of expenditure remains high due to the importance of the city in state backed urban development and infrastructure projects. The overall gearing of the corporation remains low resulting in comfortable debt and debt servicing ratios.
However all loans are routed through the state government and the servicing requirements consequently cut from state devolved funds. The tracking of these cuts is good at the ULB level, though the lack of a direct interface with the lender does constrain a conclusion on the debt management capabilities of the corporation.

**Financial Summary of Raipur**

<table>
<thead>
<tr>
<th></th>
<th>FY03</th>
<th>FY04</th>
<th>FY05</th>
<th>FY06</th>
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<tr>
<td>Revenue Receipts</td>
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<td>48</td>
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<tr>
<td>Revenue Expenditure</td>
<td>45</td>
<td>40</td>
<td>49</td>
<td>39</td>
<td>37</td>
</tr>
<tr>
<td>Revenue surplus/(Deficit)</td>
<td>12</td>
<td>1</td>
<td>(1)</td>
<td>23</td>
<td>27</td>
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<tr>
<td>Capital receipts</td>
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<td>26</td>
<td>39</td>
<td>39</td>
<td>35</td>
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<tr>
<td>Capital expenditure</td>
<td>27</td>
<td>39</td>
<td>34</td>
<td>38</td>
<td>75</td>
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<tr>
<td>Capital surplus/(Deficit)</td>
<td>(7)</td>
<td>(13)</td>
<td>5</td>
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<td>(39)</td>
</tr>
<tr>
<td>Budgetary surplus/(Deficit)</td>
<td>5</td>
<td>(12)</td>
<td>4</td>
<td>24</td>
<td>(12)</td>
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</table>

1.2.4.1 Importance of industries in regional development

“I would say that if the village perishes India will perish too. India will be no more India. Her own mission in the world will get lost. The revival of the village is possible only when it is no more exploited. Industrialization on a mass scale will necessarily lead to passive or active exploitation of the villagers as the problems of competition and marketing come in. Therefore we have to concentrate on the village being self-contained, manufacturing mainly for use. Provided this character of the village industry is maintained, there would be no objection to villagers using even the modern machines and tools that they can make and can afford to use. Only they should not be used as a means of exploitation of others”\(^{60}\).

INDIA is a vast plural country, full of diversities of religions, castes, languages, tribes, cultures, etc. A number of cultural and linguistic groups are concentrated in certain territorial segments, to which they are attached, emotionally and historically.\(^{61}\) As has been said that during colonial rule the administration was interested in economic exploitation of the country and not in its development; it encouraged various divisions based on religion, region, caste and language and did not pursue any plan or strategy for a balanced development of the country. These resulted in regional imbalances, and group identities. Subsequently, the independent India saw the rise of regionalism, linguism, separatism, etc. In this chapter we will read about the background, causes and nature of these phenomena and possible ways out to check them. All these are related and interconnected.

Most of the countries of the world are faced with the problem of regional imbalance and regional inequalities. But it assumes a more acute and explosive form in the developing countries. The problem is assumed such a magnitude that their very political
and economic stability is threatened. India was once treated as under-developed economy because the country was not able to utilize its natural resources, human forces, capital etc due to which she was facing the problems of poverty, lack of capital, excess population, too much dependency on agriculture, low living standard, industrial backwardness, unemployment, etc.

India is a large federal nation and it is well known that there are widespread disparities in the levels of economic and of social development between the different regions of the Indian nation. It is generally recognised that interregional economic disparities increase, at least in the initial stages of national economic development. As a result, governments everywhere including India used to initiate deliberate policy measures to reduce these disparities. India has also witnessed a sea change in its economic policy in recent years.

The primary causes of regional imbalance can be located in the region making process itself i.e. geographic and physiographic characteristics, history and cultural experience. But there are much deeper causes. Our Country inherited a lopsided pattern of Industrial development with most of the industries concentrated at a few centers, and in some cases this concentration was not the result of natural advantages but was imposed by historical forces. This disparity is still continuing.

The economic development of a particular region is measured based on per capita income, gross state domestic product, poverty, unemployment, etc. In India, Bihar, Orissa, Rajasthan, Madhya Pradesh, and Uttar Pradesh, north eastern states are comparatively backward economically when compared to the remaining states. Maharashtra, Gujarat, Tamilnadu, and Punjab are comparatively highly developed.

The Region

A region is a territory, the inhabitants of which have an emotional attachment to it because of commonality of religion, language, usages and customs, socio economic and political stages of development, common historical traditions, a common way of living, etc. Any one or more of these, and above all widely prevalent sentiments of togetherness, strengthen the bond. This territory can coincide with the boundaries of a State, parts of State or even with more than one State.

Regional Disparities

By regional disparities or imbalances is meant wide differences in per capita income, literacy rates, availability of health and education services, levels of industrialisation, etc. between different regions. As already mentioned, these regions may be either states or regions within a State. In this regard in India there are enormous imbalances on various accounts. The exploitative nature of British colonial rule either created or increased the already existing regional disparities.

Regional disparities are the result of our unfinished task of nation building. These reflect essentially the inadequacies of the development strategy followed since independence and its failure to correct the distortions brought about by colonial rule. Of late, these tensions have acquired alarming proportions and are threatening to strike at the very roots of the nation state. This has brought to sharp focus the need of better
understanding of the pattern of regionalisation, the nature of regional imbalances and their changing structure over time.

**Regional Development**

Regional Development is the provision of aid and other assistance to those regions which are less or not economically developed. Regional development may be domestic or international in nature. The implications and scope of regional development may therefore vary in accordance with the definition of a region, and how the region and its boundaries are perceived internally and externally. It can also be known as regional distribution of industries. Regional development of industries means that de-centralisation of industries on the basis of regions.

**Industrial Development during the Colonial Period**

The British acquired one of the relatively developed industrial economies of the world when they conquered and incorporated India into their empire. The Indian Industrial Commission (1961-68) was of the view that “when merchant adventurers from the West made their first appearance in India, the industrial development of this country was not inferior to that of more advanced European nations”. Not only was the Indian segment of the British Empire Particularly rich in terms of the historical traditions of craftsmanship and technical expertise, it was endowed with exceptionally rich industrial resources. The Indian Industrial Commission was of the opinion that “the mineral deposits of the country are sufficient to main most of the called key”, which could not have been said about many of the then developed countries.

The colonial administration, however, was not interested in development of this industrial base. They transformed the agro-industrial India of the ancient and medieval period into “An Agriculture Farm of England.” The industrial policy of the government, particularly in the pre-World War-I phase, followed the injunction from the British Capitalist class to transform India into its raw material appendage and a market for its manufactured goods.

The Britishers did not encourage industrial development in India intentionally during their regime. The Britishers utilised India as the raw material supplier for their industries. Thus India used to supply raw materials for British and used to import the finished products. This resulted in directed de-industrialisation of the country. The process of industrial growth initiated during the colonial period, therefore, was feeble and inverted in character with its predominant emphasis on consumer goods. Due to the absence of a capital goods sector, which had laid the foundation of self-reliant industrialisation in European nations, the industrial structure in this country stood on weak grounds.

A top heavy spatial hierarchy with the port cities of Calcutta, Bombay and Madras at the apex emerged on the scene. The establishment of a few export processing and consumer goods industries in the port enclaves and some of the small towns, acting as satellites to the former, could not make a dent on the low share of industries in the workforce. Also, the erstwhile princely states were left virtually untouched by this limited process of industrialisation. A port-oriented centrifugal network of transport, dependent basically on the railways, was established at phenomenal costs. This resulted in the
emergence of enclaves of industrial development around the few port cities. As a result, the industrial map of colonial India was characterised by resource rich regions remaining industrially underdeveloped, barring a few exceptions.

The new developments in the field of industry and transport were highly localised and their impact on the total economy was, at best, marginal. On the eve of independence, the presidency states, wherein the above-mentioned port cities were located, claimed over seventy per cent of the industrial workforce as well as output of the country. Their share in the total production of engineering and electrical goods was 82 per cent and in the chemical industry, above 87 per cent. The combined share of the minerally rich states of Bihar, Orissa and Madhya Pradesh to the total industrial workforce, on the other hand, was less than twenty per cent. It may thus be concluded that the British policies during the late nineteenth and the twentieth century permitted a process of industrialisation which was quantitatively weak and structurally inverted. Also, this left the resource rich regions in Madhya Pradesh, Bihar, Orissa, Karnataka, etc., virtually untouched, while a few islands of industrial growth, specialising in certain primary processing consumer goods industries, emerged around the large cities.

**Industrial Development since Independence**

A programme of planned economic development was launched in the country through massive public sector investment and a system of controls imposed on the private sector. The average growth rate of gross value added per annum in the manufacturing sector was accelerated in the early sixties—more than eight per cent per annum. In 1965-66, however, the growth rate dropped down to about one per cent and in the following year, the value added in the manufacturing sector declined in absolute terms. The growth rate did not rise in the subsequent years to reach the level of the early sixties or even that of the fifties.

There have been demands for separate states in India since independence. For instance demands for a separate Telangana state in Andhra Pradesh, a separate Vidharbha state in Maharashtra. In the recent past a separate Chhattisgarh state was created from Madhya Pradesh, Jharkhand from Bihar and Uttarakhand from Uttar Pradesh. These demands for separate states are mainly due to lack of economic development in such regions.

From the eighties, however, one is noticing a tendency towards gradual improvement in the growth rate of industrial sector and also that of the overall economy. The set-back in the industrial sector in the mid-sixties, which has started off a recession in the Indian Economy, was responsible for bringing to the fore questions relating to the regional spread of industries. The inter-state inequality in the level of industrial development increased significantly in the first decade of development planning in India. The fifties marked a period of rising regional imbalances in the per capita income from the secondary, i.e., the industrial sector.

The only significant change is the fall in the relative positions of Maharashtra and West Bengal. This can be explained in terms of slowing down of the process of industrial concentration in Bombay and Calcutta due to the serious human problems of congestion and various shortages which are called, 'Diseconomies of Agglomeration’, in these cities. It
may also be argued that West Bengal experienced significant de-industrialisation during sixties and early seventies partly due to labour and other associated problems; such as, shortage of electricity and this cannot be attributed to the Government policy of industrial dispersal.

The credit of the reduction of inter-state inequality must go to the policy of urban industrial development followed by almost every state in the post-independence period. Many among the state governments came forward to provide high level economic infrastructure and urban amenities in their state capitals and a few other centres. These highly subsidised facilities attracted the relatively well-to-do into these centres, including the senior administrators, professionals, entrepreneurs and highly skilled workers.

The government often took the responsibility of providing these facilities either directly through its departments or by setting up Corporations, Boards, etc., for this purpose. In either case, the required funds came from the Government Exchequer. The municipal bodies in these centres generally has much better tax as well as non-tax revenue base, and could spend much more in providing the basic municipal services, compared to other small towns. These centres, thus, enjoyed the benefits of subsidised infrastructure and public utilities that overwhelmingly outweighed those of capital subsidy and other incentives provided in the backward regions. Industrialists, therefore, preferred to locate their units either within the cities or in their periphery. This also helped them in their interactions with various governmental bodies, financial institutions, etc., located in these centres. Finally, this enabled them to obtain the skilled workers, executives, etc., for their firms who were also attracted by the high quality residential environment created through these facilities in some parts of these cities.

**Economy of India with regional disparities**

The economy of India has its beginning since Indus Valley civilization which was the first known permanent and predominantly urban settlement between 2800 BC to 1800 BC boasted of an advanced and thriving economic system. Its citizens practiced agriculture, domesticated animals, made sharp tools and weapons from copper, bronze and tin and traded with other cities. Evidence of well laid streets, layouts, drainage system and water supply in the valley's major cities, Harappa, Lothal, Mohenjodaro and Rakhigarhi reveals their knowledge of urban planning.

Though ancient India had a significant urban population, much of India's population resided in villages, whose economy was largely isolated and self-sustaining. Agriculture was the predominant occupation of the populace and satisfied a village's food requirements besides providing raw materials for hand based industries like textile, food processing and crafts. Besides farmers, other classes of people were barbers, carpenters, doctors (Ayurvedic practitioners), goldsmiths, weavers etc.

During the Aryan civilization, Mauryan Empire, Gupta Empire and most other dynasties had a planned economic system. There were a number of important changes and developments to the Indian economy like India was unified less than one ruler for the first time during Mauryan, trade routes throughout India became more secure for the transportation of goods, considerable amount was spent for building roads and its
maintenance, etc. Maurya India had numerous private commercial entities which existed purely for private commerce.

Even during the Muslim rule, the economy of India was mainly based on agricultural produce. Towards the later part of the Mughal period, some trade relations were established between the Mughal Empire and the British, French and Portuguese merchants. India during Akbar’s time was considered as prosperous a country as the best in the world. Though mainly agrarian, India was a leading manufacturing nation at least at par with pre-industrial Europe. She lost her relative advantage only after Europe achieved a revolution in technology. The economy was village-based. The artisans working were free to sell outside the village the surplus goods left after the fulfillment of community obligations. The traditional economic system based on agriculture and small-scale industries were not disrupted either by the activity of native capital or by the penetration of the foreign merchant capital.

The British colonial rule created an institutional environment that did stabilise the law and order situation to a large extent. The British foreign policies however shifted the trade with rest of the world. They created a well-developed system of railways, telegraphs and a modern legal system. The infrastructure the British created was mainly geared towards the exploitation of resources of India. By the end of the colonial rule, India inherited an economy that was one of the poorest in the world and totally stagnant, with industrial development stalled, agriculture unable to feed a rapidly accelerating population.67

Industrialization in India, from the beginning, had been experiencing a duality. European entrepreneurs invested more and more in industries which were mainly export-oriented whereas Indian entrepreneurs concentrated on industries mainly for the Indian markets. Thus jute, tea, etc. were mainly in European hands whereas textile, sugar, etc. were mainly Indian. Apart from other factors, one main reason was that Indian market offered higher profit margins which Indian industrialists found easier to penetrate. Not surprisingly this tendency continues even today.68

Government’s economic policies during the colonial period were more to protect the interests of the British economy rather than for advancing the welfare of the Indians. The primary concerns of the Government were law and order, tax collection and defence. As for development, Government adopted a basically laissez-faire attitude.69

Particularly lacking was a sustained positive policy to promote indigenous industry. Indeed, it is widely believed that government policies, far from encouraging development, were responsible for the decline and disappearance of much of India’s traditional industry.

Altogether, the pre-independence period was a period of near stagnation for the Indian economy. The growth of aggregate real output during the first half of the twentieth century is estimated at less than two per cent per year, and per capita output by half of a per cent a year or less. There was hardly any change in the structure of production or in productivity levels. The growth of modern manufacturing was probably neutralised by the displacement of traditional crafts, and in any case, was too small to make a difference to the overall picture.
Disparities in economic and social development across the regions and intra-regional disparities among different segments of the society have been the major planks for adopting planning process in India since independence. Apart from massive investments in backward regions, various public policies directed at encouraging private investments in such regions have been pursued during the first three decades of planned development. While efforts to reduce regional disparities were not lacking, achievements were not often commensurate with these efforts. Considerable level of regional disparities remained at the end of the Seventies. The accelerated economic growth since the early Eighties appears to have aggravated regional disparities.\textsuperscript{70}

The on-going economic reforms since 1991 with stabilisation and deregulation policies as their central pieces seem to have further widened the regional disparities. The seriousness of the emerging acute regional imbalances has not yet received the public attention it deserves. A number of States included regions which are at different stages of development and which have distinct problems to tackle. Creation of new States, certainly, may not be a solution to such regional disparities. At the same time, it is important to recognise such intra-State regional disparities explicitly and tackle them through special efforts.

