

## **Industrial Development and Its Problem and Prospects: A Case Study of Berhampore Town, Murshidabad District, West Bengal, India**

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### **Abstract**

*Industrial development is the backbone for the economic development of a region. One cannot imagine development without the development of enterprises. Industrial development refers to creations of industries, expansions of industries and uses of modern techniques of production of industries. As the industrialisation has taken place at a very fast rate in India as planners understand that without the development of industries one cannot imagine the development of nation likewise there has been rapid growth of industries in Berhampore town and a large number of industries occupies 3.85 percent of the total area of Berhampore town. The town has concentrated of both medium scale and small scale industries. Among the various industries Silk industries is dominated and for this Berhampore is famous all over the world. There are 50 Silk manufacturing industries in Berhampore town which providing employment to 30,000 people directly or indirectly. Besides Silk industries other industries are rolling mill, engineering industries, Building fitting, electrical goods industries and chemical industries. The present paper is an attempt to find out the industrial development and its problem and prospects in Berhamporetown. The present paper is based on secondary of data that has been collected report from various organisation and magazines. The paper has been analyzed by percentage method. The main objectives behind this study are to find out the development of industries and the problems which are the obstacle in the path of development and also evaluate the prospects of these industries and suggest the remedial measure to overcome the problem in industrial development.*

**Key words:** *Industrial Development, Small Scale Industries, Silk Industries.*

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### **I. INTRODUCTION**

Industrial development is the outcome of the economic development and it is the important factor behind the economic development of the country. Medium scale industry, small scale industry as well as the cottage industry is the three major sectors which are emphasis in the process of the industrialisation. India is the country which is famous for the handicraft for all over the world, Murshidabad silk, wood handicraft, designed stones, Gold ornaments are the products which are manufactured in India during the pre British period but as the Britishers starting occupied India nit firstly closed the Indian enterprises and stating their company East India Company. We propose to study problem and prospects of industrialisation. As the industries are the back bone of the Indian economy, on the one hand the medium scale industry like iron & steel, cotton textile, sugar mills generating the national income for the country on the other hand the small scale generating the income as well as employment for the people therefore small scale industrial sector plays a dominant role in the economic development of the nation as a whole. Even though there are many problems which industries have to be faced in the path of the, i.e., inadequate irregular supply of raw material, lack of organized skilled labour, unorganized nature of operations, imperfect knowledge of market operations, of sickness, inadequate data base for the small scale sector, burden of local taxes, competition from large scale units, non-availability of cheap power etc. So, these are some of the problems, which directly affect the growth and development of Industries.

