# DEVELOPMENT AND UNDERDEVELOPMENT IN ORISSA A SOCIOLOGICAL STUDY

Dissertation submitted to the Jawaharlal Nehru University in partial fulfilment of the requirements for the award of the Degree of

#### MASTER OF PHILOSOPHY

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#### CERTIFICATE

AND UNDERDEVELOPMENT IN ORISSA: A SOCIOLOGICAL STUDY" submitted by RABINDRA GARADA is in partial fulfilment of the requirements for the award of the degree of Master of Philosophy of this University. This dissertation has not been submitted for any other degree to any other University and is his own work.

We recommend that this dissertation may be placed before the examiners for evaluation.

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# TO MY MOTHER

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### **CHAPTER I**

THEORETICAL ORIENTATION TO THE STUDY OF DEVELOPMENT AND UNDERDEVELOPMENT

#### CHAPTER I

## THEORETICAL ORIENTATION TO THE STUDY OF DEVELOPMENT AND UNDERDEVELOPMENT

#### Meaning and nature of Development:

Development means some sort of advancement in the positive direction. It may have several connotations in different socio-economic, political, geographical, historical and other contexts in a country. Economic development, which is said to be the major component of development, is defined as a sustainable increase in living standard that encompasses material consumption, education, health and environmental protection. But development in a broader sense is understood to include other important and related attributes as well noteably more equality of opportunity, political freedom and civil liberties. The overall goal of development, therefore, is to increase the economic, political, and civil rights of all people across genders, ethnic groups, religions, races, regions and countries. This goal has not changed substantially since the early 1950s when most of the developing world emerged from the colonialism.

The thinking on development has undergone a sea change during the past forty years. The inward-oriented strategies

of development are more and more being replaced by the outward-oriented ones. In recent years or so, many countries have implemented the market-oriented reforms. With these changes, development has come to a growing recognition that it is a multidimensional social process within which the price reforms, investment and institution-building are complementary. Success depends on setting up many things right. But how to make the things right to achieve the general goals of development is an important question for the underdeveloped countries. We have briefly discussed below the various approaches to analyze the process of development.

#### Economic Approach:

Economists have analyzed development quiet adequately. For instance, Smith<sup>1</sup> says that the growth of an economy depends on the supply and proper use of capital. If one wants to increase production, one must increase the use of capital goods. He further says that if the wealth of a society is to be increased then one should not exploit the natural resources at the maximum capacity; rather, one must respect the nature's law because the natural law is superior to and more beneficial than the laws of the state. Therefore, we should not only know what the natural law is but also know how the nature wants us to behave.

By consuming less and saving more one can build up Capital is needed for production and production capital. can be increased through specialisation, i.e. division of Ricardo, like other economists of his time, does labour. not speak only of organizers and entrepreneurs as two agents of production. Instead, he speaks of the three classes, namely labourers, capitalists and landlords. According to him, 2 it is the capitalist class that can save. Labourers and landlords do not, or hardly save anything. If the capitalist does not earn any profit, he cannot save and therefore economic development would not be possible at all. Then, profit is essential for development. Such productive power can be increased when there is an abundance of fertile land. Thus, there is an organized relationship between agricultural development and economic growth. 3

According to this approach, development is a process in which there is increase per capita income, capital accumulation, employment opportunities, etc. Economists have traditionally considered increase in per capita income to be a good proxy for other attributes of development. But improvements in meeting the basic needs for food, education, health care, equality of opportunity, civil liberties and environmental protection are not captured by the statistics they provide on economic growth.

In fact, economists have given more emphasis on land, labour and capital and their proper utilization for the massive production. They have further argued that both economic and non-economic factors are responsible for increasing surplus which leads to economic development. Some of these factors are: promotion of trade and agriculture, division of labour and capital accumulation. According to them, economic development requires capital accumulation which is not everything though is very essential for the process of development. For economic development, there should be better understanding of law of nature and of culture and customs as stated earlier. Thus, the classical economists have given a pessimistic picture of development but their emphasis on material development may not be consistent with the social development.

#### Sociological approach:

A number of sociologists have analyzed development in relation to the overall structure of a society. Sociologically, development is explained as a progressive transformation of certain aspects of a given society. Marx's theory<sup>4</sup> of development initially put much emphasis on the economic aspect ignoring other aspects of development. He holds the views that the economy is the basic structure

and all other aspects such as state, government, religion, family, etc. are the superstructure. Marx <sup>5</sup> points out that capitalism is capable of leading an economy to a high position of economic development. But it also serves as a cause of its own destruction. He was quite optimistic of the birth of socialism thereafter. The Marxists have also stressed on the role of historical forces in the economic development of a particular society, while the non-Marxists emphasize on freedom, competition and achievement which lead to the economic development.

Contrary to this view, Weber<sup>6</sup> has emphasized on religious ethic and rationality required as prerequisites for the development of a society. He has also rejected the Marxian view on the deterministic aspect of development which is based on his (Marx's) theory of historical materialism in general and the historical change in particular. Alternatively, he has presented his own theory of development.<sup>7</sup> He has explained several factors as the "pre- conditions" for the development of capitalism. He argues that capitalism has developed in the West only and not in the third world societies due to their religious rigidity, traditionalism and irrationality. Therefore, it is not the economic factor but the religion that plays the deciding role in bringing about economic progress in these

societies. Weber is also not free from criticism. For instance, he emphasizes only those aspects of religion (such as protestanism) which are conducive and ignores those (such as renunciation in Hinduism) which are a objective for development.

#### Institutional Approach

The key points in the institutional approach is that the problem of development does not inclusively fall in the realm of economics. This approach points out that caste system, religion, joint family and some other cultural factors are obstacles in the path of development. institutionalist like Schumpetor<sup>8</sup> draws a distinction between development, economic development and social change in the economic life. According to him, economic development is not a phenomenon to be explained by the groups of facts which are propounded by the economic theory Rather, introduction of new methods of production, alone. conquest for new source of supply of raw materials, opening of new market, carrying out of the new organization of any industry, etc. are also to be taken into account for a better understanding of the process of development.

#### Diffusionist's approach

because of diffusion of cultural elements from the developed to underdeveloped countries. It is because of the backwardness of the third world countries which lack the entrepreneurial skills, knowledge, organization, valuescapital and technology. To this approach, there is difference between traditional and modern sectors of economy characteristically found in rural urban areas. Rural development takeplace due to the transfer of technology and skills from the urban sectors. It is in this context, Wilbert Moore holds the view on development as the transformation from one type of social organization to another.

#### Characteristics of underdevelopment:

Underdevelopment is backwardness in every aspects of social life. It is the product of a number of factors like growth of population, heterogeneous social structures, unfavorable natural endowment, shortage or under utilization of natural resources, insufficient capital formation, low productivity and low supply of labour or poor quality of the working population and external disturbances. <sup>10</sup> It is also creation of the direct investment from abroad and trade, financial and technical dependence. <sup>11</sup>

The socio-economic state in the developing countries is not merely "economic underdevelopment" but also a sign of their not having participated in development process which is derived from the development of the capitalist world economy. Moreover, the western model of development is not effectively applicable in the developing economy of the third world countries because of the prevailing backward socio-cultural environment, there in. However, Marxists say that the third world societies are underdeveloped because of the inequality found in the world economy and also of lack of development in the third world. They relate the current socio-economic underdevelopment of the third world societies to their exploitation by the European capitalist market. Development of the western capitalism seems to have been dependent on the underdevelopment in the third world countries like those in Africa, Asia and Latin America. 12

Underdevelopment is very much the result of the merchant capitalism, colonialism and neo-colonialism. The merchant capitalism refers to the accumulation of capital through trade and plunder predominated during the early period of the capitalistic expansion that began around the sixteen century and continued till the late eighteenth century. The most profitable merchant capitalism was the slave trade, the commercial hunting of the black skin as

Marx called it. It introduced the western currency system into the African and Asian economy by undermining confidence in the local money form and it increased the interlocking of economics on a world scale dominated by the capitalist economy.

There are three general features of the colonial period indicating its impact on the existing forms of productions, land ownership, labour patterns and political structures in the third world societies. These are: first, once there existed the distorted, incoherent or `imbalanced character of the third world economy because of political association of the third world countries with the western capitalism. Two, the colonies of the third world were used as a source of cheap raw materials (crops and minerals) as well as an expanded outlet for the manufactured goods from Europe. Moreover, the monopolistic companies flurished through their trade in the underdeveloped societies. colonialism promoted the large scale labour migration from these societies and got them displaced in the capitalist world. Colonialism also imposed a system of law and order that suited the colonial administration in the third world countries.