An analysis of the historical trends, especially the more recent trends, leads to the inevitable inference that regional disparities are bound to aggregate in the coming decades. Regions, which are characterized as backward in our foregoing discussions, have very weak growth impulses. The implications of these divergent demographic trends on population density, employment opportunities, social sector investments and the overall development can be extremely grave. One of the major objectives of development planning initiated immediately after Independence has been, among others, reduction of regional disparities in social and economic development. Direct investment by the Central Government and Centrally directed investment of the private sector have been two powerful instruments to achieve this objective.\textsuperscript{71}

During the first four decades of development planning, most of the large units in basic and heavy industries were set up in the public sector in a regionally well-balanced manner. Indeed, their location, other things being equal, was biased towards backward regions as natural endowments such as mineral deposits were concentrated in those regions. Massive public investments have been made to provide economic and social infrastructure in the backward regions to accelerate their overall development.\textsuperscript{72}

The natural tendency of the private sector is to set up industries and other related activities in developed regions. To counter-balance this tendency, various incentive and disincentive schemes have been introduced as public policies to direct private investments to backward regions. Fringe equalization scheme was just one of them. The efforts of the first four decades of planned development to reduce various imbalances across the regions have been only partially successful. At best they have ensured that regional disparities in terms of various indicators of development are not aggravating. Of course, even this is no mean achievement.

The flow of private investment, both domestic and foreign, has been extremely biased in favour of the more developed regions of the country. This has enabled the developed regions to achieve accelerated economic growth during the 1990s. On the other
hand, backward regions of the country, which were unable to attract any significant private investment flows, experienced decelerated economic growth during this period. The net result of this divergent growth performance of the developed and backward regions has been a widening of the regional disparities in the country in terms of per capita income and other indicators of well-being of the people.  

The factors which attracted more and more private investments to developed regions have been their better developed economic and social infrastructure as well as more efficient and investor friendly State governments. The backward regions, to be attractive to the private investors, have to improve their infrastructure facilities, both economic and social, considerably. This needs substantial public investment. The State governments in the backward regions are, however, strapped for funds even to meet the current expenditure.

Along with social and economic infrastructure, efficiency of administration and the quality of governance including law and order situation are important factors in attracting private investment. Studies conducted by NCAER and some of the apex associations of industries have indicated that prospective investors give higher weight-age to these factors than various incentives, including fiscal incentives offered by the State governments. Indeed, there are enough evidences to the effect that the investors don't mind paying speed money to get things done fast. In other words, a corrupt but efficient regime is preferred to an honest but inefficient regime in the context of investment decisions. Other aspects of governance like the law and order situation, trade union activism, etc., are also important factors affecting the flow of private investments.

Bewildered over the "persisting regional imbalance" in India's industrial development and urbanisation, Prime Minister Manmohan Singh on Tuesday sought answers to doubts as to whether the policies of the Centre, in the name of protecting domestic enterprises, had actually nurtured "crony capitalism." Alongside, credible policy solutions were required to help reduce such regional imbalances, he said, while pointing out that the process of industrial development "must spread to new regions, especially in northern and eastern India."

The Prime Minister was particularly concerned over certain media reports that India's top business leaders operate in "oligopolistic" market and in certain sectors, where the Government had conferred special privileges on a few. "This sounds like crony [monopolistic] capitalism," Dr. Singh remarked and, in turn, raised a host of questions. "Are we encouraging crony capitalism? Is this a necessary but transient phase in the development of modern capitalism? Are we doing enough to protect consumers and small businesses from the consequences of crony capitalism...? Have we, in the name of protecting them, encouraged crony capitalism? Do we have a genuine level playing field for all businesses? What should be done to inject a greater degree of competitiveness in the industrial sector?" Dr Singh asked.

One of the critical problems facing India's economy is the sharp and growing regional variations among India's different states and territories in terms of per capita income, poverty, availability of infrastructure and socio-economic development. Seven low-income states - Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, and Uttar Pradesh - are home to more than half of India's population. After liberalization,
the more advanced states are better placed to benefit from them, with infrastructure like well-developed ports, urbanisation and an educated and skilled workforce which attract manufacturing and service sectors. The union and state governments of backward regions are trying to reduce the disparities by offering tax holidays, cheap land, etc., and focusing more on sectors like tourism, which although being geographically and historically determined, can become a source of growth and is faster to develop than other sectors.77

"For instance, the difference in growth rate between the forward and backward states was 0.3% (5.2% & 4.9%) during 1980–81 to 1990–91, but had grown to 3.3% (6.3% & 3.0%) during 1990–91 to 1997–98.

One of the main consequences of regional imbalances is the migration of people to the developed areas. For instance many skilled people from India migrate to the developed nations. Similarly within India, people from rural areas or under developed regions have been migrating to highly developed cities or regions. Hence the Mumbai city has been facing the menace of population pressure on its resources. The city's civic authorities have been facing a challenging task of providing the basic civic amenities to its citizens. Violence, law and order problems are the other consequences of such migrations to the developed regions from the under developed or developing regions. Almost all the major cities in India do face the very high intensity of population. Some of such cities are New Delhi, Kolkatta, Chennai, Mumbai, Bangalore, Hyderabad, Pune, Ahmedabad, etc.78

The five-year plans have attempted to reduce regional disparities by encouraging industrial development in the interior regions, but industries still tend to concentrate around urban areas and port cities. Even the industrial townships in the interiors, Bhilai for instance, resulted in very little development in the surrounding areas.80

After liberalisation, the disparities have grown despite the efforts of the union government in reducing them. The more advanced states are better placed to benefit from them, with infrastructure like well-developed ports, urbanisation and an educated and skilled workforce which attract manufacturing and service sectors. The union and state governments of backward regions are trying to reduce the disparities by offering tax holidays, cheap land, etc., and focusing more on sectors like tourism, which although being geographically and historically determined, can become a source of growth and is faster to develop than other sectors?

Regional Policy in Independent India

The need for the removal of regional disparities was well recognised by the leaders of the independent India. Towards this, the Constitution of India has made it mandatory for the government at the Centre to appoint a Finance Commission once at least in every five years to examine the problems arising out of the gaps between the needs for expenditure and the availability of revenue and other such matters.81

One of the objectives of planning was to restore the balance between various areas and regions. However, these institutions were to work within overall socio-economic infrastructure of the country and the developing political process. Moreover, to begin with planning was primarily restricted to the national level. Hardly any attention was paid to the problem of regional disparities and the few measures that were taken were adopted to deal with specific problems faced by certain areas having natural calamities. Thus, the problem
of regional development in a national context did not get adequate attention of the policy makers.\textsuperscript{82}

In conformity with the state policy of reduction of regional disparities, comparatively higher outlays were allocated to the schemes benefitting backward areas since the Third plan and this process continued with added emphasis in the successive five year plans. Besides allocating higher outlays, special schemes and projects, in addition to normal programmes of development, were included in the third five year plan and the succeeding ones, suiting to the needs of these backward areas and capitally utilizing their potentials. In order to accelerate industrial development, some districts are selected by the Government of India where concessional finance is made available through financial institutions. Besides some districts are selected for outright grants and subsidy to entrepreneurs for setting up industries. In the fourth five year plan (1969-1974) emphasis was given for increasing non-farm employment and removing regional imbalance. These objectives were sought to be achieved through the development of selected industrial areas, provision of industrial finance, scarce raw materials and marketing facilities and a package of incentives to induce entrepreneurs to start industries in the underdeveloped areas.\textsuperscript{83}

The programme strategy included in fifth five year plan was directed towards increasing the quality of services and at the same time decreasing regional imbalances. During the fifth five year plan (1974-79), a package of minimum services was introduced and at the same time the objective was decreasing regional imbalance. During the fifth five year plan, package of minimum services in rural areas was evolved, consisting of health, education, rural housing, rural roads, nutrition, public distribution system and primary health care services.\textsuperscript{84}

The seventh five year plan sought to promote regional dispersal of output through the expansion of assured irrigation in the areas where the proportion of area irrigated was low and through the development of dry farming where irrigation was either not possible or uneconomical. Inspite of attempts at balanced regional development of industries, many regions continued to be poor and backward, indicating the necessity for a balanced growth of agriculture as well.\textsuperscript{85}

The launching of eighth five year plan (1992-97), though delayed by two years, owing largely to political instability, has brought about a significant change in the philosophy of planned development. In the words of the Deputy Chairman of Planning Commission “From a highly centralized planning system we are gradually moving towards indicative planning.”\textsuperscript{86}

The ninth five year plan (1997-2002) launched in the 50th year of India’s independence is based on careful stock taking of strengths and weakness of past development strategies and seeks to provide appropriate direction and balance for the socio-economic development of the country. Quality of life, generation of productive employment and regional balance summarise the main dimensions of State Policy.\textsuperscript{87}

The government’s assessment of the tenth five year plan (2002-2007), written in 2005, states that although “the issue of regional balance has been an integral component of almost every five year plan... the perception has been that regional imbalance have actually got accentuated, particularly over the past 15 years.”\textsuperscript{88}
The eleventh five year plan (2007-2012) reflects strength of the economy in many areas; it is also true that large parts of our population still to experience a decisive improvement in their standard of living. The percentage of the population below the poverty line is declining but at a modest pace. Far too many people still lack access to basic services without which they cannot be empowered to claim their share in the benefits of growth. These problems are more severe in some states than in others, and in general they are particularly severe in rural areas. There are regional disparities in the level of development.

Actually, the main focus of regional policy during the Indian plans has been on the dispersal of industry among the different regions of India. But, in spite of various attempts for industrialisation, agriculture continues to be the most important economic activity from the point of view of output and employment in most of the States in India. And within the agricultural sector, because of emphasis on immediate increase in production, inter-state disparities in per capita agricultural production have been on the increase. It is well known that in agricultural development policy, the green revolution and its impact has been confined to relatively small areas. Thus, the disparities in socio-economic conditions of the people have been increasing both within and between different regions of the country.

**Instruments of Balanced Regional Development**

The most important factor promoting balanced regional development in the country has been the direct investment of the central government through public sector undertakings. It is indeed true that the poorer states enjoyed higher per capita investment during the fifties and early sixties. This was primarily due to the availability of appropriate raw-materials like iron ore, coal, limestone, etc., in those states that had to be developed and utilised for industrial growth. The steel plants alone accounted for more than one-third of the total central investments during the sixties in the state of Bihar, two-thirds in Madhya Pradesh and ninety per cent in Orissa. However, based on the data for the later period upto 1979, one can argue that the bias in favour of the poorer states in the central government investment does not appear to be very significant.

The transfer of resources through various Finance Commissions for non-plan purposes during late sixties and seventies, too, fails to establish a clear pattern in favour of the backward states, perceptible during the fifties and early sixties. A few among the middle income states have succeeded in obtaining relatively high shares in the total non-plan resources during the late sixties and seventies. The transfer of resources through the Planning Commission to the states under various plans has been guided by the objective of balanced regional development.

The controls exercised by the government on the location of private industrial units through regulative mechanism does not seem to have been very effective as revealed by the pattern of sanction of industrial licences. The Hazari Committee which reviewed the functioning of the Licensing Policy during the period 1959-66 felt that this could not promote regional development in the country as it has been sore and critical of the unethical role of the Indian businessman. This suggested that the already better industrialised states have fared batter in obtaining new industrial licensed. This may be due to the fact that these states were in a position to lobby more effectively through their Industrial Development Corporations and were often able to ensure that applications for
licenses within their territory succeeded. An analysis of the spatial pattern in the approval of the licences issued during 1953-85 provides interesting insights into the functioning of the Licensing Policy.

The share of the few industrialised states in the total licences sanctioned decreased during the period. This, however, did not benefit the states in the bottom rung of industrial development. With the decline in the dominance of the high income states like West Bengal and Maharashtra, those that came up in the industrial map are the middle income states like Gujarat and Karnataka. The proportions of the licences claimed by Kerala and Bihar, for example, declined during the period, while those for Madhya Pradesh and Orissa remained stable at the low level of the fifties. Also, the three states of Maharashtra, Gujarat and Tamil Nadu claimed more than one-third of the total licences issued in the country even in the mid-eighties, although this was considerably less than the average figure for the previous years.

Effects of Industries on Regional Disparities

Inheriting a stagnant agricultural sector and a weak and distorted industrial base, independent India faced the colossal challenge of accelerating its growth and of correcting the colonial distortions in the regional structure of the economy. The government adopted a programme of massive investment in the basic industries, concentrating the available resources in few selected pockets and at the same time, disbursing funds in every state to stabilize agriculture and promote the growth of industrial and service sectors.

The first, which may be designated as the ‘Agglomerated Pattern’, is based on capital intensive, large scale manufacturing units in a few big cities and their immediate neighbourhood. The second pattern may be designated as the ‘Dispersed Pattern’ and this is less capital intensive and is spread over small towns and rural settlements. An analysis based on indicators articulating these two distinct patterns of industrialisation and economic growth reveals that most of agglomerated development dominates the industrial map of India. Among these, five have come up around the cities of Calcutta, Bombay, Madras, Bangalore and Jamshedpur surrounded by regions with low levels of dispersed industrialisation. The first three are based on the major port towns of colonial India and suggest that the inherited spatial structure still dominates the hard core of industrial based regions. The genesis of growth in Bangalore and Jamshedpur - Dhanbad regions can also be traced back to the colonial period, although their high growth since independence is primarily due to significant government support.

This process often had negative effects on agricultural productivity and resulted in de-industrialisation, i.e., decline of traditional industries and crafts in small towns and surrounding rural areas. The other three cores of agglomerated growth developing around Delhi, Ahmedabad and Ludhiana-Jalandhar are, however, accompanied by the process of dispersed industrial development. The latter process extends over Kerala, parts of Andhra Pradesh and Karnataka in the South, Delhi, Haryana and Punjab in the north and Gujarat, parts of Maharashtra and Madhya Pradesh in the centre. Kerala provides a good example of rural and small town based industrialisation and this pattern is emerging in a few other southern regions as well. The presence of agglomerated industrialisation in many of these regions except Bangalore is, however, slowing down their overall growth. Gujarat, Punjab
and Haryana seem to have achieved some success in connecting the process of dispersal with agglomerated industrialisation.

This is being supported, in no small measure, by agricultural development in these regions. It may be argued that the acceptance of the inherited colonial structure as the bias for future development has led to wider disparities in agricultural development. It has led to only a limited spread of territorial industrial production complexes, comprising technologically linked activities utilising the local resources. Strong intra-regional linkages have not emerged in the resource rich but economically less developed regions. While steel mills were set up in the backward states, the engineering industry with strong technological linkages with the former flourished in and around a few large cities. The production complexes were, thus, fragmented by the ‘kidnapping of innovative and profitable components of the production system from the backward areas to the urban industrial centres. This quality also emerged in case of the new centres of industrial activity set up with massive public sector investment like Bhilai, Bokaro, Bhopal, etc. One can move from a centre of the most advanced ferrous metallurgy or heavy electrical equipments to a neolithic hinterland within a distance of twenty or thirty kilometers, in case of many of these cities.

