

## THE ROLE OF INDUSTRIALISATION ON ECONOMIC DEVELOPMENT OF BIHAR

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### **Introduction:**

Bihar a land locked state is one of the poorest and least developed states of India. It is characterized by low per capita income, large-scale unemployment and under-employment and very high incident of poverty. Poverty in Bihar is not only acute but it is a chronic malady more so after the division of the state in 2000. The Undivided Bihar was quite rich in natural resources as there existed unlimited minerals and forest resources, sources of power etc. This only clearly indicates that the 'Bihar Economy then presented a paradox of poverty in the midst of plenty.' Though the situation has undergone a basic change after division in 2000, still it has a good prospect as present Bihar possesses very rich and fertile land resources along with ample water resources sufficient for agricultural purposes.

As we know, there are two main aspects of a country's economic life-Agriculture and Industry. They are like two legs or two important limbs of the economic system. For economic development, it is absolutely essential to develop both sides or both aspects of the economy. But of the two, industrialization, in its widest sense, is the key to economic progress and higher living standards. But what do we mean by industrialization? Industrialization is the process by which changes of a series of strategical production functions are taking place. It involves those basic changes that accompany the mechanization of an enterprise, the building of a new machinery, the opening of a new market and the exploitation of new territory. This is in a way deepening as well as widening of the capital. Industrialization is highly related with increase in productivity. As a matter of fact, industrialization and high productivity are parts of an interlinked process. One does not proceed very far without the other. In short, industrialization is treated as synonymous with economic development.

Industrialization is associated with economic development. Industrialization is the process by which non-industrialized economic becomes an industrialized one and a means of strengthening the nation by raising the productivity, employment, income and living standards.

Thus Industrialization has a major role to play in the economic developing. The gap in the per capita income of developed and developing countries is largely reflected in the disparity in degree of their industrialization. Whereas under-develop countries are confined primarily to Agriculture of some other primary activity, developed countries are industrially developed one.

### **PROFILE AND ROLE OF INDUSTRIES BIHAR**

Despite the slowest growth rate of agro-based industries, there is no denying the fact that there is tremendous scope for both agro-based and food processing industries in the state. The fruits and nuts like banana, litchi, mango, pineapple, makhana and singhara have all very immense scope and are in great demand both inside and outside the state. Large scale production with

increased efficiency of mini rice mills, daal mills and oil production from rice bran, with a chain of collection mechanism of raw material would help boost the state economy. The starch production from maize, potato, sweet potato and extraction of maize oil may be taken up for immediate employment and income generation. Again, the paddy husk is available in abundance which mainly goes to waste. This waste may be utilised for promoting certain useful products like paddy husk cum buster compressor, activated carbon, household detergent, cementation binder and cement, paper and paper boards etc. Like-wise, tobacco wastes, rice straw, etc. may also be utilised purposefully. Again, the state produces more than 35 lakh tonnes of fruits and 85 lakh tonnes of vegetables annually but hardly one percent of these is processed in the state, because the state does not have an adequate number of food processing units, the existing units severely lack in latest technology and need upgradation.

**Tea :-** In Bihar tea cultivation is already a developing venture producing over one crore kgs of green leaf (23 lakh kgs. of made tea) tea covering a cultivation area of about 10,000 acres, providing direct employment to more than 15,000 people. The tea cultivation is already progressing towards doubling its production in near future with cultivation area touching 20,000 acres besides offering many other indirect employment. The tea gardens at Pothia, Thakurganj, Kishanganj, Bahadurganj and Dighalbank block of Kishanganj district are situated in the same geographical sphere, having similar weather and climatic conditions. These blocks have tremendous potential for the growth of tea cultivation industry both in technical and economic terms. These five blocks have been declared as non-traditional areas under Tea Boards, which directs new development scheme and enjoy subsidies/incentives from the Board. However, despite producing one crore kgs of green leaf, there is not a single tea processing unit in the state. The tea growers are forced to sell the entire lot of green leaf to the tea processing units in West Bengal at monopolized terms. The government may encourage entrepreneurs to set up the new processing units in the region by providing proper incentives. **Dairy:-** The performance of dairies, through co-operative societies, has been exemplary in the state. The dairy sector of Bihar has won several national and international awards of excellence in quality for different milk products. Presently producing well over 5 lakh litres of milk every day, the dairy sector in the state has ever a good potential. As a matter of fact, the dairy sector is doing great service to the state and to its milk producers. The state dairy Sudha has milk collection centres even in remotest rural areas where rural people give their milk and receive payment in village itself weekly. This is a boon for the villagers, similarly in towns, consumers get every day milk according to their need.

**Other Areas:-** Sugar and Jute : The present state of sugar industry is more alarming. A majority of the total of 29 sugar factories are closed and sick. Efforts should be made on priority basis to revive the and old set up various other sugarcane based industries such as alcohol, paper and other related products may be promoted on a large scale. Similarly, almost all the jute mills in the state are closed. These may be revived with new technology introduced.

**KVI & Handloom:-** KVI and Handloom sector is the second largest employment oriented industry after agriculture. Handloom, Khadi, and Village industries have a great potential in the state and should be fully exploited with assistance in design, quality control and marketing.

**Service Based Industries:-** The knowledge based industries including information technology,

bio-technology and pharmaceuticals may be developed. The tourism and entertainment have also great potential in the state. Similarly, labour-intensive industries such as garment making and leather products may also be started in the state to enhance the employment opportunities.

## **CONCLUSIONS**

Thus we see during last seven years the state has witnessed a tune around in this economically back-ward, corruption –ridden and much needed catch –up growth rate. Service sector has performed extremely well and now the economy has become service oriented. The process of industrialisation is facing stumbling block like power shortage, inefficient bureaucracy, lack of infrastructure and difficulties in land acquisition among others. Sugar industries which have been its traditional industry needs necessary impetus. The extent of MOUs signed does provide an impression that things are improving but the actual investment is still meager.

## **REFERENCES**

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02. Government of India, *Annual Survey of Industries 2007-08*, New Delhi, Central Statistical Organisation.
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04. The Group Entrepreneurship Development Strategy is based on the lead sector approach under which about 50 to 100 persons manufacture same product as individual entrepreneurs but act like a group for input purchase and output disposal to reap economies of scale and scope. A strict quality control regime and strong group governance is a part of the strategy.
05. Asian Development Research Institute (2004), *Socio Economic Status of Muslims in Bihar*, Patan, ADRI.