The neo-colonialism is another form of socio-economic domination of the developed societies though these do not

apply direct political control over the third world countries. The old colonial dominance over the third world societies had finally collapsed, after the second world war, due to the weakness of the European pioneers, the emergnces of the United States of America as a super power and nationalist movements launched in these countries or societies. However, since the mid-1970s the world has But the growth of virtually, become free of colonialism. the Multi-Nationational Corporations (MNCs) is the principal feature of the neo-colonialism. Through these Corporations, the developed countries have strengthend their economic grip over the raw materials, labour pioneer and the market of the third world countries. The MNCs represent the increasing concentration of capital and the integration of production in a world scale. The European Economic Community (EEC) also helps to channelise the capital and sustain the wealth of Europe based MNCs. In this way, the neo-colonialism sustains the exploitation and poverty of the third world societies. Thus, net results of the merchant capitalism, colonialism and neo-colonialism are the massive exploitation of the third world countries leading to their underdevelopment. 15

Frank<sup>16</sup> argues that development and underdevelopment are related to each other through the common historical

process. Both development and underdevelopment are not two separate phenomena but are two sides of the same phenomena. Frank's concept of underdevelopment is based on his understanding of both the capitalist system and its internal contradictions. Development of the advanced industrial countries in the world today means the simultaneous underdevelopment of the third world countries whose economic surplus the West exploits. Using the analogy of the satellite and metropolis centres, Frank has also argued that the surplus of the satellite is passed upward and at the cost of it there is development in the metropolitan countries.

The sociology of underdevelopment either disregards the economic determinants or accepts them as secondary and gives more emphasis on the analysis of the social forces and social relations, reproduction and its distribution. It examines the underdevelopment as a complex socio-economic formation. Hence, sociology relates underdevelopment vis-a-vis development to the environmental responsiveness, customs, institutions and condition of the society. The underdeveloped societies are, more or less, homogenous, stagnent and traditional while advanced societies are hetrogenous and modern in their orientation. The underdeveloped societies are based on the traditional social

structure. They lack enterpreneurial skills, individualism and so forth. There is a long list of qualities, propensities, motivations and iniatives that are missing in the underdeveloped countries. The social structures, institutions, religious and moral set up of the third world societies are responsible for their underdevelopment.

Hoselitze<sup>17</sup> differs in defining the nature of social roles and behaviours of people both in advanced and backward countries. He has found Talcott Parsons' pattern variables of universalism, achievement orientation and functional specificity prevailing in the advanced societies. contary, he has noted particularism, ascription and functional differences prevailing dominantly in the backward countries. It follows from his views that the backward countries are backward because in these countries or societies prevail particularism instead of universalism where particular interests direct the movement and process of society. And the social roles are characterized by functional specificity. The recruitment and reward are determined by ascription rather than by achievement motivation. Hoselitze has further argued that the backward countries have rural structural relations and are dominated by an elite, an upper group or class which enjoys the monopoly of wealth, political power and education - the most

desireable elements for development. In contrast, governments in the economically advanced countries maintain group mindedness or collective relations to economic goods. They claim that they act for the public interest. The advanced countries have strong social welfare laws for community interests but less-advanced countries enact social welfare legislations the results of which are often unsatisfactory.

Two inferences can be drawn from the sociological and psychological interpretations of underdevelopment. One, there must be some social and individual qualities which are both favourable and unfavorable to economic development. Two, if the generally favourable qualities are concentrated in the developed and the generally unfavourable qualities are present in the underdeveloped societies, then this provides the evidence that economic development is attributable to the generally favourable economic qualities and the economic underdevelopment to the generally unfarourable social and individual qualities. But the socio-psychological variables are not independent variables and, by no means, can be regarded as final determinants of economic development.

Some dualisms certainly exist in the underdeveloped areas. One such dualism is largely related to the nature of

or is located in the host society in which the levels of techniques and concerns for economic and social welfare are relatively low. Another type of dualism is based on the western leadership and influence in which techniques are advanced and the average levels the concerns for of economic and social welfare are relatively high. This type of dualism in the underdeveloped countries may be more helpful to develop the metropolises but not the peripheries.

According to Myrdal, 18 there are two types of forces which are advantageous and disadvantageous to the development of a region. These are the "backwash effects" and the "spread effect". The former helps in concentrating economic activities in some region while the latter helps in spreading them to the other regions. Through his institutional approach, Myrdal has explained the causes of both development and underdevelopment. He mentiones about the principles of circular and cumulative causations in his theory of development and underdevelopment. These two types of causations factors are mutually interrelated in which if there is change in one, there is change in the other. Thus, there is a cumulative process of mutual interaction in which change in one factor gets continuous support by the reaction of the other factor and so on in a circular way. According

to his explaination, various types of inequalities inherent in the traditional social stratification in India are the major obstacles to development of the whole society. 19

These can be overcome only if there are adequate constitutional reforms in the existing society of the country. Herschman<sup>20</sup> has also stated that the trickling down effect of development in one sector or region to the underdevelopment in another sector or region will gain upper hand over the "polarization" effect. But nowhere in the world this has happened in a much profound fashion.

Retrospectively, it has been held that the population pressure is one of the major obstacles of underdevelopment in the third world societies. The growth of population, education, and urbanization typically associated with industrialization in the Euro-centric model of 'development' are distorted in the third world societies because of the earlier existed colonialism and current underdevelopment therein. This problem ultimately lies in the relative weakness of the third world economy in the world capitalistic system.

#### Development and Underdevelopment in India

Development and underdevelopment in India, like in any other third world countries, have experienced the

consequences of the merchant capitalism, colonialism, and neo-colonialism as mentioned above. The major religions of the world like Hinduism, Buddhism, and Jainism are the product of Indian civilization. The customs, traditions, values, caste system and all ascriptive traditionalisms are very much associated even today with structure and functions of the Indian society. The Indian society is a prismatic model of society which consists of both the ascriptive and achieved traits in her way of living. It has neither completely left its traditonalism nor is whole-heartedly welcoming the western modernism. Rather, it runs between the two streams of human aspirations.

Nodoubt, the development model in India is adopted from outside. Consequently, various developmental programmes are not universally applicable to all parts of the country. As the developed regions go on developing and the underdeveloped areas are left largely ignored, there are regional disparities in the experiences of development. Since the time of independence, the Government of India has been trying to bring about the balanced regional development. But it has not resulted upto the expectation. The British government in India had developed only those parts of the country which were useful in providing raw materials for her industries in England. After independence

the Eight Five Year Plans have aimed to reduce regional imbalances in the socio-economic development. For instance, after the first Five Year Plan which emphasised on the development of agriculture, in the Second Five Year Plan the less developed areas were identified for balanced regional development through setting up industries. <sup>21</sup> But no specific steps were taken to mitigate the problems like the backwardness of market, vicious circle of poverty, lack of specialisation and rigid social structures. Rather, the prospectives of planning were enlarged instead of taking stocks of their proper performance at the field level.

The Third<sup>22</sup> Five Year Plan had emphasised on the more balanced agricultural and industrial development and on removing the regional disparities of any sorts. The progressive achievement in the self- reliance, growth with justice and balanced regional development were the principal objectives of the Fourth Plan.<sup>23</sup> An emphasis was also given on social justice and equality through creating more employment opportunities to the people and generating minimum national income in the fifth plan. The Sixth Five Year Plan had aimed at a progressive reduction in the regional inequalities in the levels of development and at the diffusion of technical benefits<sup>24</sup>. Emphasis was also given to improve the quality of life of the poorest people

through launching the minimum need programmes. The Seventh Five Year Plan was directly concerned with the problems of poverty, unemployment and regional imbalances<sup>25</sup>. And the current Five Year Plan is indicative of a planning which gives greater emphasis on private initiatives in the industrial development.