The gains of dispersed industrialisation, on the other hand, have been fully well distributed across space and among different sections of the population. The unfortunate aspect of this process of industrialisation, however, is that this cannot go very far, or even survive in the long run, without being integrated with the agglomerated pattern and, through this, with the national market. The National Commission for the Development of Backward Areas (Sivaraman Committee) has recommended setting up of one hundred centres of agglomerated industrial development linked up with the regional economy through a system of production and marketing linkages.

While agglomeration without dispersal has led to enclaves in the past, dispersal without agglomeration has the danger of resulting in technological backwardness and inefficiency. It would, therefore, be important to integrate the two different processes of industrialisation and of agricultural development within the regional economy. The production system in a region must be developed, based on the local resource availability, connecting the former with the demands of the national market along with the local demand. This is possible only if plans are prepared with a regional perspective both at the national and state levels. This highlights the role and importance of planning and government intervention for achieving the objective of balanced regional development in India in future years. And balanced gnomic development of the regions of India is one of the cornerstones of our country’s national unity.

Existence and continuance of regional inequalities and imbalances create various types of tensions in a country which is multi-ethnic and multi-religious with various ethnic-religious groups concentrated in some states, these tensions became a serious challenge to example where because of regional disparities there emerged a sense of alienation leading to separatist tendencies.

Thus, India, being a country of sub-continental magnitude, is characterised by wide variations across regions in terms of natural endowments of climate, soil, minerals, forests, water regime, etc., as well as linguistic, demographic and socio-economic characteristics.
Economic forces can either make best use of these regional variations or develop the regions equitably, or may exploit resources only to accentuate inter-regional disparities. Economic forces in colonial India led to a distorted pattern of development across regions in which narrow-base, urban agglomerations, such as the port cities and railway nodes of Calcutta, Bombay and Madras were kept floating, so to say, in a sea of backwardness. Similarly, whatever industrial and agricultural growth took place was also restricted to narrow regional bases. In the post-independence period, agricultural and industrial development has taken place along a broad front, but the deformities of the colonial period have not been eliminated fully. Moreover, the new technologies, such as the Green Revolution in agriculture have accentuated inter-regional disparities. While industrial development across the Indian states has been less uneven than before, there is some evidence to show that, perhaps inequality of per capita income, inter-state as well as between rural and urban sectors, has widened. Balanced regional development and specialisation has to be carefully orchestrated through intersectoral linkages of territorial resource based production complexes.

Balanced regional development has always been an essential component of the Indian development strategy in order to ensure the unity and integrity of the nation. Since not all parts of the country are equally well endowed to take advantage of growth opportunities, and since historical inequalities have not been eliminated, planned intervention is required to ensure that large regional imbalances do not occur. Successive plans have stressed the need to develop backward regions of the country. In promoting regional balanced development, public sector enterprises were located in most backward areas of the country. It has helped these areas in terms of development of infrastructure, employment opportunities, and growth of ancillary industries to a limited extent. With a view to addressing the problem of regional inequalities, a new initiative in the form of the Rashtriya Sam VikasYojana (RSVY) was operationalised in the Tenth Five Year Plan (2002-07). It aimed at focused developmental programmes, primarily to fill gaps, for backward areas which would help reduce imbalances, speed up development and help these areas to overcome poverty, besides facilitating the States to move up the ladder of reforms.

1.2.4.2 Necessity of industries in India (a developing economy)

Industrialization plays a significant role in the process of rapid economic development. The examples of developed countries indicate that there is a direct relationship between high level of income and industrial development. Industry means where goods are produced with four factors of production, viz., land, labour, capital and organization. Industrial development refers to increase in number of industries, increase in industrial production and improved method of production in industries. It is through industrialization that the available resources of a country can be utilized properly and efficiently.

Industries account for 37% of the gross domestic product in Japan, 32% in UK and 22% in the U.S. whereas it stands at 27% for India. Further a strong industrial base is required for generating gainful employment opportunities for the unemployed and under-employed labourers in the agricultural sectors. Industrialization also helps in overcoming trade gap. The less developed countries are generally primary producers and import
industrial output. With industrialization of their own economy they need not import industrial product from outside and this helps in reducing the trade gap.

Industrialization also helps in satisfying a variety of demands of the consumers. With modernization of the economy the demand for industrial product has increased considerably. Industrialization brings a change in the socio-cultural environment of the economy. It makes people dynamic, hard-working, mobile, skillful, efficient, and punctual. It brings a change in the way-of life of the people and makes people more commercial. It also provides security to the economy by making it self-dependent.

Industrialisation is the process of social and economic change that transforms a human group from an agrarian society into an industrial one. It is a part of a wider modernisation process, there social change and economic development are closely related with technological innovation, particularly with the development of large-scale energy and metallurgy production. It is the extensive organisation of an economy for the purpose of manufacturing.  

There is considerable literature on the factors facilitating industrial modernisation and enterprise development. Key positive factors identified by researchers have ranged from favourable political-legal environments for industry and commerce, through abundant natural resources of various kinds, to plentiful supplies of relatively low-cost, skilled and adaptable labour. As industrial workers incomes rise, markets for consumer goods and services of all kinds tend to expand and provide a further stimulus to industrial investment and economic growth.

The experience of industrial economies shows a close association between development and industrial expansion. But industry is also thought to provide certain spillovers which would benefit other activities: enhancement of skills, training of managers, dispersion of technology, etc. Moreover, pessimism about the prospects of food and raw materials made the substitution of domestic for imported manufactured goods seem the most promising route to development for many countries.

There are three types of industrial sectors –  

i. "Primary sector" of commodity production (farming, livestock breeding, exploitation of mineral resources),  

ii. "Secondary Sector" of manufacturing and processing (as paid work), and  

iii. "Tertiary Sector" of service industries.

The industrialisation process is historically based on the expansion of the secondary sector in an economy dominated by primary activities. Thus industrialization in a nutshell acts as a catalyst in the smooth process of economic development.

The first transformation to an industrial economy from an agricultural one is called the Industrial Revolution and took place from the mid 18th to early 19th century in certain areas in Western Europe and North America, starting in Great Britain Derby, followed by Germany and France. This now is called the first industrial revolution.

The second industrial revolution was anticipated to bring even greater social transformation than the first revolution. This revolution introduced the technology of
steam, iron, and textile factories. The second revolution was dated usually around 1870 or 1880, the era of the rise of electrical industry. But the early 1920s was the time of great excitement among contemporaries who believed that they were experiencing such a revolution. They associated the new industrial revolution with electric lights and power, with the internal-combustion engine and its use in automobiles, and with airplanes, wireless communications, and synthetic or human made chemicals.96

The lack of an industrial sector in a country can be a handicap in improving the country's economy and power, so governments encourage or enforce industrialisation. On the other hand, the presence of industry in a country does not mean in general that it will bring wealth and prosperity to the people of that country. The presence of an industry in one country can make it more difficult for other countries to develop the same type of industry. This can be seen in the computer-software and internet industries. Started from the U.S.A. around the 1990's these industries seemed to spread over the world. But after a period of monopolisation less than a decade long, the globally leading companies are concentrated in the U.S.A. Their economic power and capacity to dominate the media work against the developing of the same types of industry in other states.

Any development policy has to be assessed by measuring the economic development it effects. India’s first Prime Minister Jawaharlal Nehru declared on the eve of the departure of the British, on 14 August 1947, that India’s task in the future included "the ending of poverty and ignorance and disease and inequality of opportunity".

These measures will be used to determine the success of the inward-looking policies he initiated, as well as to compare their success with the success of the reform policies. Therefore, growth of income per capita, alleviation of poverty and reduction of income inequalities are amongst the most important indicators. To measure advances regarding inequality of opportunity and ignorance, several indicators pertaining to education and health will be used. These are two important public goods to which every individual is entitled; both for their intrinsic importance and for their enhancement of instrumental personal, social and process roles, and also empowerment and distributive roles.

India is one of the world’s oldest civilizations. The main source of economy and income for the people in the ancient ages was agriculture. The fertile plains, rivers and water bodies and a favorable climate provided a wonderful scope for agricultural produce in the country.

At the time the British entered India, the economy was flourishing and India was exporting its goods across the world. Indian goods, especially textiles were doing so well in Europe that European manufacturers had to put pressure on their respective governments to regulate the flow of Indian goods into their countries. The entire country was completely self-sufficient right down to the villages. They were able to manufacture what they needed, and what they could not was easily available within the country at reasonable prices.

The British got political control and began to exploit Indian resources and massive amounts of wealth were being drained out of India badly for such a long time. The industrial infrastructure was in a pathetic state after many long years of British rule in India. Small scale industries suffered badly and were facing near extinction. The economic
condition of the people declined having world’s lowest life expectancies, suffered malnutrition and were largely illiterate which made the nation to slip into poverty. The British had set up a one sided free trade where India did not have access to foreign markets. Hence Indian industry suffered, they had no markets to sell their products in, either at home or abroad, and this eventually led to a complete collapse of local industry. India was reduced to a poor raw material exporting economy.

During the period of British rule in India due to their negative policies, Indian industries faced many serious problems like existence becoming extinct, business getting destroyed and all types of opportunities being reduced. So, it was necessary that after independence, India had to look after such a policy which will not only make India self-reliance, self-sufficient but also the world leader.

After India gained independence, stress was given to stabilize the economic system of the country. Wide scale development was made in sectors such as agriculture, village industries, mining, defence and so on. India’s first Prime Minister, Jawaharlal Nehru, Premier from 1947 to 1964, saw industrialisation as the key to alleviating poverty. Industrialisation not only promised self-sufficiency for his nation that had just regained political sovereignty, but also offered external economies accruing from technical progress, emphasizing import substitution and giving priority to heavy industry.

Nehru believed a powerful state with a centralised planned economy to be essential if the country was to industrialise rapidly. The Industries (Development and Regulation) Act (IDRA) in 1951 laid the foundations for this administrative control on industrial capacity. But, over time, the licensing requirements became increasingly stringent and were accompanied by a gamut of procedures that required clearance by a number of disparate and uncoordinated ministries. In order to pursue IS, the Import Trade Control Order of 1955 subjected almost all imports to quantitative restrictions in the form of import licenses. These were supplemented by tariffs at rates that were among the highest in the developing world.

Indian state intervention in industrial development has been extensive. Unlike many East Asian countries, which used state intervention to build strong private sector industries, India opted for state control over key industries. At different times, nationalised industries included chemicals, electric power, steel, transportation, and life insurance, portions of the coal and textile industries, and banking. To promote these industries the government not only levied high tariffs and imposed import restrictions, but also subsidised the nationalised firms, directed investment funds to them, and controlled both land use and many prices.

Under Prime Minister Indira Gandhi (1966-77), two major shifts took place in the role of the state. First, the neglect of agriculture was reversed through state activism in subsidising new seeds and fertilisers, agricultural credit, and rural electrification. The green revolution took off and by the mid-1970s India was self-sufficient in grain. The second shift was the further tightening of state control over every aspect of the economy. Banks were nationalised, trade was increasingly restricted, price controls were imposed on a wide range of products, and foreign investment was squeezed.

In 1973, dealings in foreign exchanges as well as foreign investment came to be regulated by the Foreign Exchange and Regulation Act (FERA). The act virtually shut out the inflow of new technology from abroad in the 1970s and 1980s, particularly when these involved large equity participation.
The Indian system of state planning went far beyond the usual inward-looking industrialisation policies that most developing countries pursued after World War II. The government regulated the most basic business decisions for all firms above a certain size: borrowing, investment, capacity utilisation, pricing and distribution.

The over-restrictive, and often self-defeating nature of the regulatory framework, began to become evident by the late 1960s and early 1970s. Comprehensive planning was increasingly criticised as planned targets were not met and many plans were not even implemented. The lack of success in some dimensions led to a new and more restrictive set of regulations. One example is the attempt to reserve sectors for small industries and to restrict the growth of large firms.

Beginning in the early 1980s, a mild trend towards deregulation started. Economic reforms were introduced, starting to liberalise trade, industrial and financial policies, while subsidies, tax concessions, and the depreciation of the currency improved export incentives. These measures helped GDP growth to accelerate to over 5% per year during the 1980s, compared to 3.5% during the 1970s, and reduced poverty more rapidly. However India’s most fundamental structural problems were only partially addressed. Tariffs continued to be among the highest in the world, and quantitative restrictions remained pervasive.

Moreover, a significant government influence continued in the allocation of credit to firms and a discouragement of foreign investment. Relatively inefficient public enterprises, controlling nearly 20% of GDP, remained a drag on economic growth. The government expanded antipoverty schemes, especially rural employment schemes, but only a small fraction of the rising subsidies actually reached the poor. Competition between political parties drove subsidies up at every election. The resulting fiscal deficits (8.4% of GDP in 1985) contributed to a rising current account deficit. India’s foreign exchange reserves were virtually exhausted by mid-1991 when a new government headed by Narasimha Rao came to power.

In July 1991, India launched a second major economic reform program. The government committed itself to promoting a competitive economy that would be open to trade and foreign investment. Measures were introduced to reduce the government’s influence in corporate investment decisions. Much of the industrial-licensing system was dismantled, and areas once closed to the private sector were opened up. These included electricity generation, areas of the oil industry, heavy industry, air transport, roads and some telecommunications. Foreign investment was suddenly welcomed.

Greater global integration was encouraged with a significant reduction in the use of import licenses and tariffs (down to 150% from 400%), an elimination of subsidies for exports, and the introduction of a foreign-exchange market. Since April 1992, there has been no need to obtain any license or permit to carry out import-export trade. As of April 1, 1993, trade is completely free, barring only a small list of imports and exports that are either regulated or banned. The WTO estimated an average import tariff of 71% in 1993 which has been reduced to 40% in 1995. With successive additional monetary reforms, the rupee, since 1995, can nearly be considered a fully convertible currency at market rates. India now has a much more open economy.
Table 1.12 : Annual Survey of Industries (Factory Sector) – INDIA

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Source: Central Statistical Organisation
India's large service industry accounts for 57.2% of the country's GDP while the industrial and agricultural sectors contribute 28.6% and 14.6% respectively. Agriculture is the predominant occupation in India, accounting for about 52% of employment. The service sector makes up a further 34%, industrial sector around 14%. However, statistics from a 2009-10 government survey, which used a smaller sample size than earlier surveys, suggested that the share of agriculture in employment had dropped to 45.5%.

Major industries include telecommunications, textiles, chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, information technology-enabled services and pharmaceuticals. The labour force totals 500 million workers. Major agricultural products include rice, wheat, oilseed, cotton, jute, tea, sugarcane, potatoes, cattle, water buffalo, sheep, goats, poultry and fish."Country Profile: India" (PDF). Library of Congress – Federal Research Division. December 2004.

Previously a closed economy, India's trade and business sector has grown fast. India currently accounts for 1.5% of world trade as of 2007 according to the World Trade Statistics of the WTO in 2006, which valued India's total merchandise trade (counting exports and imports) at $294 billion and India's services trade at $143 billion. Thus, India's global economic engagement in 2006 covering both merchandise and services trade was of the order of $437 billion, up by a record 72% from a level of $253 billion in 2004. India's total trade in goods and services has reached a share of 43% of GDP in 2005–06, up from 16% in 1990–91. India's total merchandise trade (counting exports and imports) stands at $ 606.7 billion and is currently the 11th largest in the world.