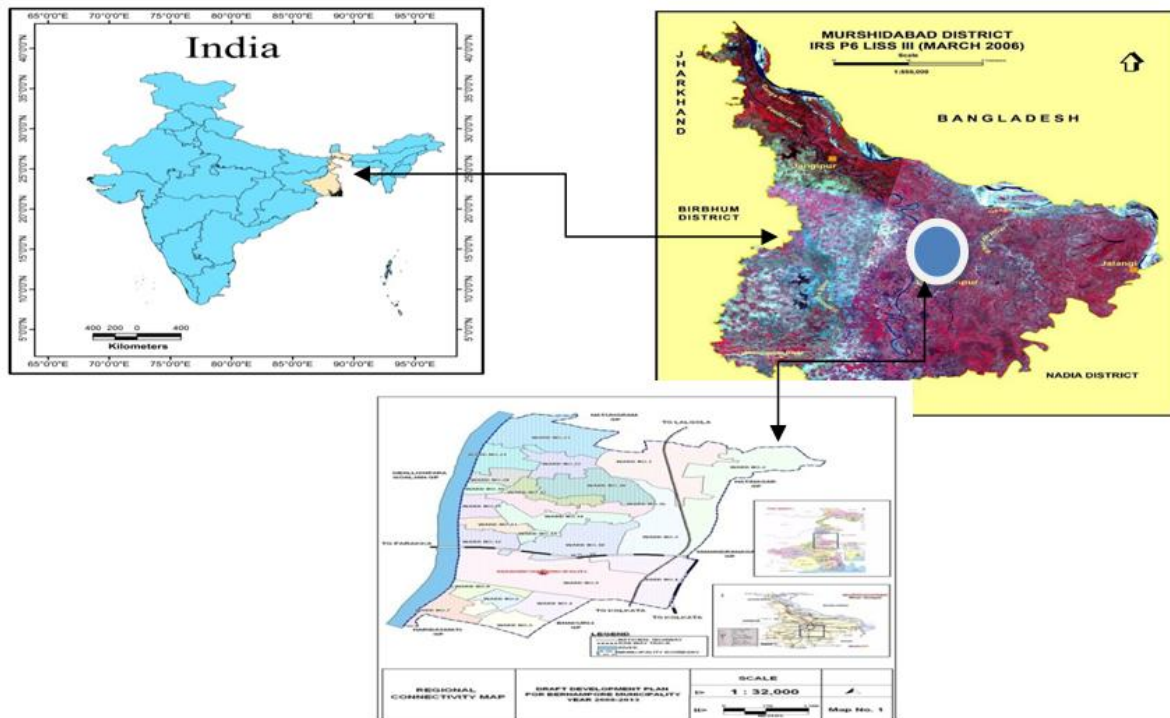
## II. LITERATURE REVIEW

The review of related literature is a significant pre-imperative to real planning and execution of any examination work. A review of literature on the exploration subject makes the specialist acquainted with the current investigations. Mechanical advancement alludes to manifestations of ventures, developments of enterprises and employments of present day procedures of creation of businesses. As the industrialisation has taken place at a very fast rate in India as planners understand that without the development of industries one cannot imagine the development of nation Judith A. Davey (1970) said that Government had played a vital role in establishing and promoting the Industrial Development by the industrial decentralization, improved the transport facilities to exploit the new market brought increased population wealth in the region, and therefore policy should be on made regional development. Jhabvala R and Sinha (2002) said that globalization is caused the shrinking of the organized sector accompanied by the expansion of informal sector. Economic opportunities created by the liberalization are highly unequal. Those who are skilled, have access to market, have better link, have been able to benefit for women workers of upper class, the quality as well as opportunity for employment have improved. But for most women worker however, the quality of employment is poor without any skill or access. T.S Jan and C.T Hsiao (2004) analysed that the industrial development in the developing countries is very dynamic and complex and therefore government should establish timely policy to encourage the cooperation of foreign and domestic firms.

### Study Area

Berhampore is the town of administrative headquarters for Murshidabad district, in the Central part of Indian state of West Bengal. Topographically the area is discovered extension  $24^{\circ}03'41.6273''$  N to  $24^{\circ}08'36.5031''$  N degrees and  $88^{\circ}13'57.0451''$  E to  $88^{\circ}17'40.8602''$  E Longitudes. The study zone covers a rectangular zone that fuses the Berhampore town. Berhampore town is one of the a class-1 evaluated, town of west Bengal, India. According to the (2011) registration, the amount of words are 25. This area has an inhabitants in 2011 is 195223 populace. The male population include 51.34% of the full scale population and Female 48.65%. Population thickness is 1334 for each sq km. The sex extent of this region is 950 female for every 1000 male. The typical instruction rate is 90.06%, where male literacy is 92.25% and female is 87.74% The improvement of urbanizing an area along the most huge courses is National High way no. 34 interfacing Kolkata to siliguri in West Bengal. Base camp of the District masterminded.

It is related with the last by the Murshidabad Branch of the eastern Bengal state Railway, the station being called Berhampore court. It lies on a for the most part plane spot where there is alluvial silt to the eastern side of Bhagirathi stream.



Location of study area: Berhampore Town.