However, amidst the implementation and effectiveness of a number of scholars have analysed the economic disparities in the different sectors of economy. For instance, has found average rainfall, small size of land holding (the average cultivated areas upto 5 acres per family) and low percentage of hired workers to the total workers closely associated with the agricultural backwardness, though he has also noted some inter-district variations in these respects. 26 Tiwari and Singh have explained the structural problem of agricultural development<sup>27</sup>. As one area which is increasing the agrcultureal production on the basis of modern technique of cultivation. And on the other hand the area which is not increasing agricultural production due to unfaurable socio-cultural climate. Rao has found the uneven irrigational facilities as the main cause of the regional disparities in agricultural development. Besides unevenness in the infrastructureal facilities for both traditional and industrial structures, regional disparities had also

increased during the 1960s. 28 Income disparities include per capita income, expenditure, investment, etc which are marked with planning and development programmes in India. In any case, several studies have pointed out a number of socio-economic constraints like inadequate spread of infrastructural facilities, concentration of income and wealth in some regions, rural and urban disparities, and stagnation in agricultural and industrial growth and disparities in the employment opportunities for the people in India, All these have created underdevelopment in vast regions and lop-sided development in a few regions or sectors of economy resulting simultapeously into growth of both development and underdevelopment in different parts of the country.

#### Area and Objective of Study:

Orissa is taken as area of study. A comparision has been made between coastal and non-coastal districts of Orissa in their socio-economic development.

To study the nature and levels of developments in the coastal and non-coastal disricts of Orissa in term of their socio- geoggraphical and infrastructural facilities. To know how development and underdevelopment are the two side of a same coin?

To know how development is going on in the coastal regions by leaving the rest of Orissa backward? To know why Orissa is still a backward state despite having vast natural resources?

To understand how does industrialisation bring benifits to the rural masses?

To examine the relationship between development of industries and of agriculture in the different districtts of Orissa.

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## **CHAPTER II**

SOCIO - HISTORICAL PROFILE OF ORISSA

#### CHAPTER II

#### SOCIO - HISTORICAL PROFILE OF ORISSA

As stated in the previous chapter, there is numerous underdevelopment in India and Orissa falls in one such region in the eastern part of the country.

Orissa is regraded as one of the most backward states in the country with its low per capita income, large number of people living below the poverty line, high dependency on agriculture, etc. But a pardoxial fact is that it possess 17.99% of the total mineral resources of the country. It accounts for the entire production of chromite and is a leading producer of mangan ese. Morever, it has rich water resources and a strategic geographical location with sea ports, etc. Even then the state has laged in its alround development. Hence, it would be a significant excercise if we have an over view of the physical features of Orissa before analysing the various aspects of its underdevelopment.

#### Physical Features:

Orissa is located on the east coast of India and is surrounded by four states, i.e. Bihar in the north, Andra Pradesh in the south, Madhya Pradesh in the west and the Bengal in the extreme northeast. Orissa extends from 17° 49'N to 22° 34'N latitude and from 81° 27'E to 87° 29'E

longitude on the Eastern Coast of India. The entire state lies on the tropical zone and is divided into four district tracts viz, the northern plateau, the Eastern Ghats, the central track and the costal plain<sup>1</sup>.

The state is drained by three great rivers of the Mahanadi, Brahmani and Baitarani besides quite a few small rivers of which flow into the Bay of Bengal. The river Mahanadi flows from the West to East through the intensive tract and devides the state into two well defined parts. The northern part is an extension of the Chhotanagpur Plateau and the southern part comprises of hills of the Eastern Ghats. Geographically, the state can be divided into four regions on the basis of physical variables like physiography, geology, soil, natural vegetations, climate and rain fall.

The Northern plateau has three main rivers, i.e. Brahmani, Baitarani and Burhabalang flowing through this area. These rivers provide good irrigational facilities in this area. This area consists of the districts of Keonjhar, Mayurbhanj, a part of Sambalpur and Sundergarh. Geologically, the west side of the plateau is rich in the deposits of dolomite limestone. This region also consists of the iron deposits of the Upper Dharwar Series. The precipitation is accelarated by the presence of lime. This helps in the

formation of red soil which is distinguished from the laterite by higher percentage of silica and some bases. Red soil is predominant in this plateau. This type of soil is poor for plant life. Sal forests are the principal vegetation found in this region. Which provide valuable building materials for the entire state.

The coastal plains comprise of the districts of Balasore, Cuttack, Puri and a portion of Ganjam. This region stretches from the Subarna Rekha in the north to the Roushi Kulya in the south. The coastal plains are the gift of six major rivers which bringing silt from their catchment, have reclaimed this area from the depths of the Bay of Bengal. Some of these rivers are Brahmani, Mahanadi and Rushiku-The alluvial soil predominates in this region. lya. sides, saline alluvial soil is also found particularly in the area of chilka lake which is not suitable for agricultural production. This soil is hardly helpful for any crop except for cultivation of coconut because of its high salinity. But the available alluvial soil is most suitable for agricultural production<sup>2</sup>.

The southern! this region comprises of the districts of Koraput, Khandmals and Ganjam. This region is covered by forests and hills. But this region does not have any major rivers. A rugged physiography has cut off this region from

the rest of Orissa and a few roads through difficult mountain ghats are only the means of transportation and communication.

This region may get benefited in years to come from the Balimela Irrigation Project is also located in this region. The MachKund Hydel Project is also located in this region. A paper mill has been established in this region due to availability of abundant resources of the bamboo forests. The area has been developing under the Dandekaranya Project. The region is characterized by both the laterite and brown soils which are sandy and porous and poor in humus. Rice is the only suitable crop in this region. Cotton is also a cash crop in this area. But both laterite and brown soil which are predominantly available in this region are not suitable for growing different crops<sup>3</sup>.

The region of the south-western plateau comprises of the districts of Kalahandi and a part of Koraput.

Indravati, Hati and Tel are only three major rivers flowing through this region. The scarcity of natural and mineral resources is reported this region. This region is good for the growth of vegetation like Sal forests. But the available laterite, and red soils spoil the agricultural productivity in this region. In spite of this, the

available black soil is suitable for agricultural producation in this region  $^4$ .

The Central River vally region mainly comprises of two districts of Bolangir and Sambalpur. It lies between the northern plateau and the eastern hills. Mahanadi is the only main river flowing through this region. Though laterite, red and black soil are seen, only red and laterite soil predominantly prevail in this region. As compared to south-western region, this region provides fertile land which is suitable for agricultural production. But available black soil consists of coarse debris, gravel and silt sucking away the water very rapidly and adversely affecting crops on the fields<sup>5</sup>.

Orissa's climate is a tropical one. The south-west monsoon and the retreating North East monsoon effectively control its climate. As its location is in the eastern coast of India, it does not come under the direct path of the south west monsoon with the result that monsoon rain is much less than that in West Bengal. During the late monsoon, however, cyclones from the Bay of Bengal move North-West along the Brahmani-Budhabalanga regions which bring heavy rain to the upper reaches of the drainage and over the districts of Mayurbhanj, Sundargarh and Sambalpur. During the period of retreating monsoon Orissa does not get

rain except very little in the North East. The Eastern Ghats, receive more rain fall than the coastal plain due to high relief. But northern Orissa gets rain fall more only during the months of September and October.

On the whole, the rain fall in the state is quite irregular and inadequate. Most parts of the state get above 55" to 63" of rain fall during a year. The Northern plateau which includes Mayurbhanj, Keonjhor, Sundergarh districts and Kudinda and Deogarh sub-division of Sambalpur district get about 67" (1,708mm) of rain fall. The Eastern Ghat which includes Koraput, Kalahandi, Phulbani, and the hilly parts of Ganjam district gets about 53" (1346mm) of rain fall. Similarly, the coastal plains consist of Cuttack, Puri and Balasore districts and a part of Ganjam district recieve 56" (1,422mm) of rain fall. Finally, the central table land consists of Dhenkanal, Sambalpur and Bolangir districts get about 53" (1335m.m) of rainfall. It is, thus, clear that the overall rainfall in Orissa is not adequate for cultivation and growing crops to meet the requirements of the people in the state<sup>6</sup>.

#### <u>Demographic Characteristics:</u>

The total land area of Orissa is 155,707 sq km accommodating the population of 31,512,070 persons male (15,979,904) and female (15,532 166), sex ratio (females per

1000 males): is 972. during 1989-91. The total literacy rate in the state is as high as 48.65 per cent of males and 34.40 per cent of Females according to 1991 census. Similary, the per capita income was Rs. 3066 during 1989-90.