Industry accounts for 28% of the GDP and employ 14% of the total workforce. In absolute terms, India is 12th in the world in terms of nominal factory output. The Indian industrial sector underwent significant changes as a result of the economic reforms of 1991, which removed import restrictions, brought in foreign competition, led to privatisation of certain public sector industries, liberalised the FDI regime, improved infrastructure and led to an expansion in the production of fast moving consumer goods. Post-liberalisation, the Indian private sector was faced with increasing domestic as well as foreign competition, including the threat of cheaper Chinese imports. It has since handled the change by squeezing costs, revamping management, and relying on cheap labour and new technology. However, this has also reduced employment generation even by smaller manufacturers who earlier relied on relatively labour-intensive processes.

Evaluation of Industrialisation in India

Growth of national income - Growth of national income in GNP per capita in India was about 1.4% in the years from 1960 to 1980. The effects of the reforms of the 1980s are reflected in growth figures: the average GNP per capita growth increased to 3.25%. And with further opening up in the 1990s, the GNP per capita reaches new heights with 3.8% average growth in the period from 1987 to 1997.

As per the released data of CSO GNP at factor cost at constant (1999-2000) prices in the year 2008-09 has been estimated at Rs. 33,23,648 crores showing the growth rate of 6.7 per cent over the quick estimates of GDP for the year 2007-08 of Rs. 31,14,864 crores. In terms of growth rate, the national income is estimated to rise by 6.4 per cent during
2008-09, in comparison to the growth rate of 9.1 per cent in 2007-08. GDP increased to over 35 per cent in 2007-08 from 23.7 per cent in 2003-04. If the trade in services is included, the trade ratio is 47 per cent of GDP for 2007-08.\textsuperscript{105}

**Alleviation of poverty** - In the early 1950s, about half of India’s population was living in poverty. Since then, poverty has been declining slowly. The poverty reduction was given new impetus by the reforms: falling from around 55% in 1974 to just fewer than 35% in 1994 by a headcount index. In the 1980s and 1990s, poverty reached historically low levels. Still, because of India’s rapid population growth rate, the relative reduction of poverty has not been sufficient to reduce the absolute number of poor which increased from about 164 million in 1951 to 312 million in 1993-94.

While the real per capita income in India grew at 4.4 per cent, reaching $ 2358 in 2001, World Bank estimates based on consumption surveys found the proportion of people living on less than $1 a day declined in India from 42 per cent in 1993-94 to 35 per cent in 2001. While the country has been making impressive reduction in income poverty it still has miles to go in reducing human poverty.\textsuperscript{106}

**Reduction of income inequalities** - The reduction of income inequalities has only made slight advances. The biggest advances were made mostly before the reforms. On the other hand, one of the biggest increases in inequality happened in the late 1970s, and the developments for the late 1980s / early 1990s.

The distance is between the upper 20% and lower 40% in both rural and urban areas. To look specifically at urban statistics, as we approach early years of the century, the income level of the upper 20%, this was previously at a diminutive spread shot up drastically as the country grew technologically.

India is continuing down the reform path and has made strides in opening up to increased private investment and trade. But India will probably continue to maintain a distinct development path, where economic reform is balanced with socialist pro-poor / pro-worker programs. This gradualist approach has been relatively successful in maintaining strong economic growth, while also ensuring economic equality. Critics contend this strategy has held India back, while others contend it is a pragmatic approach where the goals are indicated as a broad direction, precisely to control the pace of development.\textsuperscript{107} This has resulted in a more modest backlash from the opposition, and possibly an exit strategy should reforms prove detrimental. Thus, this gradualist process has been appropriately described as “creating a strong consensus for weak reforms.” To attempt reforms at a faster pace would probably meet with significant resistance, jeopardizing the entire effort.

**Education** – The remarkable neglect of elementary education in India is all the more striking given the widespread recognition, in the contemporary world, of the importance of basic education for economic development. Primary education in India is not compulsory. However those who receive primary education and make it through secondary school have an excellent chance of getting a high-class University education. India has a huge supply of people with more education than they can use.

From 1960 to 1977 the reduction of illiteracy was only 11%. From 1978 to 1995, it was 25%, thus much higher. Of course, there are also long-term developments involved
here, so that the higher reduction in the second period might be partially due to actions taken in the first period.

However, India continues to face stern challenges. Despite growing investment in education, 25% of its population is still illiterate; only 15% of Indian students reach high school, and just 7% graduate.\textsuperscript{108} As of 2008, India's post-secondary high schools offer only enough seats for 7% of India's college-age population, 25% of teaching positions nationwide are vacant, and 57% of college professors lack either a master's or PhD degree.\textsuperscript{109}

**Health** - Life expectancy, used as an indicator of health, has increased constantly since independence. During the period from 1960 to 1980, it increased from 43 years to 52 years, which is an increase of 21% in 20 years. From 1980 to 1995 it grew to 62 years, which is a 19% increase in only 15 years. This means that the growth of this indicator has increased by a rate of 24% compared to the previous period. The life expectancy in India in 2006, 2007 and 2008 was 64 years whereas it increased to 65 year in 2009.\textsuperscript{110}

Even clearer is the improvement in the reduction of infant mortality. This was reduced by 25% in the period 1960 to 1995 and a further reduction of 45% took place from 1980 to 1995. This is partially due to better education of mothers, as well as to an improved economic situation of parents. The infant mortality rate since 2006 has been reducing as in 2006 it was 54 whereas in 2009 it became to 50.\textsuperscript{111}

**Labour Force** - A very necessary ingredient for promoting industrialisation and technological change is the investment in human capital. India’s current average adult literacy rate is low at 52%. There are large inequalities between males (literacy: 64%) and females (literacy: 39%), between urban and rural areas, and between different social classes. Low levels of female education in India are due to the gender division of labour. Females are expected to spend most of their life in domestic work and child rearing. Secondly, the practice of dowry and the ideology of hypergamous marriage can turn female education into a liability. An educated girl is likely to be more expensive to marry off, thus female education tends to be a threat to the social order. Illiteracy is widespread not only in older groups, but also among young boys and girls, particularly in rural areas.

The Indian labor market can be categorized into three sectors:

- Rural workers, who constitute about 60% of the workforce
- Organized of the formal sector, that constitutes about 8% of the workforce; and
- Urban unorganized or informal structure which represents the 32% of the workforce.

The figures below describes the estimated increase in the number of labors from 1977-78 to 2004-05. The labor force has grown from 276.3 million to 385.5 million between 1977-78 and 1993-94 showing an annual growth rate of 2.1%. During the year 1999-2000, the workforce was estimated to be 407 million. In 2004-05 the labor market consisted of 430 million workers and has grown up to 500 million in 2006.

Two-third of India’s workforce is employed in agriculture and rural industries. One-third of rural households are agricultural labor households, subsisting on wage employment. Only about 9 percent of the total workforce is in the organized sector; the remaining 91 percent are in the unorganized sector, self-employed, or employed as casual
wage laborers. The labor force in year 2006 has grown up to 509.3 million out of which 60% are in agriculture, 12% are employed in industries and the residual 28% are in services.

**Foreign Investment Policy Instruments** – Compared to most industrializing economies, India followed a fairly restrictive foreign private investment policy 1991 - rely more on bilateral and multilateral loans with long maturities. Inward foreign direct investment was perceived essentially as a means of acquiring industrial technology that was unavailable through licensing agreements and capital goods import. However, foreign investment was permitted in designated industries, subject to varying conditions on setting up with joint ventures with domestic partners, local content clauses, export obligations, promotion of local R & D and so on.

Foreign Exchange Regulation Act (FERA) 1974, stipulated foreign firms to have equity holding only up to 40 per cent, exemptions at the discretions. Foreign subsidiaries were induced to gradually dilute their equity holding to less than 40 per cent in the domestic capital market. Such a restrictive policy is believed to have retarded domestic technical capabilities. It also meant a loss of export opportunity of labour-intensive manufacturers.¹¹²

However, the 1980s witnessed a gradual relaxation of the foreign investment rules. All this changed since 1991. Foreign investment is now seen as a source of scarce capital, technology and managerial skills that were considered necessary in an open, competitive, world economy. Over the decade, India not only permitted foreign investment in almost all sectors of the economy except few but also allowed foreign portfolio investment.¹¹³

Since the liberalisation in, mid-1991 India has become a magnet for foreign investment. A noteworthy feature is the dramatic speed of approvals, some taking only a week. Automatic approval of projects in 34 industrial sectors is permitted. The constraint that foreign investment should reach only 40% was relaxed to 51%. In certain sectors, such as infrastructure and computer software, the ownership can also be as high as 74%. In some sectors such as transport infrastructure, full foreign ownership is permitted and even encouraged.

Foreign direct investment rose from $170 million in 1991-92 to $1.3 billion in 1994-95. India is targeting foreign direct investment of at least $10 billion annually by the turn of the century. It attracted a total of $2.4 billion in 1996-97 and $3.4 billion in 1997-98. Foreign direct investment is nearly 25 times higher than it was before the economy was liberalised. According to the UNCTAD’s Trade and Development Report 2006, FDI inflow to India stood at $5.5 billion in 2004, making it tenth largest economy in terms of overseas investment received.¹¹⁴

The US continues to be the leading investor in India. The US is followed by other more ‘traditional’ investors like the U.K. (6.4%), Israel (5.9%), Mauritius (4.6%), Japan (4.2%) and Germany (4.1%). Most of the investment interest has been in the telecommunications, oil refining, automobile and transportation sectors, with other projects developing in the electronics, software and electrical equipment industries.
### Table 1.13: Foreign Investment Inflows

<table>
<thead>
<tr>
<th>Year</th>
<th>A. Direct investment Rs. crore</th>
<th>US $ million</th>
<th>B. Portfolio investment Rs. crore</th>
<th>US $ million</th>
<th>Total (A+B) Rs.crore</th>
<th>US $ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>18406</td>
<td>4029</td>
<td>12609</td>
<td>2760</td>
<td>31015</td>
<td>6789</td>
</tr>
<tr>
<td>2001-02</td>
<td>29235</td>
<td>6130</td>
<td>9639</td>
<td>2021</td>
<td>38874</td>
<td>8151</td>
</tr>
<tr>
<td>2002-03</td>
<td>24367</td>
<td>5035</td>
<td>4738</td>
<td>979</td>
<td>29105</td>
<td>6014</td>
</tr>
<tr>
<td>2003-04</td>
<td>19860</td>
<td>4322</td>
<td>52279</td>
<td>11377</td>
<td>72139</td>
<td>15699</td>
</tr>
<tr>
<td>2004-05</td>
<td>27188</td>
<td>6051</td>
<td>41854</td>
<td>9315</td>
<td>69042</td>
<td>15366</td>
</tr>
<tr>
<td>2005-06</td>
<td>39674</td>
<td>8961</td>
<td>55307</td>
<td>12492</td>
<td>94981</td>
<td>21453</td>
</tr>
<tr>
<td>2006-07</td>
<td>103367</td>
<td>22826</td>
<td>31713</td>
<td>7003</td>
<td>135080</td>
<td>29829</td>
</tr>
<tr>
<td>2007-08</td>
<td>140180</td>
<td>34835</td>
<td>109741</td>
<td>27271</td>
<td>249921</td>
<td>62106</td>
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<td>2008-09</td>
<td>173741</td>
<td>37838</td>
<td>-63618</td>
<td>-13855</td>
<td>110123</td>
<td>23983</td>
</tr>
</tbody>
</table>

Source:
1. RBI Handbook of Statistics on Indian Economy Table 155
2. Data on FDI have been revised since 2000-01 with expanded coverage to approach international best practices. Data from 2000-01 onwards are not comparable with FDI data for earlier years.
3. Negative (-) sign indicates outflow.
4. Direct Investment data for 2006-07 include swap of shares of 3.1 billion.

**Revitalisation of the Indian Private Sector** - Private Sectors have played a significant role in the process of industrialisation of India. It refers to all those individual units or corporations engaged in production which are owned by private individuals and managed by them for profit motive. After independence, India adopted the system of mixed economy. It was in accordance with this system that the Industrial Policy Resolutions of the Government divided the economy into private and public sectors. Basic and heavy industries have been reserved for public sectors. Consumer goods industry and agriculture have been left for the private sectors.

Since Industrial Policy 1991, role of private sectors have increased. Now except three areas (Atomic energy, Atomic minerals and Railways), all the other areas are opened for the private sectors. Private sectors are mushrooming in the form of individual proprietorship, partnership and joint stock companies. This includes domestic as well as multinationals in India. Private sectors are broadly classified into large scale industries, small scale industries and unorganized production units.115

India has always been a trading nation. Centuries of alien rule and decades of socialism did not stamp out the Indian entrepreneurial spirit. The Statement of Industrial Policy 1991 reduced the list of industries reserved for the public sector from 17 to 6. In 1992-93, 104 out of a total of 237 central public sector enterprises made losses. With few exceptions, the inefficiency of public enterprises, which generate 17% of GDP, has continued to be a serious issue. It is clear that there is a prima facie case for privatisation on grounds of efficiency. However, the strength of the case for privatisation varies with the type of industry.
Now exposed to international competition, Indian companies are forming alliances with each other to face the challenges of the future. It is now even possible for Indian firms to merge with other companies. Procter & Gamble merged its operations with Godrej Soaps. Coca Cola acquired Parle, its erstwhile competitor, thus extending the cola wars to new exotic lands. Companies are enjoying the benefits of economies of scale and synergy. As larger and stronger groups emerge, they will have the resources necessary to invest in upgrading technology and will become more competitive.

**Growth of private sectors in India**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of private sectors companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1957</td>
<td>19,283</td>
</tr>
<tr>
<td>1971</td>
<td>30,461</td>
</tr>
<tr>
<td>2006</td>
<td>7,30,817</td>
</tr>
<tr>
<td>2007</td>
<td>7,42,302</td>
</tr>
</tbody>
</table>

(Source : Statistical Outline of India, 2007-08, India 2009)

**India’s current problems regarding industrialization**

Some specific areas for future industrial development in India -

**Infrastructure** - Perhaps the biggest problem for doing business in India is the woeful state of its infrastructure. Consider this: it takes four days for a truck to travel the 900 miles between India’s national capital New Delhi and its commercial capital Bombay. It takes months to get connected to the power supply in any Indian city, and several years to get a telephone connection in large cities.

Poor infrastructure is acting as a drag on the Indian economy, and the Indian government is now attracting private domestic and foreign investment to build the backbone of a modern economy. A recent report estimated that investment in infrastructure would rise from 5.5% of GDP in 1997, to about 7% in 2000-01. This includes massive improvements in telecommunications, power, energy, and transport.

India has recognised the vital role telecommunications play in the growth of the economy. The Indian telecom sector was wholly under government ownership and control until recently and was characterised by under-investment and outdated equipment. There is vast potential for extending these services in India, which has one of the world’s smallest telephone densities of 1.3 per 100 people, compared with the world average of 10 per 100. Advanced communication services such as fax, data transmission, and leased circuits are becoming increasingly common. Foreign collaboration is also being encouraged in cellular phones and paging systems. In the telecommunications sector, estimates for regional investment need range from $40 billion a year, to as high as $70 billion a year by the end of the century.

