

Industrial Development

Lesson No.	Title	Activity
24	Industrial Development	

Meaning

The processing of natural resources into more useful items is called manufacturing. These manufactured goods are finished products derived from the raw materials. These raw materials used in manufacturing industry may be either in their natural form such as cotton, wool, iron ore etc. or may be in the semi processed form like cotton yarn, pig iron etc. which can further be used for making more useful goods. Thus the finished product of one industry may serve as the raw material for another industry. Economic development cannot be achieved by a country without developing its industries.

Brief History of Modern Industries

- First cotton textile mill was established at Mumbai in 1854, predominantly with Indian capital and entrepreneurship. Jute industry made a beginning in 1855 in the Hooghly Valley near Kolkata.
- Coal mining was first started at Raniganj in 1772. Railways were introduced in 1854. Tata Iron and Steel Plant was set up at Jamshedpur in 1907.
- Industrial development in India can be divided into two phases. The Government successively increased its control over different economic sectors during the first phase (1947-1980). In the second phase (1980-97) it took measures to liberalise the economy between 1980 and 1992.
- After 1992, the whole process of liberalization became more focused and radically different in nature.

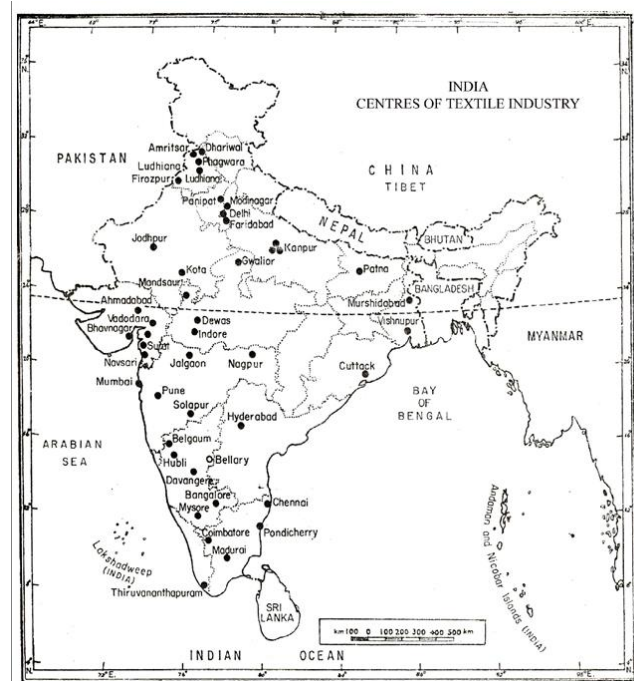
Classification of Industries

Sl.No. Criteria	Types of Industries	Main characteristics	Examples
1. Sources of Raw Material	(i) Agro-based Industries	Agricultural products used as raw materials	Cotton textile, jute, sugar and paper industry
	(ii) Mineral based Industries	Minerals are used as raw materials	Iron and steel, chemical and cement industry
2. Ownership	(i) Public Sector	Owned and managed by Government	Bokaro iron and steel plant, Chittaranjan locomotive works.
	(ii) Private Sector	Owned and managed by an individual or a group as a company	Tata Iron and Steel J.K. cement industry Apollo Tyres.
	(iii) Joint Sector	Owned jointly by public and private sectors	Maruti Udyog
	(iv) Cooperative Sector	Owned by cooperative society of raw material producers	Sugar industry in Maharashtra, Amul (Gujarat) and IFFCO (Kandla)
3. Function or Role	(i) Basic Industry	Finished products of basic industry are used as raw material for other industries.	Iron and Steel and petro-chemical industries.
	(ii) Consumer Goods Industry	Finished products of this industry are directly used by individuals.	Toothpaste, soap, sugar industry
4. Size of Industry	(i) Large Scale Industry	Huge investment, heavy machinery, large number of workers, large factory, 24 hour's operation.	Iron and steel, oil refineries,
	(ii) Small Scale Industries	Small investment, small factory, few factory workers	cycles, electrical goods industry
	(iii) Rural and Cottage Industries	owned by family members, small machine at homes	Jewellery, handicrafts, handlooms, art work.
5. Weight of Raw Materials and Finished Products	(i) Heavy Industries	Both raw material and finished products are heavy and bulky, high transport cost	Iron and steel, BHEL (Hardwar): heavy electrical like generator.
	(ii) Light Industries	Both raw material and finished products are light in weight, low transport cost.	Watches, readymade garments, toys, fountain pens.

Agro- Based Industry

COTTON TEXTILE INDUSTRY

- The industrial development in India began with the establishment of first successful modern cotton textile mill at Mumbai in 1854.
- The numbers of mills increased from 378 in 1952 to 1782 by March 1998.



SUGAR INDUSTRY

- Sugar industry is the second largest agro-based industry of India.
- If we take Gur, Khandasari and Sugar together, then India becomes the largest producer of sugar product in the world.
- In 2003, there were about 453 sugar mills in the country. This industry employs about 2.5 lakh people.

Mineral Based Industries

Iron and Steel Industry

- Iron and steel industry is a basic industry and its products serve as a raw material for a number of other industries.
- Iron and steel manufacturing activity in India is very old.
- Modern iron and steel industry started with the establishment of 'Bengal Iron and Steel Works' at Kulti in West Bengal in 1817. Tata Iron and Steel company was established at Jamshedpur in 1907.
- The major iron and steel plants of India are situated in the states of Jharkhand, West Bengal, Orissa, Chhattisgarh, Andhra Pradesh, Karnataka and Tamil Nadu.