Though the density of population is below average density of population in India, the problem arises out of its uneven distribution. The coastal districts are more thickly populated than the inland areas. Although the coastal plain accounts for only 15.5% of the area of the state, it accommodates more than 30 per cent of its total population. It is largely because of availability of cultivable land, adequate infrastructural facilities and network of major rivers in this belt<sup>7</sup>.

Unlike the coastal belt, the Eastern Ghat region (Koraput, Kalahandi, Phulbani and other districts does not have adequate cultivable land. There is also lack of communication network and of infrastructural facilities. The Eastern Ghat is, therefore thickly populated. In the mountainous and plateau areas, the population is mostly confined to the pockets of fertile land and river valley which not only provide scope for agricultural activities but also for adequate habitations for rural masses. The variation in population concentration is, thus, based on

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unequal distribution of fertile land and availability of The land of water in the state. Orissa through ages: Oriyas, currently Orissa, was known as Kalinga in the ancient period. The kingdom of Orissa was spread from the rivers Ganga to Godavari, on one side, and from Amarkantak to the Bay Bengal, on the other8. In the third centrury B.C. she was conquered by the king Ashoka and after his death Kalinga regained its independence. Kalinga was more powerful during the Kharavela's rule (second century B.C.). After his death there was no political stability till the Ganga dynasty (7th Century A.D.). In the year 795 A.D. Mahasena Gupta Yeti united Kalinga, Kongada, Utkal and Under the Ganga dynasty Orissa started flourishing Kasal. in the different spheres of activities. progressing Orissa continued to be ruled by a number of kings till the death of the Hindu King - Mukunda Deva in 1568 A.D. Afghan Sultan of Bengal was the first Muslim ruler of Orissa in 1568 A.D. Afterwards, the Marathas occupied the territory of Orissa in 1751 A.D. and continued to rule it till the British took over in 1803 A.D. The Marathas became unpopular in Orissa because of their coercive measures for the self-interests.

Nevertheless, a vigorous Oriya nationalist movement was started after the cruel famine of 1866 and continued till

1903. In the same year the Utkal Sammilani was formed and even Oriyas started realising their rights, socio-economic freedom within an independent state. The third phase of the nationalist movement continued during 1919 - 1945 when the Oriya supported the Indian National Congress, particularly for its principles of non-cooperation and non violent activities for realisation of the Oriya nationality9. Orissa continued to remain as an appendage of Bengal till its separation and creation of a new province of Bihar in 1912. For another one and half decades Orissa remained with Bihar till she became a separate linguistic province in 1936. After the independence of India, the princely states, in and around Orissa, surrended their sovereignity to the Orissa state.

Retrospectively the Kalinga society in the past was more of a Brahminical social order. The Brahminical sacrificial rites came to dominate the life of the people and the Brahminical learnings—were highly respected. The society was divided into four castes or varna of which Brahmins were placed at the top and sudras at the bottom. The untouchables and tribals were excluded from the Aryan varna or caste division. The status of women and of sudras, untouchables and tribals were much degraded 10.

## <u>Under the Muslim rule :</u>

Orissa was ruled for more than three centuries by the Turko-Afghans, the Mughals, the Marathas and lastly British as stated earlier. The later half of the eighteenth century witnessed the collapse of the Mughal empire, the expansion of the Maratha rule and the encroachment of the British into Orissa. These rulers and their struggles for power in the various regions affected the social and economic conditions in the state. Under the Mughal domination, the entire land in the state was divided into two broad categories, i.e. the Khalsa and Jagir. The former was the royal land and the latter was assigned for the service or charitable purposes. Under the Khalsa land, one third to half of the total production was collected as land revenue. The peasants were bound to pay heavy taxes. Mughal rulers granted Jagir to several Muslims and non-Muslim Bengalis who, in turn, formed a new class distinct from the traditional nobles. "The Jagirdars, Zamindars and chieftains were the most beneficial people who used to exploit peasants by collecting more revenues"11.

It is a paradox in the history of Orissa that seeds of capitalism were sown in the feudal period and thereby the the Mughal rule completed the process of foundation of feudalism in Orissa. There was a remarkable decline of the

peasant agriculture and production of the rural commodities during the Mughal rule. There was no market for the rural crafts. The Mughal system of administrative centralisation was a political constraint to industrialization of the economy<sup>12</sup>. The growth of urban trade centres, the private factories in Cuttack and Balasore opened up new avenues for generation of income in the state. This also provided a safety valve against the indiscriminate drain of wealth from Orissa.

The Mughal empire had many sources of government revenues like the customs and transit duties, salt dues and rent borrah (customs on wood:), income from rent, pilgrim tax and so on<sup>13</sup>. There were agricultural produces like food grains (rice, wheat, barley, pulse,) vegetables and fruits, oil seeds, spices, cash crops, sericultures and tobacco. But the wars and natural calamities like draughts, floods and famines adversely affected cultivation. The entire economic structure tended largely to be parasitical depending upon a system of direct agrarian exploitation by a small ruling class.

Even, the village based industries like handicrafts and dairy industries were not encouraged by the Mughal administration. Orissa's maritime and industrial activities particularly in salt had suffered during the Mughal rule.

The monopoly market was dominated by merchants, money speculaters and middlemen attached to the Mughal courts. The Mughal bureaucracy, landed gentry, merchants, the self-seeking Baniyas (small traders) and the ruthless Mughal aristorcracy had robbed the very structure of economy in Orissa. The centralised despotism was complete but the seeds of decentralization might have remained hidden in the revenue system. The problem of ownership over land remained unsolved throughout the Mughal period.

## The Maratha Period:

During the Maratha rule also no economic development in the state was possible due to the natural and man-created factors. A large number of draughts, floods and famines ultimately led to the ruining down of agricultural production and also to pauperisation of the cultivators during the period<sup>14</sup>. The Maratha rule divided the state into the Garjat and Mughalbandi areas. The Garjat was extended to the barren hills and forest tracts to the west while the Mughalbandi was confined to the fertile coastal plains. The Garjat was held by four tributary chieftains who paid the fixed annual tributes to the Maratha government. There was, however, no definite principle for collecting tribute.

Nobody was given property right over the land even

during this period. Even the Maratha rulers intermediaries were not owner of the land. The Zamindars selected from the bigger cultivators for revenue collection, to some extent, had the right over land but they were not allowed to sell a part of land against the will of the village council and the state 15. If the Zamindars left no heir or migrated to a far-off place, the land was subjected to distribution in the community. Under the rules and regulation laid down by the village council the Zamindars and peasants used to keep gardens, ponds, pastures, forests and waste lands. The peasants used to cultivate the land from generation to generation as long as they paid the fixed revenues and certain obligatory services to the zamindars. But they were not entitled to alienate lands by gift, mortgage or sale 16.

The Zamindars, Rajas, Chieftains, Jagirdars, Priests, and Marathas had access to more privileges and rights than poor peasants and landless masses. The Maratha rulers granted rent free land to the Brahmins, temples, Maratha officials, and ordered for the free distribution of food during the famine. There emerged a large number of petty-agrarian middlemen who used to get all the surplus agricultural benefits but refused to pay any attention to

agricultural improvement. They also did not have sympathy for peasantry at the time of unexpected natural calamities.

The Marathas had started reviving Hinduism in Orissa at that time 17. Consequently, this led to the increased expenditure on the non-productive religious practices and rigidity in the caste system which, in turn, discouraged the manual labour in the society. Due to these unproductive tendencies people could not save any thing for facing any occasional financial and natural calamities arising out of draughts, floods or scarcity of food. A high proportion of population was converted into the mass of disquised unemployed people due to the lack of diversified and imbalanced agriculture. Moreover, shortage of capital creditable to the primary producers resulted underdevelopment. Thus, the Maratha misrule in Orissa aggravated backwardness in the agrarian economy. Even, the textile industries in the state started declining because the external of demands of raw cotton at a cheap rate and also of heavy duties.

### Orissa Under the Colonial Rule:

The Britishers had occupied Orissa in 1803, as mentioned earlier, through their diplomacy and superior military skills and also by alienating the local Rajas from the Maratha rulers 18. There are different perceptions about

the British rule in Orissa. According to Banerjee, the British administration had a pernicious impact over the socio-economic life of the people in Orissa. But he adds that some British historians have tried to prove other the round and blamed the Maratha rulers for creating misfortune and ruining the state<sup>19</sup>. It is, therefore, necessary to briefly mention here the socio-economic hardships as well as some benefits created by the British administration during that period.