The power problems are severe in India with three-hour-a-day power cuts and damaging voltage fluctuations that require companies to generate their own power.
Investment in energy is a sound way of increasing manufacturing activity. If all 49 proposed private sector power projects are implemented, these would add a total of 20,000 megawatts to India’s current capacity of 66,000mW. However it should be noted that India’s energy demand is growing at 8-10% a year.

As part of India’s liberalisation efforts, the transportation sector has been opened to private investment. The government is offering incentives to invest $4.7 billion to construct and operate bypass roads, highways, bridges, railways, and ports.

The analysis reveals that in case of saleable steel and cement, the growth rates were higher in the post-reform period than in the pre-reform period. In case of steel, the growth rate of production increased by 8.1 per cent during 1993-94 and 2010-11 as against only 4.9 per cent in the pre-reform period.

**Health and Education** – Since independence, India has built a huge health infrastructure in the form of primary, secondary and tertiary health care institutions like primary health centres, community health centres, hospitals, in public, private and voluntary sectors. Six decades of hard work has resulted in considerable achievements in improving health standards in terms of life expectancy, infant and maternal mortality rates, Small Pox and plague have been eliminated and several other diseases like malaria, tuberculosis and diarrhea have been contained to a large extent.\(^{116}\)

The strong link between poverty and health needs to be recognized. Long term illness and expensive illness even drive non-poor into poverty. To improve health care, a comprehensive approach is needed which comprises individual health care, public health, sanitation, clean drinking water and knowledge of hygiene and bringing up children.\(^{117}\) HIV/AIDS is a newly emerging threat to India’s public health. About 3 million people in India may be affected. Malnutrition also continues to impede India’s development. Prejudices against women and girls are reflected in the demographic ratio of 929 females for every 1,000 males.

To support India’s goal of achieving universal primary education, the World Bank is supplementing increased state government expenditure. This has boosted school enrolment, particularly among girls and disadvantaged children, and is improving the quality of instruction and learning achievement.

Amartya Sen reckons that India could enroll all its children in primary school by spending an additional 0.5-1% of GDP. Providing basic health and education is not expensive where labour is cheap. But health and education indicators, while showing some progress, still remain among the world’s lowest.

Literacy in India is key for socio-economic progress, (UNESCO: Literacy, UNESCO) and the Indian literacy rate grew to 74.04% in 2011 from 12% at the end of British rule in 1947.\(^{118}\) Although this was a greater than sixfold improvement, the level is well below the world average literacy rate of 84%\(^{119}\). “Unicef Study Predicts 16% World Illiteracy Rate Will Increase”, New York Times, retrieved 2009-11-27) and India has the largest number of illiterates in the world and the country ranks a poor 126th in the Human Development Index prepared by the UNDP. As per the Human Development Report 2006, India ranks 126th out of 177 countries covered in the report, Minister of State of Human Resources Development D. Purendeswari told the upper house.
Adult literacy is only one of the several variables on the basis of which the Index is calculated, she said in a written reply. In 2001, the total number of illiterates came down to 304.11 million from 328.88 million in 1991. The census provided a positive indication that growth in female literacy rates (11.8%) was substantially faster than in male literacy rates (6.9%) in the 2001-2011 decadal period, which means the gender gap appears to be narrowing.\textsuperscript{120}

\begin{center}
LITERACY RATE 1951-2001 (INDIA)
\end{center}

\begin{center}
\begin{tabular}{|c|c|c|c|}
\hline
Census Year & Persons & Male & Female \\
\hline
1951 & 18.33 & 27.16 & 8.86 \\
1961 & 28.30 & 40.40 & 15.35 \\
1971 & 34.45 & 45.96 & 21.97 \\
1981 & 43.57 & 56.38 & 29.76 \\
1991 & 52.21 & 64.13 & 39.29 \\
2001 & 64.84 & 75.26 & 53.67 \\
\hline
\end{tabular}
\end{center}

(Literates and Literacy Rates – 2001 Census (Provisional) National Literacy Mission, India 27-11-2009)

Literacy in India has made remarkable strides since Independence. This has been further confirmed by the results of the Census 2001. The literacy rate has increased from 18.33\% in 1951 to 64.84\% in 2001. This is despite the fact that during the major part of the last five decades there has been exponential growth of the population at nearly 2\% per annum.\textsuperscript{121}

\textbf{Public sector} - Another big problem is India’s notoriously bloated and inefficient public sector. The World Bank has turned down applications for power loans worth $750 million for projects in some states because of mismanagement in their government. Many electricity boards have become insolvent as a result of providing electricity at extremely subsidised rates and ignoring large-scale thefts of electricity. State governments have been unable or unwilling to take the politically unpalatable decisions needed to make their electricity boards viable.

A review of the working of public sector enterprises reveals that either the profits in them have been deplorably low or that they have been making losses. As compared with the performance of the Central Government, however, the State Governments are having perennial loss-makers. It has been noted that in many situations, political factors influence decisions about location of projects. Powerful ministers in the ruling party make promises about the future location of projects in a state irrespective of the results of the feasibility study about costs. This approach leads to a considerable wastage of capital resources. Many reports on the working of public sector projects have pointed out that many of the projects took longer time to complete than was initially envisaged. Public sector projects are charged with over-capitalisation. In other words, the input-output ratio obtaining in many projects was unfavourable. The pricing policies of the public sector undertakings are not guided solely by the profit maximization principle, but are under the regulation and control of the Government. It has been brought out that in most public enterprise, manpower is in excess of actual requirements due to poor manpower planning.\textsuperscript{122}
**Corruption** - An immediate threat to India’s governance is not the tottering coalition governments but corruption. The combination of a state-run economy and weak political institutions created all too many opportunities for crooked politicians and bureaucrats. Worse still for the business community is that the government itself is the fountain-head of corruption. This is particularly serious in view of the huge importance of the government sector in India’s economy.

Corruption has become ubiquitous at all levels and is accepted by everyone. Many Indian businessmen feel that liberalisation of the economy will have no impact on reducing the corruption that has become so well entrenched. The influx of foreign companies is already unleashing a new wave of even greater corruption. A survey of 183 US firms conducted by the US embassy in 1995 revealed that US investors rated corruption in India as the third worst problem they faced after red tape and a lack of electric power.

The blame for the deluge of corruption in India lies in the lack of transparency in the rules of governance, extremely cumbersome official procedures, excessive and unregulated discretionary power in the hands of politicians and bureaucrats, who are prone to abuse it, and a lax judiciary.

**Tax Problems** - Tax reforms have been seeking to transform India’s tax system from one with high differential tax rates falling on a narrow base, into one with tax rates at moderate levels falling on a broad base. The 1995 fiscal budget reduced taxes on corporate income, and a major reform of excise taxes has been implemented to make it resemble a value-added tax more closely. But the government’s income is also constricted by an inefficient taxation system. Rural areas are not taxed because they contain such a large pool of voters and no government has had the political will to change this. Income tax is skillfully dodged. This leaves the government with excise and customs duties, which represent two thirds of all taxes.

**Labour market** – Labour market is an important aspect of Indian modern economy. It represents the interaction of demands and supplies of various categories of labour through which prices of these categories of labour, i.e wage rates are determined. Theoretically, the concept of labour market, like that of the markets for capital and commodities, does not necessarily refer to any physical place, but represents an abstraction of a system allocating and rewarding labour.

India needs greater labour market flexibility to make its companies more competitive and its economy more productive. Politically powerful labour unions have stifled most efforts at serious reform or privatisation of India’s largest public sector enterprises, including most banks, all insurance companies, and many major industries, even though privatisation would probably cost the jobs of no more than 1.1% of the urban labour market. India’s labour laws hinder efficiency and growth.

**Financial sector** - India’s financial sector still cannot effectively mobilise and mediate capital to respond to economic changes. The resulting high cost of capital makes Indian industry and exports less competitive. In spite of recent improvements, India’s equity markets are still too thin and volatile to inspire great confidence on the part of domestic or foreign investors. Bond markets are practically non-existent. Liberalisation of the insurance industry, which would greatly improve the investing of India’s substantial
savings, now 26% of GDP, has been stymied. India’s banking system remains flawed, with the dominant state-owned banks still carrying bad loans amounting to 15 to 25% of their total.

The current deficit of $2 billion has been pushed to the highest level since 1991. The rising deficit is financed by foreign-exchange reserves, and is expected to put upward pressure on the rupee. On the other hand, GDP growth is forecast to move upwards to 6.4% in 1999. This follows a slowdown to 5.1% in 1998 due to a 1.5% decline in agricultural production, slowing exports, and industrial growth. Factor-cost GDP is forecast to expand by an annual average of 6.7% until 2002-2003.

Overall, it remains to be seen how entrenched the reforms are in India in the face of more difficult and troubled economic conditions.

The role of industrialization in the Indian economy

1. Raising Income: The first important role is that industrial development provides a secure basis for a rapid growth of income. The empirical evidence suggests a close correspondence between the high level of income and industrial development. In the industrially developed countries, for example, the GNP per capita income is very high at around $28,000, whereas for the industrially backward countries it is very low at around $400 only.

2. Changing the Structure of the Economy: In order to develop the economy underdeveloped countries need structural change through industrialization. History shows that in the process of becoming developed economy the share of the industrial sector should rise and that of the agricultural sector decline. This is only possible through deliberate industrialization. As a result, the benefits of industrialization will ‘trickle down’ to the other sectors of the economy in the form of the development of agricultural and service sectors leading to the rise in employment, output and income.

3. Meeting High-Income Demands: Beyond certain limits, the demands of the people are usually for industrial products alone. After having met the needs of food, income of the people are spent mostly on manufactured goods. This means the income-elasticity of demand for the manufactured goods is high and that of agricultural products is low. To meet these demands and increase the economy’s output underdeveloped countries need industrialization.

4. Overcoming Deterioration in the Terms of Trade: Underdeveloped countries like India need industrialization to free themselves from the adverse effects of fluctuations in the prices of primary products and deterioration in their terms of trade. Such countries mainly export primary products and import manufactured goods. The prices of primary products have been falling or are stable whereas the prices of manufactured products have been rising. This led to deterioration in the terms of trade of the LDCs. For economic development such countries must shake off their dependence on primary products. They should adopt import substituting and export oriented industrialization.

5. Absorbing Surplus Labour (Employment Generation): Underdeveloped countries like India are characterized by surplus labour and rapidly growing population. To absorb all the surplus labour it is essential to industrialise the country rapidly. It is the
establishment of industries alone that can generate employment opportunities on an accelerated rate.

6. Bringing Technological Progress: Research and Development is associated with the process of industrialization. The development of industries producing capital goods i.e., machines, equipment etc., enables a country to produce a variety of goods in large quantities and at low costs, make for technological progress and change in the outlook of the people. This results in bringing about an industrial civilization or environment for rapid progress which is necessary for any healthy economy.

7. Strengthening the Economy: Industrialisation of the country can provide the necessary elements for strengthening the economy. In this regard the following points may be noted:
   (a) Industrialisation makes possible the production of goods like railways, dams, etc. which cannot be imported. These economic infrastructures are essential for the future growth of the economy.
   (b) It is through the establishment of industries that one can impart elasticity to the system and overcome the historically given position of a primary producing country. Thus, with industrialization we can change the comparative advantage” of the country to suit its resources and potentialities of manpower.
   (c) Through industrialization the requirements for the development of agriculture can be met. For example, improved farm-implements, chemical fertilizers, storage and transport facilities, etc., appropriate to our own conditions can be adequately provided only by our own industries.
   (d) The industrial development imparts to an economy dynamic element in the form of rapid growth and a diversified economic structure which make it a progressive economy.

8. Providing for Security: Industrialisation is needed to provide for the country’s security. This consideration becomes all the more critical when some international crisis develops. In such situation, dependence of foreign sources for defence materials is a risky affair. It is only through industrial development in a big way that the national objective of self-reliance in defence materials can be achieved.

1.2.4.3 Role of Small Scale Industries in India

Inaugurating the new campus of the Institute for Studies in Industrial Development (ISID) here, Dr. Singh made it clear that the country's industrialisation could not be dependent only on large corporate groups and it required small and medium enterprises (SMEs) for both growth and employment. "We cannot depend only on a few large industrial houses and capitalists for driving our industrialisation process. The employment-intensive nature and the greater regional spread of the SMEs make them an attractive option for industrial growth," he said.  

In 1947 after gaining independence, India initiated a path of industrialization to achieve economic prosperity. India focused on developing the manufacturing base. The decision makers then encouraged the development of small scale industries. They perceived that Indian small scale industries would play a vital role in the economic
progress of the country and had immense potential for employment generation. Developing small scale sector would also result in decentralized industrial expansion, better distribution of wealth and to encourage investment and entrepreneurial talent.

The Small-Scale Industries (SSI) gathered momentum along with industrialization and economic growth in India. It started growing due to the vision of our late Prime Minister Jawaharlal Nehru who sought to develop core industry and have a sustaining sector in the form of small-scale enterprises. Initially the small scale sector was characterized as traditional labor intensive units with outdated machineries and inefficient production techniques. But in the recent past the condition of the small scale units has improved. Today they have installed modern machines, applied better management techniques and are much more productive than before.

The government has initiated several policies for the growth and development of small scale industries. the objectives of SSIs in various plans were reservation of certain items, technical improvements, improvement of skill and productivity, training facilities for technical and managerial personnel, improve the production techniques produce quality goods, to promote decentralisation and dispersal of industries, to promote agro-based industries, establishment Regional testing centre’s, increase the levels of earning of artisans, credit marketing, technology, and entrepreneurship development, fiscal, financial and infrastructural support. In 1999, the government established the Ministry of Small Scale Industries and Agro and Rural industries to make policy decisions for the development and well-being of the small scale industries.

Small Scale Industries are located throughout the country, though predominantly in the rural areas. The small scale industries in the rural areas are skill based, wherein the skill for manufacturing is passed on from one generation to another. Some of the goods manufactured in these units are textile handicrafts, woodcarving, stone carving, metal ware etc. Small scale industrial factories are also present in urban areas and usually they account for the maximum volume of production for that particular good in the country.

India after getting independence, one of the major problems for India was its overall development for which five-year plans were made so as to achieve various objectives. The importance of SSI can also be seen as plan outlay has increased from Rs.15 crores to Rs.5534.00 crores in first-five year plan to eleventh five-year plan respectively.

Post liberalization economic conditions has created immense growth prospect for the small scale industries. The government has also supported the small scale industries by the way of implementing policies like investment ceiling for the SSI sector and priority lending. More than 160 items reserved under the SSI category have been de-reserved. It has been found that if the SSI upgrades the technology, adopt better management practices, reengineer the factories to improve productivity and provide qualitative product, they would be competitive. In an attempt to correct these discrepancies and neglect, the Micro, Small and Medium Enterprises Development Act was enacted on 16 June 2006. This Act provides the first-ever legal framework recognizing the concept of ‘enterprise’ (comprising both manufacturing and service entities), defining medium enterprises and integrating the three tiers of these enterprises, namely, micro, small and medium.
The role played by the small scale industry in the economic activity of advanced industrialized countries like Japan, Germany, Great Britain and the United States of America is significant. Many Nations, both developed and developing exteriorized that the small industry sector is a useful vehicle for growth, in the later for the creation of new employment opportunities on a wide scale in the shortest possible time. Small and Medium enterprises play in extraordinarily important role as muscles for regional economic development.