Figure no. 1

The Berhampore town and its natural variables, which are taken as the Study zone, are spread over a space of 35.22(sq.km) in 2014. Berhampore town has grown from a small town to an important centre for industries and learning. Berhampore town is divided in two district parts, the old city civil lines; these two parts are the district form in appearance, occupations distribution and social living conditions. The town is an agricultural trade centre. Agricultural product processing and manufacturing are important. Berhampore town is also famous for brass hardware and sculpture. Today, the city holds thousands of manufacturers, exporters and suppliers involved in the brass, bronze, iron and aluminium industries Murshidabasd District is well known for manufacturing the different type of locks used in Building doors, Automobiles, V.I.P Suitcases, Wooden & Steel Furniture etc. due to which Berhampore possess an important position in the industrial map of India and Hardware industries are the main industries of Berhamore. The number of industries are 30-35 medium sized & 1500+ small manufacturers. while the small scale manufacturing industries are located randomly but cluster of industries are located all along the railway tract and centre of the town.

**Objectives**

- (i) To study the development of the industries in Berhampore town. (ii) To find out the problems which are obstacles in the path of development? (iii) To suggest the prospects of industrial development in Berhampore town. (iv) To suggest the remedial measure for over come from these problems of industrial development.

**III. DATA BASE AND METHODOLOGY**

The present paper is an attempt to find out the industrial development and its problem and prospects in Berhampore town. The present paper is based on secondary of data that has been collected report from various organisation and magazines. The paper has been analyzed by percentage method.

**IV. RESULTS AND DISCUSSION**

**Industrial Development of Berhampore Town**

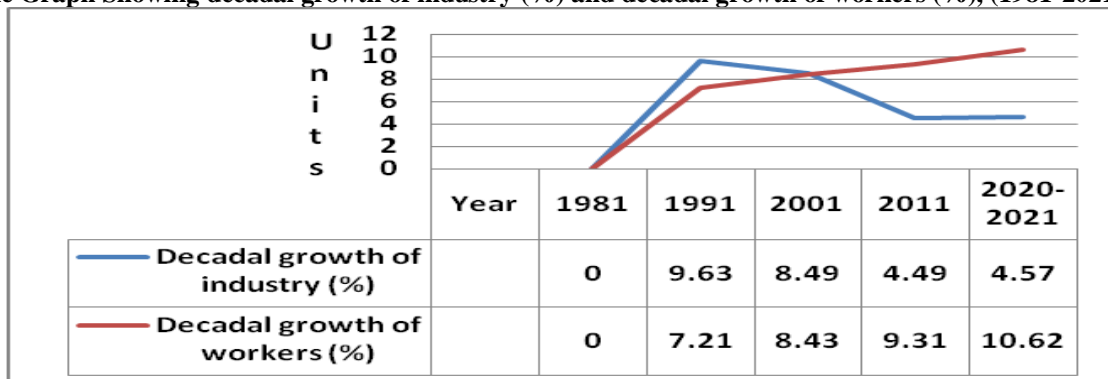
Berhampore Town is known for the locks industry before the time of independence but mainly flourished due to the industrial development since 20th century. Industrial development in Town and along the highways has acquired agricultural lands on a very large scale. From 1981-91, during post-independence period decade has witnessed an increase of 6.10 per cent in the area of the town because lots of agricultural lands utilized for industrial purposes. During this decade a large number of industries have been established in the Town. Most of these industries were established on the outskirts of city mainly along NH-34 (Kolkata and Siliguri), and B.B. Sen Road, etc

**Table 1** Growth of Industries in Berhampore town (1981-2021)

Sl. No.	Year	Small Scale industry		Medium scale industry		Total industry	Total No. of workers	Decadal growth of industry (%)	Decadal growth of workers (%)
		No. of units	No. of workers	No. of units	No. of workers				
1.	1981	20	653	7	631	27	1284	-	-
2.	1991	43	1359	9	851	53	2210	9.63	7.21
3.	2001	87	3042	11	1032	98	4073	8.49	8.43
4.	2011	128	6076	14	1789	142	7865	4.49	9.31
5.	2020-2021	189	13023	18	2357	207	15380	4.57	10.62