The British rule was also a sort of misrule like that of its predecessors. It had also divided Orissa into three administrative units because of which the Oriya language became the minority language. The British system of administration, revenue collection and social life generated numerous types of conflicts the socio-economic life of the people in the state. As stated earlier, the British had initially occupied the territory of Orissa for their commercial interests. Subsequently, they started exploiting both agrarian and industrial economy of the state. Even the little initiatives taken for the development of commerce and industries during the Mughal and Maratha periods were not developed during the British period<sup>20</sup>. The British Raj had established the Zamindari system for the collection of revenue. This was a replacement of the system of revenue

collection through the middlemen and the village headmen established during the Maratha rule. Also, the Zamindars from Bengal, a protected class of local Zamindars and Rajas, in return, became subservient to the colonial rulers. The masses of peasants, tenants, agricultural labourers and serfs suffered a lot due to the heavy burden of taxes, rent, cruel impact of natural calamities, corruption, exploitation, price rise of food grains and so on and so forth.

The British had started using the Maratha's system in the Khandamal region of Orissa. Bondas, Savaras, Koyas and Kandas were victims of this system of oppression in south The British used to collect taxes for use of Orissa. forests, land, road, school, accidental death, hunting, celebration of festivals and others. The worst part of the British administration towards the tribals was to render forced unpaid labour for at least 27 days in a year for repairing of roads, buildings, transporting goods and also carrying the luggage of various officers 21. Under the British land revenue system, the landlords, money lenders and Zamindars became richer in the rural areas. revenue system was so cruel that peasants were forced to sell their land due to their incapability of paying high rate of revenues and taxes. The tenants used to hire lands

on different basis like on Bhaga (half share of the production), Sanjadiga(produce) and Guta(fined cash). All these above were temporary arrangements through which these tenants were exploited. 22 The Hulia (landless labourers belonging to lower castes), Goti (bonded labourers and Halia(semi-bonded labourers) were the people of the lower strata, who were mainly the sufferes of this exploitation.

Since they did not have any other source of livelihood, they migrated to the industrial centres of Bengal, teagardens of Assam and many of them got employment as domestic servants in middle-class Bengali household.

There was a difference in the application of 'Permanent' Settlement' in Bengal and Orissa. The idea of permanent settlement was more for military and economic benefits for the British<sup>24</sup>. Due to this settlement the tribute was fixed by the British government but the rulers used to impose new taxes on the people. The ideals on which permanent settlement was based were not so bad but Orissa experienced with it a period of evil and revenue administration. Salt was made a subject of government monopoly in 1804. All private manufacturing units in the state were immediately prohibited. As a consequence, price of salt increased four to five times in the coastal region. The salt makers were worst affected. The British trade policy destroyed the

small scale industries and commerce. The Muthadary system in the tributary Mahals, the Rajatwari system of the Madras presidency, and the Zamindary and the Malgujari systems of the central province had shaken completely economy of Orissa during the British Raj<sup>26</sup>.

## The Present day sociocultural life in Orissa:

Since the Vedas, Epics, Puranas and various other sacred texts of Hinduism laid the foundation of a sound religious order, the morality, social practices, rituals, religious ethos , mores, values, etc are closely associated with such religious order. Even dressing styles of people of the Orissa has remained very simple, traditional and religious in nature. Such dressing styles have repeatedly been mentioned in the Ramayana and the Mahabharata and in the Hindu and Buddist codes of law. Morality and the modesty of dress for women have been given due importance throughout the state. The scheduled castes and tribes have somewhat different cultures and dressing patterns. cultures are the culture of isolation and neglect. Sometimes, they have also undergone the process of acculturation prevailing in the form of a somewhat traditional barrier inpite of political instability, economic backwardness and natural calamities. Yet, a

considerable change has occurred in all these years both and rural in urban areas in the state.

Today, the Oriva culture is an integrated whole consisting of religion, art, architecture, literature, folk traditions, music, dances, religious ethos, mores, values, norms and customs etc. Orissa has brought about a synthesis of two cultures of the pre-Aryan and Aryan people. In the present time, the colourful heritage of the tribal people living in the hilly and jungle regions, and the folk traditions and culture of the educated and elite sections of the people are well integrated in the tapestry of the culture of Orissa. Numerous ritual rites, customs, religious philosopies, sacred edifices and their all festivals are undoubtebly a product of religion and of the crystallised impression of culture. Thus, the culture of Orissa has been enriched and characterised by the major religion like Hindusim, Buddhism, and by the major sects like ideas of Vaishnovism $^{27}$ , Saktism, and Sovara cults. If tribal people in Orissa.

## The economic structure:

Orissa has been divided into coastal belt and inland region for the purpose of analyzing its economic structure. Although different parts of the state have complete homogeneity not only with regard to language but also in the

matters of culture, traditions, heritage and social-inter course, there is considerable degree of diversity with regard to their structure of economy. There is some level of development in the coastal region consisting of more areas of the districts of Balasore, Cuttack, Ganjam and Puri. Such development has been possible due to certain geographical, historical and political reasons. But the other parts of Orissa are more backward due to the aforesaid reasons. For deeper understanding of the economy we may analyse the development vis- a-vis underdevelopment in both agriculture and industry in the state.

Agriculture occupies an important place in the state economy by providing livelihood to about seventy precent of the total population and contributing about sixty percent of the state income. In spite of different programmes like improved seeds, fertilizers, modern technology, soil conservation, credit facilities, irrigation etc. implemented for agricultural development in the state, there is still stagnation in agricultural production. Only 22.5 percent of the total land areas was irrigated in the state during 1986-87 as compared to 31.4 percent in India. Although Orissa is full of rivers, (canals) ponds, and lakes besides the sea coast as stated earlier, there is still lack of water and availability of irrigation facilities. Neither

adequate amount of fertilizer is used nor is it available to the farmers. Besides bad weather condition, there is lack of proper technological development and the state government's active support to bring about some changes in the agricultural production.<sup>28</sup>

Paddy is the most important crop covering seventy per cent of areas under cultivation. Although the rice production increased to 62.8 lakh tons in 1989-90 from. 41.7 lakh tons in 1984-85, it was not sufficient to feed the people in the state. This trend continues even today not only in production of rice but also in production of a few other crops. Morever, the agricultural economy of the state largely depends on one crop, i.e. rice. Yet, the multiple cropping patterns have been encouraged in the recent years through in making irrigation facilities available, though, unevenly distributed, in different parts of the state. 29

Orissa possesses 17.99 per cent of the total mineral resources of India. In case of the forest resources, it does not lag behind other states except Jammu & Kashmir, Nagaland and Tripura. So is the case with water resources. The available mineral resources are iron ore, coal, chromite, lime-stone, bauxite, graphite, manganese ore, copper ore, etc. Some parts of Orissa have the abundant mineral resources which even rank top in the country. 30. There are

deposits of coal in Talcher, iron ore in Daitari and iron ore, lime-stone and manganese in the districts of Keonjhar, Mayurbhanj and Sundergarh. Orissa accounts for the entire production of chromite and is a leading producer of manganese in the country.

The large deposits of minerals have great potential for the industrial development of Orissa. Due to this availibility of mineral resources, many projects like cement factory, cable project, the Hirakud Industries Works, the Kalinga Iron Works, steel plant at Rourkela, aluminium factory at Damonjodi, HAL at Sunabeda, the ferro-manganese factory, coal based industries and other units at Talcher, iron factory in Rayagada and so on have been set up in the state. The forest based resources are the Kendu leaves, bamboos, different valuable woods and trees. These resources have led to set-up several paper mills and Bidi making industries in the state.

The rivers, lakes and the sea coast in the state provide vast potential for pisci-culture. For instance, the prawn-culture is one of the major sources of livelihood for fishermen in the locality of the coastal region. A large quantity of fish is imported by the state. However, these industries are located in few districts leaving rest of the state industrially backward.

There are many factors responsible for the industrial backwardness of Orissa. The first one is under-utilization of the natural resources though some regions have certainly used these resources, set up industries and are industrially The other factors are lack of capital, proper developed. marketing facilities, adequate financial helps from both state and the central governments, lack of entrepreneurial skills and so on so forth. People from outside the state and only from the coastal belt are beneficiaries of the industrial production and of industrialization, while the local people have been largely deprived of these benefits. 32. Industrialization in these areas has brought the culture of slum, delinquency, gambling, crimes and prostitution among the tribals and other poor people.