Indian economy is an under developed economy. Its vast resources are either unutilized or under-utilized. A major section of man power is lying idle. The per capita income is low. Capital is shy and scarce and investment is lean. Production is traditional and the technique is outdated. The output is insufficient and the basic needs of the people remain unfulfilled.\(^\text{124}\)

Industrialization is the only answer to this present state of disrupted economy. The problem is of the approach which should be direct, utilitarian and pragmatic. Such industries do not require huge capital and hence suitable for a country like India. The small scale industries have a talent of „dispersal.” They can be accessible to the remote rural areas of the country and do not lead to regional imbalances and concentration of industries at one place, which is responsible for many economic resources such as entrepreneurship and capital.\(^\text{125}\)

The planners and the economists in India took recourse to small scale industry because most of these industries existed in the traditional form, which symbolize our heritage and past glory. These still serve as the back bone of our economy, which is mostly rural. It is with this view that an assessment of growth, development and working of small scale industries in the specific region is attempted in this research study. However, before entering into an analytical study of this project, it is necessary to examine the concept of Small scale industry as it has come to be, today, in India. The concept of small scale industries, as it has developed in years, is one of the confusion and lacks clarity. Neither the Government, nor the planners could provide a clear and graphic definition. Obviously small scale industries were not given such importance during the British rule as is given today. We now have a pragmatic approach to the concept in view of the prevailing economic conditions, gradual industrial development and the difficulties that arise in the implementation of planned programs.\(^\text{126}\)

**Definitions of SSIs**

According to the first five year plan (1951-56), SSI has been referred as industries which are not required to be registered under the Factory Act.

The definition for small-scale industrial undertakings has changed over time. Initially they were classified into two categories—those using power with less than 50 employees and those not using power with the employee strength being more than 50 but less than 100. However, the capital resources invested on plant and machinery buildings have been the primary criteria to differentiate the small-scale industries from the large and medium scale industries. An industrial unit can be categorized as a small-scale unit if it fulfills the capital investment limit fixed by the Government of India for the small-scale sector. As per the latest definition which is effective since December 21, 1999, for
any industrial unit to be regarded as Small Scale Industrial unit the following condition is to be satisfied: - Investment in fixed assets like plants and equipments either held on ownership terms on lease or on hire purchase should not be more than Rs 10 million. However, the unit in no way can be owned or controlled or ancillary of any other industrial unit.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>INVESTMENT LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>Upto Rs 5 lacs in Plant &amp; Machinery</td>
</tr>
<tr>
<td>1966</td>
<td>Upto Rs 7.5 lacs in Plant &amp; Machinery</td>
</tr>
<tr>
<td>1975</td>
<td>Upto Rs 10 lacs in Plant &amp; Machinery</td>
</tr>
<tr>
<td>1980</td>
<td>Upto Rs 20 lacs in Plant &amp; Machinery</td>
</tr>
<tr>
<td>1985</td>
<td>Upto Rs 35 lacs in Plant &amp; Machinery</td>
</tr>
<tr>
<td>1991</td>
<td>Upto Rs 60 lacs in Plant &amp; Machinery</td>
</tr>
<tr>
<td>1997</td>
<td>Upto Rs 100 lacs in Plant &amp; Machinery</td>
</tr>
<tr>
<td>1999</td>
<td>Upto Rs 100 lacs in Plant &amp; Machinery</td>
</tr>
</tbody>
</table>

**Classification of SSIs**

A common classification is between traditional small industries and modern small industries. Traditional small industries include khadi and handloom, village industries, handicrafts, sericulture, coir, etc. Modern SSIs produce wide range of goods from comparatively simple items to sophisticated products such as television sets, electronics, control system, various engineering products, particularly as ancillaries to the large industries. The traditional small industries are highly labour-intensive while the modern small-scale units make the use of highly sophisticated machinery and equipment. For instance, during 1979-80, traditional small-scale industries accounted for only 135 of the total output but their share in total employment was 56%. As against this, the share of modern industries in the total output of this sector was 74% in 1979-80 but their share in employment was only 33%. Obviously, these industrial units would behave higher labour productivity. One special characteristic of traditional small-scale industries is that they cannot provide full time employment to workers, but instead can provide only subsidiary or part time employment to agricultural laborers and artisans. Among traditional village industries, handicrafts possess the highest labour productivity, besides handicrafts make a significant contribution to earning foreign exchange for the country.

Now-a-days Indian small-scale industries (SSIs) are mostly modern small-scale industries. Modernization has widened the list of products offered by this industry. The items manufactured in modern small-scale service and business enterprise in India now include rubber products, plastics products, chemical products, glass and ceramics, mechanical engineering items, hardware, electrical items, transport equipment’s, electronic components and equipment’s, automobile parts, bicycle parts, instruments, sports goods, stationary items and clocks and watches.

The small scale industry units play an important role in the Indian economy. The small scale industry units touch every part of the Indian economy like export, employment; import substitution etc. The table shows the performance of small scale industries in India:
Table 1.14: PERFORMANCE OF SSI SECTOR

<table>
<thead>
<tr>
<th>Year</th>
<th>Units (Million nos.)</th>
<th>Production (Rupees crore)</th>
<th>Employment (Million nos.)</th>
<th>Production perEmployee(Rs. thousand)</th>
<th>SSI Export</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>At constant prices</td>
<td>At current prices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000-01</td>
<td>10.11</td>
<td>184401</td>
<td>261297</td>
<td>24.09</td>
<td>69797</td>
</tr>
<tr>
<td>2001-02</td>
<td>10.52</td>
<td>282270</td>
<td>282270</td>
<td>25.23</td>
<td>71244</td>
</tr>
<tr>
<td>2002-03</td>
<td>10.95</td>
<td>306771</td>
<td>314850</td>
<td>26.37</td>
<td>86013</td>
</tr>
<tr>
<td>2003-04</td>
<td>11.40</td>
<td>336344</td>
<td>364547</td>
<td>27.53</td>
<td>97644</td>
</tr>
<tr>
<td>2004-05</td>
<td>11.86</td>
<td>372938</td>
<td>429796</td>
<td>28.76</td>
<td>124417</td>
</tr>
<tr>
<td>2005-06</td>
<td>12.34</td>
<td>418884</td>
<td>497842</td>
<td>29.99</td>
<td>150242</td>
</tr>
<tr>
<td>2006-07</td>
<td>12.84</td>
<td>471663</td>
<td>585112</td>
<td>31.25</td>
<td>151</td>
</tr>
<tr>
<td>2007-08</td>
<td>13.37</td>
<td>532979</td>
<td>695126</td>
<td>32.23</td>
<td>165</td>
</tr>
</tbody>
</table>

Note: 1. Since 2001-02, production figures are at 2001-02 prices.

Source: Ministry of Micro, Small & Medium Enterprises, Government of India and Reserve Bank of India, Annual Report, 2008-09

Plan allocation

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Plan</th>
<th>Allocation (Rs. in crores)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>First Five Year Plan (1951-56)</td>
<td>4.94</td>
</tr>
<tr>
<td>2.</td>
<td>Second Five Year Plan (1956-61)</td>
<td>8.00</td>
</tr>
<tr>
<td>3.</td>
<td>Three Annual Plans (1961-66)</td>
<td>14.00</td>
</tr>
<tr>
<td>4.</td>
<td>Third Five Year Plan (1966-69)</td>
<td>14.67</td>
</tr>
<tr>
<td>5.</td>
<td>Fourth Five Year Plan (1969-74)</td>
<td>40.00</td>
</tr>
<tr>
<td>6.</td>
<td>Fifth Five Year Plan (1974-78)</td>
<td>26.60</td>
</tr>
<tr>
<td>8.</td>
<td>Sixth Five Year Plan (1980-85)</td>
<td>85.20</td>
</tr>
<tr>
<td>9.</td>
<td>Seventh Five Year Plan (1985-90)</td>
<td>660.5</td>
</tr>
<tr>
<td>10.</td>
<td>Two Annual Plans (1990-92)</td>
<td>400.00</td>
</tr>
<tr>
<td>11.</td>
<td>Eighth Five Year Plan (1992-97)</td>
<td>835.32</td>
</tr>
<tr>
<td>12.</td>
<td>Ninth Five Year Plan (1997-02)</td>
<td>746.13</td>
</tr>
<tr>
<td>13.</td>
<td>Tenth Five Year Plan (2002-07)</td>
<td>650</td>
</tr>
</tbody>
</table>

(Source – Planning Commission of India)
The small scale industry units play an important role in the Indian economy. The small scale industry units touch every part of the Indian economy like export, employment, import substitution etc. The main characteristics of these small scale units can be illustrated below:

1) Capital intensity - Small-scale industries are less capital intensive. So these types of industries are more suitable to the economies like Indian because in India, there is a problem of capital inadequacy.

2) Employment potential - The small scale industries are labour intensive, so these types of industries provide more employment opportunities. So it provides a solution to the problem of unemployment in India.

3) Quick yielding - The small scale industries are quicker yielding in nature than large scale units.

4) Controlled price level - The problem of inflation and deflation can be controlled by small scale industries. So we can control the price level.

5) Skill formation - The small-scale industries are not required sophisticated technology and it required technologies which are locally available. So the entrepreneur does not require more training and skills.

6) Low import intensity - The small scale unit requires machines which are developed locally. So the entrepreneur is not required to import them. So these units are suitable to the countries like India which have scarce reserve of foreign exchange.

7) Balanced regional development - The small scale industrial units can be started in any barked area. So the growth of small scale units can provide development of industrially backward area.

8) Proper utilization of local resources - Small scale industries are mostly depending on raw materials and labour which are locally available. So it provides efficient and effective utilization of local resources.

9) Creation of self-employment - The small scale industries provides lots of self-employment opportunities to educated youths in India.

In a developing country like India, the role and importance of small-scale industries is very significant towards poverty eradication, employment generation, rural development and creating regional balance in promotion and growth of various development activities.

It is estimated that this sector has been contributing about 40% of the gross value of output produced in the manufacturing sector and the generation of employment by the small-scale sector is more than five times to that of the large-scale sector.

This clearly shows the importance of small-scale industries in the economic development of the country. The small-scale industry has been playing an important role in the growth process of Indian economy since independence in spite of stiff competition from the large sector and not very encouraging support from the government.
Table 1.15: PERFORMANCE OF MICRO & SMALL ENTERPRISES

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Enterprises (Lakh Nos.)</th>
<th>Employment (Lakh person)</th>
<th>Production (Rs. Crs.) at Current prices</th>
<th>Growth Rate (%)</th>
<th>Share In GDP (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-2003</td>
<td>15.91 93.58 109.49</td>
<td>263.49</td>
<td>314850</td>
<td>8.68</td>
<td>5.92</td>
</tr>
<tr>
<td>2003-2004</td>
<td>16.97 96.98 113.95</td>
<td>275.30</td>
<td>364547</td>
<td>9.64</td>
<td>5.79</td>
</tr>
<tr>
<td>2004-2005</td>
<td>17.53 101.06 118.59</td>
<td>287.55</td>
<td>429796</td>
<td>10.88</td>
<td>5.84</td>
</tr>
<tr>
<td>2005-2006</td>
<td>18.71 104.71 123.42</td>
<td>299.85</td>
<td>497842</td>
<td>12.32</td>
<td>5.83</td>
</tr>
<tr>
<td>2006-2007</td>
<td>20.98 107.46 128.44</td>
<td>312.52</td>
<td>587196</td>
<td>12.65</td>
<td>5.94</td>
</tr>
<tr>
<td>2007-2008</td>
<td>24.68 108.99 133.67</td>
<td>322.28</td>
<td>695126</td>
<td>13.00</td>
<td>NA</td>
</tr>
<tr>
<td>(Projected)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source - Office of the Development Commissioner M/O Micro & Small Enterprises Cluster Development Programme (Statistics & Data Bank Division))

Role of Small Scale Industries in Indian Economy

The small-scale industrial sector plays a pivotal role in the Indian economy in terms of employment and growth. Small scale industries have recorded a high rate of growth since Independence in spite of stiff competition from large-scale industries. There are several important reasons why these industries are contributing a lot to the progress of the Indian economy:

1. **Employment generation** - The basic problem that is confronting the Indian economy is increasing pressure of population on the land and the need to create massive employment opportunities. This problem is solved to a larger extent by small-scale industries because small-scale industries are labor intensive. They generate huge number of employment opportunities. Employment generation by this sector has shown a phenomenal growth. It is a powerful tool of job creation.

2. **Mobilisation of resources and entrepreneurial skill** - Small-scale industries can mobilize a good amount of savings and entrepreneurial skill from rural and semi-urban areas remain untouched from the clutches of large industries and put them into productive use by investing in small-scale units. Small entrepreneurs also improve social welfare of a country by harnessing dormant, previously overlooked talent. Thus, a huge amount of latent resources are being mobilised by the small-scale sector for the development of the economy.

3. **Equitable distribution of income** - Small entrepreneurs stimulate a redistribution of wealth, income and political power within societies in ways that are economically positive and without being politically disruptive.

Thus small-scale industries ensure equitable distribution of income and wealth in the Indian society which is largely characterised by more concentration of income and wealth in the organised section keeping unorganised sector undeveloped. This is mainly due to the fact that small industries are widespread as compared to large industries and are having large employment potential.
4. **Regional dispersal of industries** - There has been massive concentration of industries in a few large cities of different states of Indian union. People migrate from rural and semi urban areas to these highly developed centres in search of employment and sometimes to earn a better living which ultimately leads to many evil consequences of over-crowding, pollution, creation of slums, etc. This problem of Indian economy is better solved by small-scale industries which utilise local resources and brings about dispersion of industries in the various parts of the country thus promotes balanced regional development.

5. **Provides opportunities for development of technology** - Small-scale industries have tremendous capacity to generate or absorb innovations. They provide ample opportunities for the development of technology and technology in return, creates an environment conducive to the development of small units. The entrepreneurs of small units play a strategic role in commercialising new inventions and products. It also facilitates the transfer of technology from one to the other. As a result, the economy reaps the benefit of improved technology.

6. **Indigenisation** - Small-scale industries make better use of indigenous organisational and management capabilities by drawing on a pool of entrepreneurial talent that is limited in the early stages of economic development. They provide productive outlets for the enterprising independent people. They also provide a seed bed for entrepreneurial talent and a testing ground for new ventures.

7. **Promotes exports** - Small-scale industries have registered a phenomenal growth in export over the years. The value of exports of products of small-scale industries has increased to Rs. 393 crores in 1973-74 to Rs. 71,244 crores in 2002-03. This contributes about 35% India's total export. Thus they help in increasing the country's foreign exchange reserves thereby reduces the pressure on country's balance of payment.

8. **Supports the growth of large industries** - The small-scale industries play an important role in assisting bigger industries and projects so that the planned activity of development work is timely attended. They support the growth of large industries by providing, components, accessories and semi-finished goods required by them. In fact, small industries can breathe vitality into the life of large industries.

