

CHAPTER ONE

BACKGROUND OF THE WORK

In order to achieve satisfying results from a given quantum of investment, plans should aim at an integrated development of all regions and sub-regions. This integrated development is possible only when all relevant physical and economic aspects of a project are considered together. But the spatial dimension, it would appear, has not received its due attention in the planning of industrial projects in our country, and regional factors seem to have been regarded rather casually as part of economic factors.

Location of industry involves a dual decision of economic and physical planning. It requires a two-way flow of information and an integrated decision making. The principle is especially important for a developing country like India, where both economic and physical planning are comparatively new. While the economic plan determines what projects are to be undertaken, regional or physical planning attempts to determine their detailed distribution among individual settlements. And if the two are to proceed in unison, there must be a continuous feedback of information from the regional planners to the economists.

Socio-economic surveys of cities and towns can provide this knowledge of regional characteristics necessary for comprehensive planning. The post-second world war period saw the beginning of a variety of investigations on urbanization and industrial growth all of which come under what is broadly called 'urban studies'. These investigations have been concerned chiefly with the origin and the structure of cities and with population composition and its bearing on urban growth. Some general conclusions regarding the impact of urbanization on social and economic development have also been reached. The specialized agencies of the U.N.O. (like UNESCO, ECAFE) have organized a number of studies and sponsored seminars and conferences on the effects of urbanization on the socio-economic development of developing countries, and the reports^{of} many of these studies and seminars have been made available.

In India, after Independence, studies on urbanization and its different facets have been undertaken at both administrative and academic levels. These studies have relied on both first-hand and second-hand sources of data (mainly Census reports and NSS data). Institutional researches (research units of universities and other academic bodies and individual scholars) based on first-hand data have remained confined chiefly to socio-economic surveys of the urban centres, with occasional emphasis on methodology. The Research Programme Committee (RPC) of the Planning Commission of India also sponsored socio-economic surveys of twentyone cities and

towns, and reports of sixteen of them have already been published. The main purpose of these studies was to understand those aspects of urban growth which had a special bearing on the rural-urban migration and development of employment opportunities²⁹. A number of what have been called Techno-Economic Surveys were carried out by the National Council of Applied Economic Research (NCAER). The objectives of these surveys were to make an appraisal of the material and man-power resources available within a State and to outline a programme of their effective utilization for ushering in a rapid development of the State economy.

These surveys and studies have made available a large mass of valuable data which provide an insight into the process of urbanization and its impact on different socio-economic factors. But they hardly reveal anything regarding the growth potentialities of individual urban centres.

The assumptions frequently made in the studies on urbanization are that industrialization and urbanization are very closely related phenomena and that the presence of cities is a good predictor of the nature of future socio-economic development of an area. But it has been observed that in India the socio-economic development has not followed this expected pattern. There are many regions which, in spite of having a number of urban centres, have remained industrially underdeveloped. This discrepancy in the developmental pattern in India may be attributed to the lack of co-ordination between

physical and economic planning. Even where physical aspects have been taken into account, they have been treated only as an adjunct to the cost analysis and not as a complementary aspect of economic planning for a region. Industrial projects have been set up in many sites which do not have adequate potentiality and the initial advantages to promote a balanced development of the entire region at a minimal cost and effort. On the other hand, many urban centres with sufficient growth potentialities have not been selected as sites for the purpose of industrialization. The reason behind this kind of site selection, is anything other than scientific.

The Wanchoo Working Group⁶⁹, set up by the National Development Council, noted this fact and in recommending fiscal and financial incentives for starting industries in backward areas, it suggested that a few 'growth points' in each State should be selected and given preferential treatment in the State's development programme. The Group suggested that towns having population figures between 150,000 and 300,000 and having certain infrastructure facilities were suited to act as 'growth points' for industrialization of underdeveloped regions.

An alternative to the 'growth point' approach is the 'area development' approach. In the 1930s an attempt was made in the U.K. to give this approach effective shape through legislation. Areas remarkable for their 'closely limited area' or for their degree of depression ('where a high rate of unemployment exists or is imminent and is likely to persist'⁴¹)

were chosen for development. Major towns were excluded from the development areas. But later experience showed that exclusion of major growth centres was a mistake. The cost of social overhead often becomes overwhelming where one had to start from scratch. Further, it has been seen that localities could, within a short period, become qualified for development programme through fluctuations of the unemployment level. This uncertainty would often offset any incentives given in initial stages to the new industries in the developing area. One of the main criticisms against the 'area development' approach is that it tends to damage the national growth performance by diverting activity away from the growth areas to more slowly growing regions.

The growth point policy has its critics, too. The chief criticism appears to be that this policy neglects the growth of the region as a whole. But if the growth points are selected within the framework of major regional divisions and if the regional problems are co-ordinated within a single integrated planning network, this criticism can be well met. The choice of growth points should be determined by the potential for economic development in an area. As enumerated in the Hunt Report²⁸, the obvious criteria are :

- ' a relationship to the national motorways and trunk road network. In addition, a growth zone should be sufficiently large to support a good range of educational, social and cultural facilities and have good facilities for technical and further education and for the training of

skilled and semi-skilled workers. It should have a number of industrial sites where there would be room for industry to expand and also space for urban development in the future. It should possess a wide range of industrial and commercial services. It needs to have an energetic local authority ...'

But in spite of this theoretical assurance of long-term advantages, and the Wanchoo Working Group's recommendation of the growth point approach for subsequent planning, the policy does not seem to have been given much consideration by the planners in our country. 'Growth point' studies, one can hopefully assume, will help to remove the existing inconsistency in the developmental pattern of the country by throwing light on factors that decide the location, nature and scale of new industries. This can be done by comparing information on the relative growth potentialities of the existing urban centres of a region. And the purpose of investment, it may be assumed, would be fulfilled to the greatest extent if the most potential centre is chosen as the focal point for the industrial development of a region, where the development of the growth point would ~~lead~~ lend to the development of the region as a whole. The present work tries to consider the problem from this perspective and follow up the suggestion made by the Wanchoo Working Group.

For the purpose of the study, the city of Kharagpur, in the district of Midnapore (West Bengal) has been selected as a case because it is a typical example of an urban centre in an underdeveloped region apparently with good potentialities

for industrial development. The results reached here are to be understood only in the context of this particular urban centre, and cannot be expected to be applicable in case of all industrially underdeveloped urban centres. But this work, focusing its attention on one of the neglected areas of urban studies, is expected to have some value of theoretical importance in so far as it indicates the feasibility of growth point analysis as an effective approach to urban development.