As stated earlier, there is lack of adequate and proper infrastructural facilities like transport and communication, electricity, telephone, television, computer network, technical educational institutions, rail lines, aero-drome, etc. There have also contributed to the underdevelopment of industry. However, only the people from the central and coastal belts have adequate access to these infrastructural facilities. Hence, there is adequate industrial development in the state.

The rural electrification in Orissa has largely remained uneconomic because of the long physical distance among villages, low level of consumption of electricity and seasonal character of its requirement. Moreover, there is regional disparity in electrification and less link of rural electrification to the schemes of agricultural production and rural industries. The electrification in the towns has helped in the establishment of various types of industries, besides the domestic consumption. However, there is much scope for development of agriculture in rural areas and of agro-industries and small-scale industries in the urban areas. Although there are quite a few ongoing electrical projects in the state, Orissa is much behind the other states in the growth and development of electrification.

This brief socio-historical profile of Orissa illuminates the roots of its development and underdevelopment of various geographical areas or regions. Orissa continued to be ruled in the past by a number of rulers, one after the other, till it got separated itself from Bihar. But the British rule had both harmful and beneficial aspects. It was beneficial because, the state started a new age of renaissance in the nineteenth century. It was harmful in so far as the colonial economy led to a creeping decline in the growth of economy of the state.

Orissa is blessed with a large number of natural resources but these are under-utilized due to the socioeconomic and cultural backwardness of the people. The state is regarded as one of the most backward states in India because of its low per capita income, high dependency on low level of industrialization and agriculture, modernization, low level of literacy, the short measures of surface road, insufficient infrastructural facilities, large number of people living below the poverty line and so on so forth. But such a situation does not exist in all parts of People of the coastal belt have more access to ⊅Orissa. urbanization, industrialisation and the developed infrastructural facilities while people living in the southwestern and western parts of the state are more backward and have less access to the aforesaid facilities. It is, therefore, desirable to examine, the subsequent chapter, the nature of regional disparities and also different factors responsible for the development of one region and the underdevelopment of the other.

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## **CHAPTER III**

# DIMENSIONS OF DEVELOPMENT AND UNDERDEVELOPMENT IN ORISSA

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## DIMENSIONS OF DEVELOPMENT AND UNDERDEVELOPMENT IN ORISSA

The thesis of development and underdevelopment has been pursued in the context of an underdeveloped economy. This may, however, be extended to the social sphere as well. This is justified as the proper understanding of development vis-a vis underdevelopment is possible only by including both the social and economic aspects. Also, the aforesaid thesis has spatial dimension where development is said to be located at the centre and underdevelopment at the periphery though main emphasis in the thesis is on the sectors of economy. The main objective of this chapter is to examine both development and underdevelopment in the contexts of agriculture, industries and education in different regionsboth developed and underdeveloped of Orissa. It also seeks to analyze the special pattern of development and underdevelopment. In the net analysis, it is intended to understand the relationship between development and underdevelopment in the different regions of Orissa.

## Agrarian development and underdevelopment -

Since independence agriculture has remained the main source of livelihood of the people in India and the state of

Orissa as well. Agriculture provides not only the livelihood to 63.75 percent of the total population but also contributes to more than 50 percent of the state income as stated in the previous chapter. So, the agricultural development underdevelopment is very much related to the development and or underdevelopment. Rice, cereals, pulses, food grains, and oil seeds are the major crops in Orissa. There has been marginal increase of 2.3 percent of agricultural production in 1992-93 over that of 1990-91. The cultivated area has also marginally increased by 3.2 percent in the same year.

Rice being the major crop not only determines the agricultural production but also defines the economic condition of the state. Its production was estimated to be 52.75 lakh, 66.60 lakh and 53.88 lakh metric tons (MT) in the years 1990-91, 1991-92 and 1992-93 respectively. This was only 41.7 lakh tons in 1984-85 and in 1989-90 62.8 lakh tons. On the one hand, there was increase in the production of food grains and on the other there was starvation of people in the districts of Kalahandi and Koraput due to Black marketing, hoarding, etc., resulting into rise in the price of rice. While people in Koraput and Kalahandi districts confronted with starvation, the districts of coastal belt faced no tension with their increased rice

production. In 1990 the Janata Dal government in the state had promised to provide rice at the cheaper rate but that proved to be was a false promise in spite of increase in the rice production. Moreover marginal increase in the rice production was possible due to its uneven production in the different parts of Orissa<sup>1</sup>.

If the rice production is taken as an indicator of development particularly in the agricultural sector, then the rate of increase in the production has varied over all these years. For instance, the annual rice yield is reportedly more in the districts of Ganjam, Puri, Balasore, Phulbani, Sambalpur, Cuttack and Mayurbhanj but much less in Sundargarh, Kalahandi, Keonjhar and Koraput districts. The integrated rice production programmes are in operation in the state with a view to increase the rate of productivity of rice<sup>2</sup>.

Under the Pulse Development Programme the intercropping and mixed cropping patterns are encouraged in Orissa. The production of pulses in 1991-92 was 5.6 lakh MTs, which was 60 percent more than that of the previous year (3.5 lakh MT). But in the year 1992-93 it witnessed a fall of 3.6 percent (5.4 lakh MT). The production of oil seeds was estimated to be 2.3 lakh MT, 2.8 lakh MT and 2.5 lakh MT in 1990-91, 1991- 92 and 1992-93 respectively<sup>3</sup>. In the eighth

plan there is more emphasis on increasing the production of rice, pulse and oil seeds by supplying maximum facilities of irrigation, improved market conditions and the extended research support of the Agricultural University in the state. However, a higher percentage of irrigated area is utilized for rice cultivation while the productions of pulses, oilseeds and vegetables are not upto the levels of demands for which the state imports these items from the neighbouring states.

Although there is suitable agro-climatic condition in the state for horticulture, there is not much hope for growing horticulture in the near future. If it is grown soon, it may improve the state economy by generating more employment and income particularly for the small and The condition of horticulture in the marginal farmers. state is very poor. For instance, only about 2.00 lakh of hectares of land is utilized at present for growing fruit crops. The districts with hilly tracks such as Koraput, Kalahandi and Phulbani do not have scope for horticulture as compared to the coastal belt of Orissa. The backwardness of Orissa's economy is further aggravated by the fact that the production of milk, eggs and fish is also miserable as compared to Punjab and other states. Orissa yielded less

fish (3.6 lakh Tone) than even a smaller state like Kerala in 1988-894.

As stated in the previous chapter, only 30 percent of the cultivated areas receives irrigation facilities. However, five large and thirty one medium size irrigation projects have been working in Orissa. The net cultivable land in 1990 was 65.59 lakh hectares out of which only 21.20 hectares could be irrigated while the actual pontential for irrigation through various sources is 59.00 lakh hectares. This itself proves the under utilization of available resources. The coastal belt of Orissa owns more cultivated areas 7141 acres in Balasore, 6336 acres in Cuttack and 4522 acres in other districts respectively. Contrary to this, Koraput, Sundergarh, Phulbani and Keonjhar have much less cultivated areas (even less than 30% of the total cultivable land). The development of irrigation facilities is much higher in the coastal belt than in the other parts of Orissa<sup>5</sup>. For instance, Balasore district had more irrigated areas (35%) than that of Koraput (18.2%), Kalahandi (18.4%), Mayurbhanj (22.5%), Sundergarh (19.7%), Keonjhar (24.4%), and Bolangir (48.6%) in 1991-92. It is thus clear that the coastal belt is more developed, in regard to the total cultivated area and irrigation facilities, than the backward districts like Koraput and Kalahandi.6

The fertilizer consumption in Orissa was only 21.1 Kg per hectare in 1991 which was much less than that in the states like Andhra pradesh (119.3 Kg), West Bengal (90.51 Kg), Bihar (57.9Kg), and Madhya Pradesh (36.1 Kg). So far as the consumption of fertilizer is concerned, Orissa stands at 14th among the leading 15th states in India. This has also contributed to the backwardness of agriculture in the state. However, going by the regional variation more fertilizer was consumed in Sambalpur, Puri, Cuttack, Ganjam Balasore districts than in Koraput, Kalahandi, and Keonjhar, Phulbani and other districts during 1991-927. Although there is insufficient availablity of fertiliser as mentioned above, the farmers of the coastal belt consume fertilizer than their counterparts in the other regions. This perpetuates, the regional imbalance in this field as well.