9. **Better industrial relations** - Better industrial relations between the employer and employees helps in increasing the efficiency of employees and reducing the frequency of industrial disputes. The loss of production and man-days are comparatively less in small-scale industries. There is hardly any strikes and lock out in these industries due to good employee-employer relationship.

Of course, increase in number of units, production, employment and exports of small-scale industries over the years are considered essential for the economic growth and development of the country. It is encouraging to mention that the small-scale enterprises accounts for 35% of the gross value of the output in the manufacturing sector, about 80% of the total industrial employment and about 40% of total export of the country.
10. **Production** - The small-scale industries sector plays a vital role in the growth of the country. It contributes almost 40% of the gross industrial value added in the Indian economy. It has been estimated that a million Rs. of investment in fixed assets in the small scale sector produces 4.62 million worth of goods or services with an approximate value addition of ten percentage points. The small-scale sector has grown rapidly over the years. The growth rates during the various plan periods have been very impressive. The number of small-scale units has increased from an estimated 0.87 million units in the year 1980-81 to over 3 million in the year 2000. When the performance of this sector is viewed against the growth in the manufacturing and the industry sector as a whole, it instills confidence in the resilience of the small-scale sector.

11. **Export** - SSI Sector plays a major role in India's present export performance. SSI Sector contributes 45%-50% of the Indian Exports. Direct exports from the SSI Sector account for nearly 35% of total exports. Besides direct exports, it is estimated that small-scale industrial units contribute around 15% to exports indirectly. This takes place through merchant exporters, trading houses and export houses. They may also be in the form of export orders from large units or the production of parts and components for use for finished exportable goods. It would surprise many to know that non-traditional products account for more than 95% of the SSI exports.

The exports from SSI sector have been clocking excellent growth rates in this decade. It has been mostly fuelled by the performance of garments, leather and gems and jewellery units from this sector. The product groups where the SSI sector dominates in exports are sports goods, readymade garments, woolen garments and knitwear, plastic products, processed food and leather products. The SSI sector is reorienting its export strategy towards the new trade regime being ushered in by the WTO.

12. **Opportunity** - The opportunities in the small-scale sector are enormous due to the following factors:
   - Less Capital Intensive
   - Extensive Promotion & Support by Government
   - Reservation for Exclusive Manufacture by small scale sector
   - Project Profiles
   - Funding - Finance & Subsidies
   - Machinery Procurement
   - Raw Material Procurement
   - Manpower Training
   - Technical & Managerial skills
   - Tooling & Testing support
   - Reservation for Exclusive Purchase by Government
   - Export Promotion
• Growth in demand in the domestic market size due to overall economic growth
  Small industry sector has performed exceedingly well and enabled our country to achieve a wide measure of industrial growth and diversification.

Disabilities
Small enterprises are presently seriously handicapped in comparison with larger units by an inequitable allocation system for scarce raw materials and imported components, lack of provision of credit and finance; low technical skill and managerial ability; and marketing contracts. It is, therefore, essential to develop an overall approach to remove these disabilities.

Output vs. Employment - One argument is that the emphasis on employment is irrelevant, as the basic thing is the output that the economy needs for its growth. From this angle, it is contended that, since the productivity of these industries is low compared to that of large industries, the small industries simply waste the capital which is very scarce, and which, if diverted to large industries, can produce more. From this viewpoint, small industries are more capital-intensive. It is also argued that the labour-productivity in the small industries is also small compared to large industries.

Adverse Effect on Capital Formation - It is also contended by some that small industries have unfavorable consequences on saving and capital formation. They argue that the establishment of these industries will, over a period of time, reduce the availability of capital for large-scale industries with higher productivity of capital.

First, it will happen because capital, used inefficiently in the small industries, will not be available for large-scale industries.

Second, these industries being labour-intensive, use a major proportion of the sale proceeds of output to pay workers whose marginal propensity to save is low. As a result, a large part of their incomes will be used for consumption resulting in a lower rate of saving and capital formation for the economy.

Inefficient Production - Another charge against these industries is that the cost of production is higher than in the large industries, because these industries suffer from several inefficiencies. No doubts, the fact of large scale entails, what is described as economies of scale, lowering the costs.

Large Sickness - There are two main issues in respect of sick SSIs: existence of a large number of sick units which are non-viable; and rehabilitation of potentially viable units.

As far as former is concerned, there were 1,67,980 sick SSI units as on March 31, 2003. These units are those that had obtained loans from banks. An amount of Rs. 5,706 crore was blocked in these units. Of these, as many as 1,62,791 units with outstanding bank credit of Rs. 4,569 crore were identified by banks as being non-viable. As far as the latter issue is concerned, of the 1,67,980 sick SSI units as on March 31, 2003, only 3,626 units with outstanding bank credit of Rs. 625 crore were found to be potentially viable by the banks.

Inadequacy of Finance - A serious problem of these industries is in respect of credit both for long-term and short-term purposes. This is evident from the fact that the supply of credit has not been commensurate with their needs associated with fixed and working capital.

Difficulties of Marketing - These industries are also up against the crucial problem of marketing their products. The problem arises from such factors as small scale of
production, lack of standardization, inadequate market intelligence, competition from technically more efficient units, etc. Apart from the inadequacy of marketing facilities, the cost of promoting and selling their products too is high.

**Shortage of raw materials** - Then there is the problem of raw materials which continues to plague these industries. Raw materials are available neither in sufficient quantity, nor of requisite quality, nor at reasonable price. Being small purchasers, the producers are notable to undertake bulk buying as the large industries can do. The result is taking whatever is available, of whatever quality and at high prices.

**Low-level technology** - The methods of production, which the small and tiny enterprises use, are old and inefficient. The result is low productivity and high costs. There is little of research and development in this field in the country. There is almost no agency to provide venture capital to cover risks associated with the introduction of new technologies.

**Competition from large-scale industries** - Another serious problem, which these industries face, is that of competition from large-scale industries. Large-scale industries, organized as they are on modern lines, using latest production technology and having access to many facilities, can easily outsell the small producers.

**SCHEDULED COMMERCIAL BANKS’ ADVANCES TO SMALL-SCALE INDUSTRIES AND ALLIED SERVICES - OUTSTANDING**

(Rs. crores)

<table>
<thead>
<tr>
<th>Year (end-March)</th>
<th>Small Enterprises</th>
<th>Balance Outstanding</th>
<th>For Setting up of Industrial Estate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Small Road and Water Transport Operators</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2000-01</td>
<td>60141</td>
<td>4973</td>
<td>167</td>
</tr>
<tr>
<td>2001-02</td>
<td>67107</td>
<td>5451</td>
<td>69</td>
</tr>
<tr>
<td>2002-03</td>
<td>64707</td>
<td>6568</td>
<td>61</td>
</tr>
<tr>
<td>2003-04</td>
<td>71209</td>
<td>8631</td>
<td>149</td>
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<td>2004-05</td>
<td>83498</td>
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<td>300</td>
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<tr>
<td>2005-06</td>
<td>101285</td>
<td>14940</td>
<td>283</td>
</tr>
<tr>
<td>2006-07</td>
<td>127323</td>
<td>26416</td>
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<tr>
<td>2007-08</td>
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<tr>
<td>2008-09</td>
<td>256128</td>
<td></td>
<td>.</td>
</tr>
</tbody>
</table>

(Source: Reserve Bank of India Table 61: Scheduled Commercial Banks’ Advances to Small-Scale Industries and Allied Services – Outstanding Handbook of Statistics on Indian Economy)
Thus, the small-scale industrial sector which plays a pivotal role in the Indian economy in terms of employment and growth has recorded a high rate of growth since independence in spite of stiff competition from the large sector and not so-encouraging support from the government. Small Scale Industry sector has emerged as India’s engine of growth in the New Millennium. The SSI sector accounts for nearly 40 per cent of value added in the manufacturing sector and 34 per cent of total exports from the country. Through 95 per cent of industrial units in the country, the sector provides employment to about 20 million persons.

The Government has recognized its importance for the economy and its intention towards promotion of SSIs is reflected in various Industrial policy Resolutions right from the year 1948. The primary objective of the Small Scale Industrial Policy during the nineties was to impart more vitality and growth-impetus to the sector to enable it to contribute its mite fully to the economy, particularly in terms of growth of output, employment and exports. The sector has been substantially delicensed. Further efforts would be made to deregulate and debureaucratise the sector with a view to remove all fetters on its growth potential, reposing greater faith in small and young entrepreneurs. All statutes, regulations and procedures were reviewed and modified, wherever necessary, to ensure that their operations did not militate against the interests of the small and village enterprises.

Government is aware of the challenges faced by SSIs and has been trying to improve their competitiveness through various measures. These consist of the following:

a) Tax concessions have been provided to SSIs to promote investment in this sector and also to grant relief to small entrepreneurs.

b) Technological facilities have been increased.

c) In order to facilitate adequate flow of credit efforts have been done.

d) Measures have also been taken to improve infrastructure facilities and promote marketing of products.

e) To improve access to latest information, automation of the Ministry of SSI Office of DC (SSI), Directorate of Industries and District Industries Centres have been set up.

f) Other initiatives, such as, Advisory and Mentoring Services, Technology Business Incubators, Suppliers Rating Accreditation Services have been taken up.

1.2.4.4 Scope of Industrial Development in Raipur District

Madhya Pradesh presents a spectacle of under-development and wide-spread poverty along with tremendous potential for development, manifesting a case of missed opportunities for development. A motley conglomerate of former princely states and tribal societies, dating back almost to pre-historic times, the present state had inherited much of its backwardness at the time of its birth on first November, 1956 - its feudal character, its large size, its large population of socially and economically disadvantaged people and its poor social and physical infrastructure. Despite more than 50 years of planned development, not much progress could be achieved to overcome its under-development and improve its relative position among the states of Indian Union. The state continues to
be reckoned among the five major states of India which are nick named as "BIMAROU" states of India, these being, Bihar, Madhya Pradesh, Rajasthan, Orissa and Uttar Pradesh.

The state was bifurcated into Madhya Pradesh and Chhattisgarh, on 1st November, 2000. The combined population of the two states at 8.11 crores would have placed it at the third position in terms of population and first position in terms of area in the country. The re-organised state of M.P. has a population of 6.03 crores as per 2001 census. The state occupies 7th rank in terms of population and second in terms of area, next to Rajasthan. The growth rate of population has come down from 27.24% in the previous decade to 24.34% during 1991-2001. The average population density of the new state of M.P. has been placed at 196 per sq.km. as against the national average of 324.

The huge potential of the state in terms of its forest, mineral and land resources, by and large, has remained under-utilised due to lack of integrated efforts, gradual erosion of political commitment to long term perspective of development, frequent deviations from plan priorities, lack of trade-off between different objectives of planning, weak and dysfunctional planning machinery and inadequate and poor social and physical infrastructure. The under-development of the state may be partly attributed to regional and partly to national factors. The sheer size of the state, characterized by scattered nature of settlements and sparse population, militates against effective implementation of development and welfare programmes. The unit cost of administration is very high. The state is carrying a much higher burden of economically and socially backward population, with 35.3% of its population consisting of scheduled castes and scheduled tribes, as against 24.6% in the country as a whole, according to 2001 census.

Madhya Pradesh was reckoned among the industrially less developed states of India, though it is endowed with rich and varied agricultural, mineral and forest resources which can provide a sound basis for the development of number of agro-based, mineral based and forest-based industries as well as thermal power. The State contributes hardly 5% to the all-India value-added by manufacture and accounts for 4.8% of total factory employment in the country. The four states of India, viz. Maharashtra, Gujarat, Tamil Nadu and West Bengal, continue to dominate the industrial scene, when taken together contributed nearly 52% to the total value added by manufacture in 1993-94.

The areas of Chhattisgarh under the Madhya Pradesh were also considered as under-developed like some other states of the country having poor industrial base, undeveloped infrastructure facilities, undirected economy, backwardness, etc. Chhattisgarh being a part of Madhya Pradesh also had same economic conditions. The newly formed state had an opportunity to rise to a minimum acceptable socio-economic level so that they could contribute even more effectively to national growth in the subsequent plans. And, there is little doubt that the people of all the two have the same yearning for development and the strength of determination to do so. Chhattisgarh was one of the poor States in terms of per capita income. The per capita income of Chhattisgarh at the time of its birth was Rs. 6423 (at 1993-94 prices) as compared to per capita income of India which was Rs. 10308 (at 1993-94 prices).

Chhattisgarh, which was carved out as a new State from the erstwhile State of Madhya Pradesh in the year 2000 is not only rich in diversified tribal culture but also has a reserve of mineral resources in abundance. The State has four favourable factors for
industrial growth and agriculture productivity—land, labour, power and water. This nascent State has peaceful people, political stability, good infrastructure, power and perennial rivers. The State, which boasts of rich reserve of iron ore, bauxite mines, coal and precious gems of international quality, is drawing attention of global community. A favourable industrial climate has developed leading to rapid industrialization in the newly formed State of Chhattisgarh. The State came up with a New Industrial Policy, which is rated as one of the most attractive and investor friendly Industrial Policy in the country. The New Industrial Policy of the State has created favourable industrial climate in the State.

In industry, Madhya Pradesh ranked among the less developed areas in the country. Compared to other states, industrial occupations were relatively less important both as a means of employment and as a source of output, small and cottage establishments were more prominent and output per worker was low. The industries of the Madhya Pradesh may be grouped as under—

1. Agriculture Processing Industries
2. Forest Based Industries
3. Textiles Industries
4. Non-metallic metal based industries
5. Metallic and engineering
6. Chemical Industries
7. Miscellaneous Industries

The region-wise distribution of various industries differs depending on location and availability of raw-materials, power, labour, market, transport and other facilities. The region-wise distribution of industries can be summarized as under—

Sugar, Confectionary, Bidi, Heavy Electricals - Hoshangabad and Bhopal
Rice Mills, Bidis, Saw Mills, Lime Stone - Bilaspur
Cotton Textiles, Synthetic Fibre, Engineering - Chambel and Gwalior
Cotton Ginning & Textiles, Synthetic Fibre, - Ujjain and Indore
Sugar Confectionary, Oil Crushing, Soap,
Paper, Engineering, Ceramic
Confectionary, Bidi, Saw Mills, Lime Stone, - Sagar and Jabalpur
Ceramic, Engineering, Cement
Rice Mills, Bidi, Saw Mills, Textiles, Iron & Steel - Raipur and Bastar
Ceramic, Lime Stone, Paper, Wood - Rewa

(Source: Analysed on the basis of possibilities of Industrial Development Districts Handbook by Directorate of Industries, M.P., 1983)
Before the beginning of five year plans, there were only fifty large and medium scale industries in the Madhya Pradesh which increased to 241 by the middle of the seventh plan. The fixed capital investment in these industries has gone up from 85 crores rupees to 1365.26 crores rupees during this period. The employment provided by these industries also gone up from 75372 to 207393 during this period. The number of factories in the State was 2657 in 1970-71 and 3488 in 1980-81 which declined to 3417 in 1987-88.  

The industrial development at the time of First five year plan was only limited to consumer goods producing industries. When it was a part of Madhya Pradesh, the condition of Raipur regarding industries was very critical. Before independence, in 1934-35, the Raipur district mainly had primary industries which included 37 rice mills, 4 oil mills, 2 dal mills and 1 flour mill. Total numbers of employees were 467. In the beginning of fifth decade, 5 saw mills having 65 employees. Bidi industries had an important place among the forest based industries. There were 12 registered bidi industries. Apart from above, many cottage industries, khadi and small scale industries were also present.  