Source: Industrial Directory, DIC, Berhampore town, 2020

**Line Graph Showing decadal growth of industry (%) and decadal growth of workers (%), (1981-2021)**



**Figure No-2**

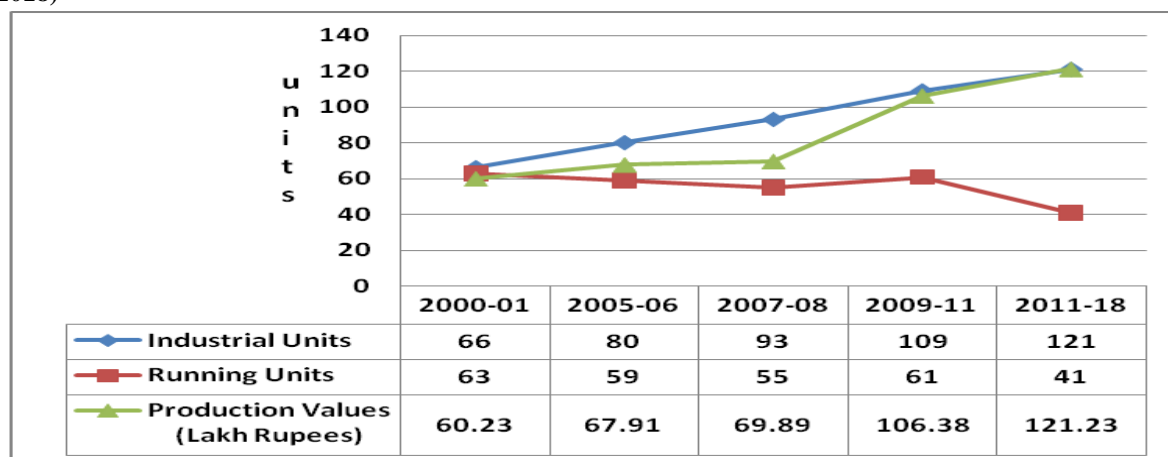
Table 1 shows that in 1981, there were 20 small scale industries and 7 medium scales, which increased to 43 and 9 in 1991, respectively, showing a growth of 9.63 per cent. There is continuity in the growth of industries in each decadal period. The period of 1981-91 shows a very high growth of 9.63 per cent in which a total number of industries increased from 27 (1981) to 53 (in 1991). During the decadal period of 1981-2020-21, the number industrial units in Berhampore though increased, but with a slow growth of 4.49 per cent, as compare to the previous decade of 1991-01. But during the decadal period 2011-2020-21 there is the high growth of 4.57. Similarly, the number of workers engaged in industrial units increased from 1284 (in 1981) to 15380 (2020-21).

**Table 2** Development of Industrial Units in Berhampore town

Sl. No.	Year	Industrial Units	Running Units	Workers Engaged	Production Values (Lakh Rupees)
1.	2000-01	66	63	9325	60.23
2.	2005-06	80	59	9211	67.91
3.	2007-08	93	55	8745	69.89
4.	2009-11	109	61	8362	106.38
5.	2011-18	121	41	8165	121.23

Source: (a) Economics and Statistics Department, Berhampore.  
 (b) Office of the Manger, District Industries Centre, Berhampore.

**Line graph showing the industrial units, running units and production values of Berhampore town (2000-2018)**



**Figure No.3**

Table 2 shows that during the last decade (2001-18) until to 2011-18, there were total 121 factory units registered under Factory Act 1948. The data clearly shows that, out of total registered units, 41 were in running state, engaging 6223 workers and provided a profit of Rs. 121.23 lakh. Table also reveals that, there is a positive trend of increase in number of registered units i.e. 66, 80, 93, 109, and 121 during 2000-01, 2005-06, 2007-08, 2009-11, and 2011-18, respectively. There is also a continuous decline in number of running units i.e. 63, 59, 55, 61 and 41, from 2000-01 to 2011-18. The reason behind this decreasing trend is Global Economic Recession. But after it the running units increase in 2009-11 again decline to 41. and became 61 and in next year in 2011-18, the table also reveals that number of workers engaged also shows the declining trend i.e. 9,325, 9211, 8745, 8362, and 8165 in the respective years. However, the data in the table shows that the production value shows an increasing trend i.e. from Rs. 60.63 lakh (2000-01) to Rs. 121.23 lakh (2011-18).