We stated in the earlier chapter that majority of the people in rural Orissa are landless labourers. This may also be one of the factors causing agricultural backwardness in the state. To deal with the problem, the scheme of imposing ceiling over land and distributing surplus land among the landless people was introduced in the state during the year 1991. A total of 193951 acres of surplus land extracted through imposition of land ceiling was distributed

among 132646 land less families. This was done with the view to reduce the inequality in possession of land.

About 77.89 pecent of the total farmers in Orissa are small farmers with their land holding of not more than two One may draw inference that the agricultural economy of the state is largely managed by the small farmers. Since these farmers cannot pull on their abysmally poor land holdings, they generally sell their land to the medium farmers and become landless labourers. A sizeable number of small farmers also depend on the share cropping which helps them to sustain rather than to improve their economic condition. Undoubtedly, a large majority of small farmers and landless labourers are scheduled castes, adivasis, fishermen, weavers, kamars and alike. The scheduled castes and scheduled tribes who constitute 38.41 percent of the state population (1991 census) and the people of other weaker sections of society are also exploited by Sahukars (money lenders), Brahmins, Karan Kshatriyas and Khondayats. Although, these higher castes constitute very less percentage (as 8% in 1931 census) of population, they own most of the land in the state. They are also dominant politically, economically and socially.

With regard to regional variation, the small farmers belonging to scheduled castes and other weaker section are

located in the coastal belt while adivasi farmers are found in the backward districts like Koraput, Kalahandi, Keonjhar, Mayurbhanj, etc. The average size of landholding the districts does not provide much variation in the state. Though the farmers with small landholding in the coastal belt are better in terms of their agricultural earning as compared to those of the other parts of Orissa, their overall situation in agricultural production is not good at all. The Adivasi farmers in Orissa, or in any parts of the country for that matter, have been dependent on shifting cultivation not because of their concern for the extra income but because of their acute needs of land for cultivation. They have been losing their land to Sahukars in lieu of the conspicuous debts. But under the Transfer of Immobile Property Regulation Act 1956, which prohibits alienation of the tribal land without prior approval of the competent authority, about 41,611,05 acres of land were restored to the tribal upto March 1993. This certainly has provided some relief to the tribal farmers who, in turn, would have significantly contributed to the rural economy. But this still needs to be assessed.

## <u>Industrial</u> <u>development</u> <u>and</u> <u>underdevelopment</u>:

Industrialization is considered to be engine of growth which not only generates employment and income but also

breaks the walls of tradition and brings about social change. It transforms the agricultural economy into industrial economy by reducing pressure on agricultural land through a gradual shift of population from agriculture to industries. An industry, in turn, supplies the required infrastructures to agriculture and to rest of the economy. Even, agricultural development goes alongwith the development of industry<sup>8</sup>.

Industrialization in Orissa is not upto the mark despite her abundant forests, mineral and water resources as mentioned in the previous chapter. Its contribution to the state and national income is much less than that of other states. For instance, it contributed only about 1.7 percent of the total industrial production in India during 1986-87. Maharashtra, Tamil Nadu and Gujarat were at the first, second and third positions repectively in their contribution to the national income. Orissa along with Assam and Rajasthan was lowest in this regard. It is also a fact that the various industries in Orissa generate less employment as compared to other states like Guajrat, Maharashtra, Tamil Nadu and Punjab. For instance, only five out of 1000 persons used to get employment in industrial sector in Orissa while there were 18 persons in Guajrat, 17 in Maharashtra, 16 in Tamil Nadu and Punjab, 15 in Haryana

and an average of 10 persons in the country as a whole during 1986-87.

The large and medium scale industries are capital intensive and, therefore, provide less employment opportunities than the small scale industries in Orissa. There are about 231 large and medium scale industries with employment potential of 69,458 persons. Similarly, rearly 42466 small scale industries have employment potential of 309878 persons in Orissa. By the end of the 7th five year plan, the central industrial projects set up in the state, were Carriage Repair workshop at Mancheswar, F.C.I Heavy Water Project at Talcher, HAL at Sunabeda, National Alluminium Company (NALCO) at Angul and Damanjodi and Paradeep Phosphate Ltd, and Indian Rare Earth Ltd<sup>9</sup>.

The artisan based industries which come under the small scale industries provide more employment opportunities to the rural people in Orissa. About 11,96555 such units were set up in the state by the end of 1992-93 which provided employment to 20,41,717 persons during 1992-93 and to 20,41,717 persons during 1993-94<sup>10</sup>. The Khadi and Village Industries Board provided employment to 181638 persons though it has the target to bring all villages in the state under its fold by the end of 2000 A.D. The Khadi and village industries have become an important source of income

for the village people. It includes bee keeping, processing of pulses, cereals, bamboo, gur, Khandasare, cane and fibre. For the development of small scale industries, the industrial estates were set up in the districts of Cuttack, Berhampur, Rourkela (1960) Baripada (1963), Kendrapara and Paralakhemendi (1963). The Industrial Development Corporation (1962) was also set in 1962 to promote industrialization in the state.

The number of such industries has increased since the second and third five year plans. A number of cooperative societies have been extending the market facilities for the sericulture industry which has provided benefits primarily to the tribal communities of state. During the year 1992-93 about 71,000 M T of Tasser, 4200 M T of Melburries and 1400 MTs of Eri were produced each providing employment to 32605, 11307 and 4730 persons respectively. But contrary to this, the employment opportunity in the handloom industries came down from 1787 persons in 1991-92 to 837 persons in 1992-93. As there are many historical and matural spots, many tourists are attracted. This is a gauge of revenue to the state 11. Tourism and hotel industries can be well developed around these places in Orissa. A five-time increase in the numbers of tourists was estimated during 1980-1990. 1992 there were 1291437 tourists who came to Orissa, while

the number came down to 312698 tourists during 1993. This shows a decline in the number of tourists coming to Orissa. The resons for the same will be discussed in the subsequent chapter.

Since 1980 onward the hotel industries started developing in Orissa. But hotel industry is no more respected after 1990 because of the mismanagement of hotels and also their remaining the place of entertainment for ministers, smugglers and other rich people. The owners of hotels are neither able to increase their income nor satisfy the tourists. They are now running in loss and, therefore, are unable to pay back the government loans which were given to them for construction and management of the hotel industry.

The Orissa Film Development Corporation was set up in 1976 and the Prassad Kalinga laboratories are there to provide the necessary infrastructural facilities for the development of film industries, 224 films were made upto March 1992 in Orissa. On one hand, there is no growth of film industries and, on the other, the existing industries are running into loss. So, it is clear that Orissa is backward even in film industries as compared to her neighbouring states, i.e. West Bengal and Andra Pradesh. 12

Although there are many cooperative societies working for the leather industries under the Orissa Leather Corporation, the development of these industries is still not perceptible. At the same time leather, the industries have been fettered with dismal labour problems. As the growth of these industries is not upto the mark so is their contribution to the state income. These leather industries also provide less employment opportunities. For instance, during 1992-93 the tanneries at Titilagarh, Baudh and Rayagada provided employment to 137 persons only 13.

For the development of the electronic and computer industries (both hardware and software), the Electronic Development Corporation was set up in the state in 1981. The electronic units like Radiant Tele Ltd. ECCO Communication System Ltd. and also the Konark TV are performing well in the state. But there should be more encouragement for the development of electronic industries which would promote the large and small scale industries by providing facilities for training, maintenance, repairing and processing technology 14. Orissa is covered with forests which are rich in commercial wood, spices, fire woods, Bamboo, Kendu leaves, sak seeds, lac, sabai grass, tasser, sunari bark, Gam Cane, Mauli flowers, etc. These can be utilized in manufacturing oil, paper, silk, packing

cases, furniture, etc. One can mark a fall in the contribution of forest revenue to the state renenue. For instance, the foreign revenue increased from Rs. 59.23 crores in 1988-89 to Rs 111.85 corers in 1993-94. Rut during 1992 revenue receipt fell by 22.3 percent as compared Mineral resources, marine resources and forest to 1990-91. resources provide the basis for the development of industries in the country. In 1992-93 forest covered 36 percentage of the total geographical area of Orissa which was 43.50 percent of total geographical areas in 1971-72. So the forest area is also decreasing due to de-forestation. More over, it can be argued that all these facts add to the backwardness of certain regions<sup>15</sup>.