After independence regional development programs were related mainly with industrial development in which Madhya Pradesh was considered as an underdeveloped state since 1950-51. The status of Madhya Pradesh being an undeveloped did not changed much even after eight five year plans and two annual plans. The plan of regional development Indore, Gwalior, Bhopal, Jabalpur and Durg districts were made industrially developed. Raipur was still in a backward status like other 40 districts of Madhya Pradesh.  

It is important to note that all facilities and finance was made regularly and continuously available to the Madhya Pradesh from the Centre for the development process. It also received benefits of many policies and many agencies of Central Government established for the industrial development in backward regions. Even Madhya Pradesh Government also made provisions for the development of various sectors of industries. Every year they used to announce policies for the encouragement and better environment for industries and for the completion of such projects. But even after such steps, Raipur was not getting much attention for the industrial development.  

Raipur was and is treated as central commercial hub for the nearby districts of Chhattisgarh, Orissa and Madhya Pradesh. It was initially a place for establishment of primary industries. It is a suitable place for whole Chhattisgarh and places of Orrissa like koraput, kalahandi, sambalpur, etc touching border of Chhattisgarh. The establishment of Bhilai Steel Plant (BSP) in Bhilai and National Thermal Power Corporation in Korba gave a base for the establishment of many allied large and scale industries in the nearby areas. Their products, by-products, scrap etc has also given rise to many units.  

It is also to be mention that Durg, neighboring district of Raipur, was also considered as an undeveloped area till the establishment of a Public Sector Unit ‘Bhilai Steel Plant (BSP)’. Due to establishment of Bhilai Steel Plant, many surrounding areas from Rajhara, Nandini, Raipur, Rajnandgaon, etc came into its effect which gave a base for the establishment of various large and medium industries in the nearby areas of BSP. It also gave rise to many allied and ancillary industries.
The rich mineral resources of the region have opened the way for its development, mainly after independence. Though Raipur was ignored by the previous state but it has geography suitable for many industries like cement industries due to stone, dolomite and other minerals, iron and steel industries due to extensive iron-ore, power sector, etc. Now the traditional face of Raipur is changing after it became capital. Many industries like cement, marbles, iron-ore, iron and steel, power sectors, etc have been established. There are two major industrial estates Urla and Siltara managed by Chhattisgarh State industrial Development Corporation. There are about 200 steel rolling mills, 195 sponge iron plants, more than 250 steel plants, 800 agro-industries and 70 Ferro-alloy plants in and around the city. There are more than 300 rice milling plants, and all major and local cement manufacturing companies have a presence in the city.

Some reasons for the scope of industries in Raipur are as following:

**Capital of the State** – Raipur, being the capital of Chhattisgarh State has ministry, important offices, banks, huge market, availability of industrial belts, etc. Chhattisgarh has the only one major airport in the state, in the capital city of Raipur. Raipur is the administrative headquarter of the state.

**Availability of Raw Materials** – Various types of industries have been established due to easily availability of the raw materials for them like iron ore, cement, marbles stone, etc. Nearness to raw materials is an important consideration in location. This is particularly true if raw material is bulky, and of comparability low cost, or where the cost of transportation is high. The cost of transporting a long distance would, in the case of many articles, add so much to the cost of production, that their manufacturers would be unprofitable. When raw material is only a small item in the expense of production, location is not an important factor.

**Nearness to Market** – The location of Raipur makes it an important place from where the industrialist can easily find market for their products as Raipur is surrounded by many districts of Chhattisgarh as well as some good market of nearby states like Orissa, Vishakhapatnam, Madhya Pradesh, etc.

It can be said that industrial and business units should be located at a place near to the market so that the cost of transportation of finished goods to the market may be minimum. Nearness to the market becomes more important if goods to be produced are of perishable nature or very heavy.

**Government Departments** – Being an administrative headquarter of the State, Raipur has all the necessary Ministry and Government departments so it makes industrialist to complete all the formalities of setting up an industries.

**Sufficient Power Supply** – Chhattisgarh is known as surplus power state so it is applicable for its capital Raipur also. The entrepreneurs who are establishing their units are sure of having power supply better as compared to other places of the country. Even the rates of power at which it is supplied to the industries are lower than the other places of the country.

**Main line of Railway** – Raipur is situated on the main line of Mumbai-Howrah. It is connected to all the important and major places of the country. The rail network of
Raipur with other parts of country is increasing day-by-day due to increasing demands, passengers and business of Raipur. The State Headquarters Raipur lies on the Bilaspur-Durg section of the Mumbai-Howrah broadguage line of South-Eastern Railways. Raipur is very well connected by train.

**Better means of transportation** – As Raipur is the capital of the state so it has goods means of transportation. Raipur has a combination Road-Rail-Air ways. National Highway 6 (Dhule-Kolkata) passes through Raipur. National Highways 43, 200 and 12A link the city with Jagdalpur, Bilaspur and Jabalpur. A four lane expressway has been constructed between Raipur, Bhilai and Durg, which is further extended up to Nagpur. It is connected with other major cities such as Kolkata, Pune, Mumbai, Delhi, Bangalore, Kochi, Howrah, Patna, Dhanbad, Amritsar, Kochi, Bangalore, etc. It can be accessed through the Howrah to Mumbai route of the Eastern Indian Railways. The airport located just outside the city is in a small bordering town called Mana. Hence, it is also known as the Mana Airport. Indian Airlines has a series of domestic flights to and from Raipur linking it with Visakhapatnam, Chennai, Nagpur, Mumbai, Bhubaneshwar, New Delhi, Kolkata, Indore, Ahmedabad and Ranchi.

**Political Stability** – Chhattisgarh State came into force on 1st November, 2000. Since then, the state has got stable government. At the time of its birth, Mr. Ajit Jogi became the first Chief Minister as that time in the election of Madhya Pradesh; Congress Party had the majority due to which Chhattisgarh State also had the first government of Congress. After which there were two assembly elections where the Bhartiya Janata Party won with majority and came into power. The stable Government gives a confidence and encouragement to the industrialists. It directly affects the growth of the state. The stable government attracts entrepreneurs.

**Adequate Educational & Training Facilities** – After Raipur was declared as the capital of the state, it was felt that Raipur is not a educational and training hub. So, the government has permitted many engineering, management, science, computer and other such degree colleges.

**Availability of Finance from Banks & Financial Institutions** – The new state attracted many banks and financial institutions for the loans and advances to the various needs of the industrialists. Such large number banks, their branches and financial institutions supports much to the industries by providing funds to the industrialists when they need fund for the initial project or on-going projects.

**Concessions for Promotion of Industries** – The State Government has given concessions and exemptions for the promotion of industries in the state. The concessions or exemptions are related with interest subsidy, infrastructure cost/fixed capital investment subsidy, electricity duty exemption, exemption from stamp duty, exemption from entry tax, exemption/concession in the premium of land allotted in Industrial Areas, Project report Subsidy, Interest subsidy for technology upgradation, exemption from land revenue on land diversion, reduced service charges for allotment of land outside industrial areas, quality certification subsidy, technical patent subsidy, etc are available to small scale industries, medium scale industries, large scale industries and mega project as per their needs and requirements.
Efficient Infrastructural Support – the infrastructure facilities of Raipur was not good when it was a part of Madhya Pradesh but it became capital city of a newly born state Chhattisgarh, the state government of Chhattisgarh focused their plans towards the development of infrastructure facilities in whole Chhattisgarh especially Raipur. They wanted Raipur to be looked like a capital city just like other capital cities of the country.

Infrastructure is generally defined as the physical framework of facilities through which services and goods are supplied to the public. Its linkages to the economy are multiple and complex, because it affects production and consumption directly, creates positive and negative spillover effects and involves large inflow of expenditure. Nevertheless, infrastructure provision enhances the production and distribution network of key sectors in the economy and promotes overall economic growth. In the process they also tend to affect the cost structure and productivity in these sectors, thereby promoting growth and development in each of these sectors.\(^\text{131}\)

The city of Raipur is traditionally the main agricultural market center for the State. It acts a major commercial center to a host of wholesale and retail activities dealing in consumer goods, textiles, automobiles, industrial products etc. It is also major trading, place for processed Iron materials, Virginia Tobacco etc. the agricultural commodities produced in this part of Chhattisgarh finds its market in Raipur both for local consumption and export.

In 1934-35, the Raipur district had nearly 37 rice mills, 4 oil mills, 2 dal mills and 1 atta mill. Total numbers of employees were 467. In the beginning of fifth decade, 5 saw mills having 65 employees. 12 Bidi industries were also registered. Many cottage, khadi and small scale industries were also present.\(^\text{132}\)

Agro based industrial activity is predominant around the city. The industrial base consists of solvent extraction plants, rice mills, oil and dal mills etc. there are 2 Industrial Estates in and around the city. Urla and siltara located in the northern part of the city. Total 850 Hect. Land was allocated under industrial use in planning area out of which only 430 Ha land is developed. But out of planning area 1608 Ha land is developed by AKVN outside planning area. Some unauthorized area is also developed in NE in Daldalseoni, Mova, in East Dhamtarai, Deopuri, Tikarapara and in West Talibandh and Chandandih, which shows the development in almost all directions. The details are given in Table
Table 1.16: Industrial Development in planning area

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Type of Industry</th>
<th>Plan 1991 Proposed Location</th>
<th>Area in Ha.</th>
<th>Implementation Status</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Heavy</td>
<td>Gogaon</td>
<td>200</td>
<td>Not Executed</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Medium</td>
<td>Gogaon</td>
<td>65</td>
<td>Partly Executed (10%)</td>
<td>Private</td>
</tr>
<tr>
<td>3</td>
<td>Service, SSI</td>
<td>Gogaon</td>
<td>80</td>
<td>Executed</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Polluting</td>
<td>Kelkarpura</td>
<td>50</td>
<td>Not Executed</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Agricultural Based</td>
<td>Near New Grain Mandi</td>
<td>110</td>
<td>Not Executed</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Forest</td>
<td>Gogaon</td>
<td>145</td>
<td>Partly Executed (5%)</td>
<td>Private</td>
</tr>
<tr>
<td>7</td>
<td>Wagon Workshop</td>
<td>Bhanpuri / Kampa</td>
<td>200</td>
<td>Executed</td>
<td></td>
</tr>
</tbody>
</table>

(Source: Department of Town and Country Planning)

The execution status clearly shows that the developed land under industrial use is much more than the speculated and proposed, but not in the planning area. The reason being establishment of industrial growth centre at Siltara and industrial area at Urla around Raipur.

Table 1.17: No. of Industries and Planning (through Industrial Growth Centre)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Year</th>
<th>No.</th>
<th>Persons Employed</th>
<th>Avg. Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2005-06</td>
<td>161</td>
<td>2203</td>
<td>-14</td>
</tr>
<tr>
<td>2</td>
<td>2006-07</td>
<td>201</td>
<td>2750</td>
<td>-14</td>
</tr>
<tr>
<td>3</td>
<td>2007-08</td>
<td>202</td>
<td>2951</td>
<td>-15</td>
</tr>
<tr>
<td>4</td>
<td>2008-09</td>
<td>193</td>
<td>1926</td>
<td>-14</td>
</tr>
</tbody>
</table>

(Source: Managing Director, District Trade and Industries Centre and Raipur Districts at a Glance, 2010 Directorate of Economics and Statistics, Chhattisgarh table 6.1 p 43)
Table 1.18: No. of Industries and Planning (through Khadi Gramodhyog)

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Year</th>
<th>No.</th>
<th>Persons Employed</th>
<th>Avg. Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2005-06</td>
<td>165</td>
<td>495</td>
<td>3.00</td>
</tr>
<tr>
<td>2</td>
<td>2006-07</td>
<td>298</td>
<td>2263</td>
<td>7.59</td>
</tr>
<tr>
<td>3</td>
<td>2007-08</td>
<td>441</td>
<td>2393</td>
<td>5.42</td>
</tr>
<tr>
<td>4</td>
<td>2008-09</td>
<td>363</td>
<td>1157</td>
<td>3.18</td>
</tr>
</tbody>
</table>

(Source: Assistant Director, Khadi Gramodhyog and Industries Centre and Raipur Districts at a Glance, 2010 Directorate of Economics and Statistics, Chhattisgarh table 6.1 p 43)
<table>
<thead>
<tr>
<th>S.No.</th>
<th>Tehsil</th>
<th>No. of Units</th>
<th>Agricultural Units</th>
<th>Non-Agricultural Units</th>
<th>Units with Shed</th>
<th>Units without Sheds</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Arang</td>
<td>23</td>
<td>18</td>
<td>1205</td>
<td>882</td>
<td>341</td>
</tr>
<tr>
<td>2</td>
<td>Baloda Bazar</td>
<td>29</td>
<td>20</td>
<td>1365</td>
<td>979</td>
<td>409</td>
</tr>
<tr>
<td>3</td>
<td>Bhatapara</td>
<td>48</td>
<td>105</td>
<td>2796</td>
<td>2296</td>
<td>605</td>
</tr>
<tr>
<td>4</td>
<td>Bhatgaon</td>
<td>8</td>
<td>10</td>
<td>524</td>
<td>345</td>
<td>189</td>
</tr>
<tr>
<td>5</td>
<td>Gariabandh</td>
<td>23</td>
<td>77</td>
<td>604</td>
<td>587</td>
<td>94</td>
</tr>
<tr>
<td>6</td>
<td>Gobranawapara</td>
<td>41</td>
<td>26</td>
<td>2015</td>
<td>1497</td>
<td>544</td>
</tr>
<tr>
<td>7</td>
<td>Raipur</td>
<td>775</td>
<td>484</td>
<td>34683</td>
<td>27295</td>
<td>7822</td>
</tr>
<tr>
<td>8</td>
<td>Simga</td>
<td>6</td>
<td>24</td>
<td>745</td>
<td>560</td>
<td>209</td>
</tr>
<tr>
<td>9</td>
<td>Tilda Neora</td>
<td>31</td>
<td>24</td>
<td>2123</td>
<td>1243</td>
<td>904</td>
</tr>
<tr>
<td>10</td>
<td>Birgaon</td>
<td>28</td>
<td>1</td>
<td>597</td>
<td>593</td>
<td>5</td>
</tr>
<tr>
<td>11</td>
<td>Urla</td>
<td>46</td>
<td>6</td>
<td>603</td>
<td>509</td>
<td>100</td>
</tr>
<tr>
<td>12</td>
<td>Bhanpuri</td>
<td>24</td>
<td>9</td>
<td>823</td>
<td>771</td>
<td>61</td>
</tr>
<tr>
<td>13</td>
<td>Banarsai</td>
<td>17</td>
<td>12</td>
<td>546</td>
<td>475</td>
<td>83</td>
</tr>
<tr>
<td>14</td>
<td>Gagoan</td>
<td>6</td>
<td>6</td>
<td>410</td>
<td>285</td>
<td>131</td>
</tr>
<tr>
<td>15</td>
<td>Mowa</td>
<td>11</td>
<td>13</td>
<td>621</td>
<td>490</td>
<td>144</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1116</td>
<td>835</td>
<td>49663</td>
<td>38807</td>
<td>11641</td>
</tr>
</tbody>
</table>

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