**Table 3** Industrial Estates in Berhampore and their Area Occupied

Sl. No.	Number of industrial State	Area (Hectars)	Types of Land
1.	Berhampore Industrial State	23	Non Agriculture
2.	Reginagar Industrial State	15	Agriculture
3.	CDF Industrial State	11	Agriculture

Source: Office of the Manager, District Industries Centre, Berhampore

During last four decades (1981-91, 1991-01, 2001-11 and 2011-2021) a large number of Small and medium industries were established in the urban fringe of Berhampore city, acquired a large amount of

productive cultivable land. Majority of industries which is found in Berhampore are classified in to as; agro and food processing, locks and hardware industry, and other household industry. Agro and food processing mainly found in the fringe, some of these industries are Sugar Mill which has occupied 3 ha. of agricultural land, India Limited which was earlier known as Milk Laboratories has utilized 4 ha. of land, a High Frequency Radio Station which is occupied on 2 ha. of cultivable land, there are many more examples. Land for sequential industrial development in Berhampore to accommodate the growing industrial base. The West Bengal State Industrial Corporation (WBSIDC) have established three Industrial Estates around Berhampore (Table 3) namely; Berhampore Industrial (23 ha.), Reginagar industrial state on Reginagar road (15 ha.) and CDF Industrial Complex (11 ha.). A new Industrial Estate on NH-34 road in the western fringe of the town has been proposed recently in order to develop a consolidated cluster. This new complex is proposed to facilitate from the Durgapur road passing through western side of Murshidabad district. The setback created from these industrial complexes is that, they have been established or proposed over productive agricultural areas of the fringe.

#### **Problems for Industrial Development in Berhampore town Inadequate Finance and Credit**

Lack of finance and credit is the vital problem for the industrial development in Murshidabad district. The position of development of cottage and village industries is even worse. In Berhampore town, problem of finance is a major problem for the development of industries because the banks and the financial institutions both are unable to meet the long requirement of the industrial units. So, this indirectly or directly retards their development as well as growth.

#### **Problem of Marketing**

In the field of marketing small scale and cottage industries continue to face a number of problems. Similar condition is prevailing in Berhampore town; marketing is a severe problem for industrial development, because industries do not have adequate knowledge about the active market. And most of the small unit are unable to take their products in the active market.

#### **Problem of Power Supply**

One of the major problems faced by the industrial development of Berhampore town is the problem of power that's why most sever constraint is power. Industries in Berhampore town depend on State Electricity Board (SEB) for meeting their requirement which do not supply adequate power to the small units because at reasonable rate, capacity generation is impossible for small units. Many Industries of Berhampore town are forced to make private deal with electricity official due to increasing corruption.

#### **Problem of Management**

Management problem is one of the most common problem found in every small scale industries of Berhampore Town, this is because entrepreneur is the whole and sole and therefore is no division of labour in industries. And this problem became the major obstacle in the path of industrial development.

#### **High Cost of Production**

In Berhampore town, cost of production is high due to traditional methods and old technology used in the production process.

#### **Problem of Raw Material**

For the majority of small-scale industries in Berhampore town problem of raw material is one of the major problem most of the raw material required for manufacturing process are not easily available in the city, therefore, this hampers the industrial development.

#### **Lack of Skilled Personnel**

Un skilled personnel is one of common problem for the industrial development in Berhampore town as most of the labour working in the industries are unskilled , for example in lock industries the workers knows the method of manufacturing from their parents and there is no training centre for the same.

#### **Problem of increasing competition**

Small-scale industrial units in Berhampore town face increasing competition because of cheap products brought by the wholesaler from other parts of the country. As Chinese lock captured the market of Berhampore manufactured lock.

### **Improper assistance as well as guidance from government and other organizations**

Industries in Berhampore town do not get proper assistance as well as guidance from the government and other organization due to their indifferent attitude towards the SSIs sectors in W.B. The government from time to time has adopted various schemes through institutional sources by providing marketing assistance to lessen these problems.