Sl. No.	Name of the plant	Location	Owner-ship	Coal/power	Raw Material obtained from		
					Iron-Ore	Limestone	Manganese
1.	TISCO	Jamshedpur	Private Sector	Jharia	Mayurbhanj Singhbhum	Keonjhar	Singhbhum
2.	IISCO	Burnpur	Public Sector	Jharia/DVC	Singhbhum Mayurbhanj	Keonjhar	Singhbhum
3.	VISL	Bhadrawati	Public Sector	Sharavati Project	Kemaman-gundi	Bhandiguda	Chitradurga Shimoga
4.	HSL	Rourkela	Public Sector	Bokaro/Jharia/Hirakud Project	Sundargarh Keonjhar	Pumapani	Bara Jmda
5.	HSL	Bhilai	Public Sector	Kargali, Korba	Dalli-Rajhara	Nandini	Balaghat

6.	HSL	Durgapur	Public Sector	Jharia/DVC	Bolangiri (Keonjhar)	Birmitrapur (Sundargarh)	Jmda (Keonjhar)
7.	BSL	Bokaro	Public Sector	Jharia/DVC	Kiriburu in Keonjhar Distt.	Palamau	Barakar
8.	SSP	Salem	Public Sector	Neyveli	Salem Distt.	Salem Distt.	Salem Distt.
9.	VSL	Vishakha Pattnam	Public Sector	Damodar Valley	Bailadila, Chhattisgarh	Chhattisgarh and MP	Balaghat

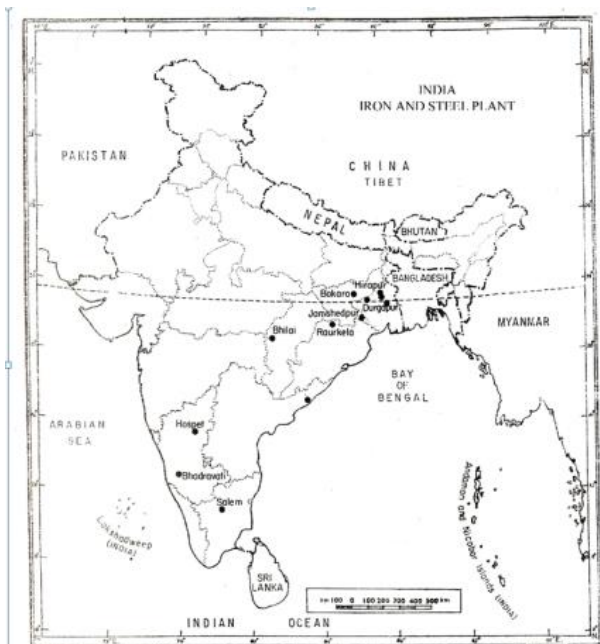
Petro Chemical Industry

- Petro-chemicals industry is one of the fastest growing industries of India.
- This industry has revolutionised the industrial scene by providing the products which are substituting the traditional raw materials like wood, glass and metals.
- Petrochemicals are derived from petroleum or natural gas.
- India is self sufficient in the production of petro chemicals.
- India has at present 18 refineries. These refineries are at Digboi, Bongaigaon, Nunamati (All are in Assam), Mumbai (two) (Maharashtra), Visakhapatnam (Andhra Pradesh), Barauni (Bihar), Koyali (Gujarat), Mathura (U.P.), Panipat (Haryana), Kochi (Kerala), Mangalore (Karnataka) and Chennai (Tamil Nadu). The only private oil refineries belongs to Reliance Industries Ltd. is located at Jamnagar (Gujarat).

Industrial Clusters

- Most industrial regions in India have developed in the hinterlands of some major ports like Kolkata, Mumbai and Chennai.
- These industrial regions have all the advantages like availability of raw materials, energy, capital and markets. Six major industrial regions emerged out of which three are in the hinterlands of ports.
- The six major industrial regions are as follows:-
 - Hooghly Industrial region
 - Mumbai – Pune Industrial region
 - Ahmedabad – Vadodera region
 - Madurai – Coimbatore – Bangalore region
 - Chhota Nagpur plateau region
 - Delhi and Adjoining region

Besides these major industrial regions, there are 15 minor industrial regions and 15 industrial districts.



Industrial Self Reliance

- Industrial self reliance means that the people of India establish and operate industries with their own technical knowledge finances and using machines manufactured in our own country without depending on others.
- The Govt of India formulated an industrial policy in 1956 with the objectives of increasing industrial output, generating employment, dispersal of industries, removing regional imbalances in the industrial development and the development of village and small scale industries.
- Through planned development of Industries, we now manufacture several types of industrial goods.
- Public sector has played an important role in achieving industrial self reliance. Iron and steel, railway equipment, petroleum, coal and fertilizer industries, have been developed in this sector.

Impact of Economic Liberalisation

- The process of industrialization in India can be divided into two parts – before and after 1992.
- During first forty years after independence the Indian economy had diversified and expanded very fast but with rigid controls and regulations.
- In August 1992, Government of India took a bold step by changing its economic policies from state control to market forces.
- The new industrial policy of liberalization, privatisation and globalization was adopted in August 1992.
- Liberalization means a reduced role for the Government and a greater role for the market or the liberal attitude of the Government for the establishment and running of industries.
- In privatisation there will be transfer of the ownership of public enterprises to private capital, opening of more industrial areas to private capital and enterprise.
- Globalization which stands in the current phase for increasing integration between different economies of the world.
- The economic gap between different nations is reduced by removing all restrictions between nations on the movement of goods, services, capital and technology.
- Globalization has made significant impact on consumption patterns and life style of the people.
- Now a days the whole world has become a market. Globalization has also affected on value system.

Evaluate Yourself

1. Explain the industrial clusters.
2. Why industrial self reliance is important?
3. Explain how the industrial policy of 1992 has changed the course of Indian industrial development?