### **Child Labour**

Due to lack of education and over population most of the poor families surrender their children's childhood to the darkness of Industries. Child labour means cheap labour, the young even the very young are most employable. Child labour is a prominent feature of the Lock industry of Berhampore town. More than 50,000 children do polishing and packing job.

### **Problem of registration**

One of the most important problems of industrial development in Berhampore town is related to registration of industries. An industry, after getting the approval of the Industries Department for establishment, is granted a temporary license but Permanent registration is granted only after the unit launched, begins its production. But, the industries are not granted permanent registration even after one or two years of production due to which they are unable to sell their goods outside the state and avail the benefit of concessional facilities.

### **Problem of Standardization**

Those industrial units in Berhampore town, which are engaged in the manufacture of plastic, polythene, textile goods, hosiery, medicine goods etc., face the problem of standardization. As a result, they are unable to market their products outside the state of W.B. Moreover entrepreneurs are facing critical problems at the time of planning for investment due to awareness of proper planning, lack of knowledge of market survey, selection of appropriate type of plant and machineries etc.

### **Future Prospects of Industrial Development in Berhampore town**

Berhampore is a well known industrial and mercantile town in central part of West Bengal. The town has made a significant headway in industrial development and has earned a name in metal works. Basically, Berhampore is famous for 'Silks'. There are more than 189 small scale units registered under Indian factories Act 1948. These industries include agro and food processing, light engineering, carpets, manufacturing of building, fitting materials, electrical equipment and other metal products. Although in the Industrial Policy, the government is giving emphasis on the development of small and tiny industrial units predominantly in rural areas. But this town is still lagging behind by many other states/ districts in terms of industrial development are concerned. With the onset of economic reforms the focus has broadly shifted to these parts of the country to bear the fruits of industrialization. So, small-scale industries will have to play a considerable role in the industrial development of the town. Though the Industrial Policy of 1991 was not much successful, the new industrial policy was initiated with a promise for adopting a smooth and rapid industrialization in the state. The new industrial policies introduced by both central and state government, the future prospects of SSIs in W.B. seems to be quite bright. The central government has also made provision for tax concession to newly developed industries in a backward state like W.B. which has brightened the scope for the promotion and development of SSI of Murshidabad district. The government of India also announces various incentives to newly developed small units.

Through the Pradhan Mantri Rozgar Yojana (PMRY), the government of India provides various types of help to poor people to establish an industrial unit in a district. Recently State Government has also made special provision for financial support, data bank for the small scale industries of the state which has brightened the prospects of the development of SSIs in W.B. Thus in view of the current economic reforms, the prospect of SSIs is quite high. But in the ultimate analysis many more things also need to be improved like law and order situation, finance problem, marketing problem, etc, which will create conducive environment for the industrial development of Berhampore. Moreover, SSIs should be promoted and based on locally available resources for which local entrepreneurs should come forward and participate actively in the industrialization process of Berhampore. Finally, it is observed that in view of the current situation prevailing in Berhampore the current economic reforms has not created much impact in the process of industrialization of the district. But keeping a positive frame of mind and the prospects of SSIs are very bright, provided an investment friendly climate is created in Berhampore.

## V. CONCLUSION AND SUGGESTIONS

Berhampore is the town which is famous for 'Silk, since the ancient. Although in the Industrial Policy, the government is giving emphasize on the development of small and tiny industrial units particularly in rural areas. But this town is still lagging behind by many other states/ districts in terms of industrial development are concerned. With the onset of economic reforms the focus has broadly shifted to these parts of the country to bear the fruits of industrialization. So, small-scale industries will have to play a significant role in the industrial development of the town. The small scale sector generating the income as well as employment for the people therefore small scale industrial sector plays a dominant role in the economic development of the nation as a whole. Even though there are many problems which industries have to be faced in the path of the, i.e., inadequate irregular supply of raw material, lack of organized skilled labour, unorganized nature of operations, imperfect knowledge of market operations, of sickness, inadequate data base for the small scale sector, burden of local taxes, competition from large scale units, non-availability of cheap power etc. SO, these are some of the problems, which directly affect the growth and development of Industries.

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