In case of mineral resources, Orissa is one of the richest states in India which contributes about 18.4 percent to the total mineral deposits in the country. Iron ore, Bauxite, Graphite, Coal, Quartz, Dolomite, Nickel, China Clay, etc. are some important minerals found in the state. In 1991 (according to the mineral resources estimate of 1991), the mineral deposits of Orissa in respect of Chromite, Bauxite, Iron ore and Graphite were about 98.4 percent, 69.7 percent, 26.0 percent and 32.6 percent respectively of the total deposits in India. Large scale industries are capital intensive like steel plant at

Rourkela, fertilizer factory at Talcher, cement factory at Rajgangpur, ferro-chrome factory at Jaipur Road, the ferro silicon plant at Theruvali and so on. These mining sectors contributed about 31.37 percent of the total non-tax revenue of the state in 1992-93. An increase of revenue by 174 percent from Rs.42.16 corers in 1987-88 to Rs 115.56 corers in 1992-93 is marked from the mining sector in the state.

Most of the important mineral deposits are located in Cuttack, Dhenkanal, Keonjhar, Mayurbhanj, Sundergarh, Sambalpur, Kalahandi and Koraput districts. Out of these districts only Cuttack, Sundergarh and Koraput are industrially developed and the rest are lagging behind. The other striking feature of these districts is that there is very limited impact of industislization on the living standards of the people of these ares. According to the Directorate of Mining and Geology of the state, coal is available in the districts of Dhenkanal, Mayurbhanj and Sundergarh; Chromite in the districts of Cuttack, Dhenkanal and Keonjhar; Iron ore in the districts of Mayurbhanj, Sundergarh and Cuttack; Bauxite in Koraput district; and lime stone in Sundergarh and Sambalpur districts. one-third of the country's manganese is produced by Keonjhar, Sundergarh and Koraput districts.

Orissa has good marine for the development of salt industries and forest-based industries. There is a greater scope for commercial use of fishery resources of the state comprised of 480 Kms of coastal belt, 590944 hectares of brackish water area and 650582 hectares of water area which not only improves the socio-economic condition of the fish farming community but also generates sustainable selfemployment for the rural poor. Although fish production has been increased by 16.5 percent during 1992-93 as compared to 1991-92 Orissa still imports fish from her neighbouring states like Andhra Pradesh and West Bengal. About 1.3 lakh tons of fish was produced during 1988-89 in Orissa while it was 3.6 lakh tons in Kerala despite the fact that its area is not more than that of Koraput district of It is, thus, clear from the above demonstration of data that Orissa is industrially a backward state though it is not poor in its resource bases for industrialization.

It is also clear from the above description that there exist regional variations in the industrial development in Orissa. When we take up this issue, some vital questions arise. There are: is industrialization a phenomenon only on the coastal belt of Orissa? Is industrialization accomplished in the coastal belt of Orissa at the cost of the other non-industrialization in the parts of Orissa? If

industrialization is a harbinger of social change and a means of growth then why is the standard of living of the people not improving? Who is blessed with the benefits, i.e., employment and income generated by industrialization? With these questions in mind we need to view the district region—wise situations.

Accordingly, Orissa may be divided into districts/regions which are highly developed, less developed and least developed. Sundergarh and Sambalpur are two highly industrially developed districts which generate maximum employment and income as well. Cuttack, Dhenkanal, Keonjhar, Balasore and Koraput are less industrially developed districts while Kalahandi, Puri, Mayurbhanj and Ganjam are least industrially developed districts. On careful examination of the rate with reference to industries we find that a concentration of large number of small scaleindustries is marked in the coastal belt of Orissa rather than in the backward districts like Koraput, Kalahandi, Phulbani and Keonjhar. The small-scale industries play significant role in providing employment and increasing income to a larger population in the state. The people of the coastal belt got more employment opportunities, like Cuttack (29380), Puri (35516), Ganjam (11508) and Balasore (2040) than the non-coatal belt like Koraput (3612),

Phulbani (6854), Sundergarh (1748), Keonjhar (5972) and Dhenkanal (6414) which have large employment opportunities. Similarly small scale industry in the period of 1992-93 in the coastal belt like, Puri (1596), Cuttack (2036), and Balasore (977) have slightly higher growth of employment than Phulbani (236), Keonjhar (306), Kalahandi (238), Koraput (638) and other districts which are not in the coastal region of the state. Similar trends can be observed in the cottage industries.

It can be observed through the above distribution that people of the coastal belt of Orissa are getting better employment opportunities than those of the southern and western part of Orissa i.e., Koraput, Kalahandi, Keonjhar and Phulbani districts. The regional variation in generating employment and income is the cause of development with coastal belt at the cost of contined beackwardness or underdevelopment in the districts of the southern and western regions in the state. This is due to urbanization and industrialization which will be discussed in detail in the next chapter. The backward areas like Koraput, Phulbani, Kalahandi and others have larger SC and ST population who are worst sufferers of the economic backwardness of Orissa. Even large scale industries could not give them ample opportunities for getting employment

and generating income. Instead, it became a cause for the social disorganization and their displacement. To substantiate our point, we can take the case of the Damanjodi Aluminimum Factory in Koraput, a tribal dominiated region, where only 360 tribals got the job out of 1769 posts in the factory and that too no local Koraputian tribals got class I and class II jobs<sup>16</sup>. The main reason for this unequal distribution of the jobs to the local people was that the technically qualified people from the coastal belt grabed all the posts. This is a clear case underdevelopment of people from the development of people of the coastal belt at the cost of non-coastal belt.

## Educational development :

Socio-economic development of a state remains incomplete without human resources development. Education plays the vital role in human resources development. Human being is a positive aspect and precious national resource who needs to be nourish and developed with care. policy of 1986). The National Policy on Education, 1986 has emphasized all round development of the educational system, universalisation of education, provision of free and compulsory education to all children upto the age group of

14 years, implementation of common system of education i.e., '10+2+3' system and the complete eradication of illiteracy.

But due to the ineffective policy measures, defective educational system and socio-economic problems, the educational goals remain a distant dream in Orissa today. The present literacy rate of Orissa has increased. It was 34.2 per cent in 1981 and now it is 49.1 percent of the total population of the state 17. But literacy of Orissa is below the all India levels of 52.11 per cent. The existing schools, colleges, and universities in the state are also not sufficient in number to increase the literacy and educational level of the people of Orissa. During the period of 1992-93, there were 53756 Primary, Middle 11716 and 4921 High schools in the state. Similarly, there were 615 colleges, 4 Engineering colleges, 11 Engineering Polytechnics functioning in the state during the same period. The teacher pupil ratio was 1 to 35 in 1992-93<sup>18</sup>. The state government has also appointed numbers of Sikshya Karmis, increased the additional teachers under The Operation Black Board Scheme and has also set up a number of formal and non-formal educational institution to tackle the problem of drops out in the age group of 6-14 years. For adult education. The state government has adopted the Total Literacy Campaign (TLC) with a target of covering 130 lakhs

of illiterate adults upto the age of 45 year by the end of the 8th  $plan^{19}$ .

However, the situation in the districts of Bolangir, Ganjam, Kalahandi, Koraput, Keonjhar, Mayurbhanj and Phulbani indicates the lower literacy rate of all persons, males and females. In fact, it is much below the average literacy rate of the state. These districts are mostly inhabited by tribal people and are surrounded by forests and hills as stated earlier. With the exception of the coastal belt of Orissa i.e., Puri, Cuttack and Ganjam districts where the literacy rate is high almost all the backward districts have remained below the average literacy rate in the state.

According to 1991, census the total literacy rate in Cuttack was 53.36 percent, in Balasore 48.70 percent and in Puri 54.34 percent while it was only 18.67 percent in Koraput, 25.31 percent in Kalahandi, 30.88 percent in Mayurbhanj, 31.83 percent in Phulbani and 33.08 percent in Bolangir. Similarly, during the period 1989-90 there were 19 high schools in Balasore and 18 in Cuttack over every one lakh population while these were only 8 in Phulbani and 12 such schools in Sambalpur districts. In case of colleges, Cuttack had 63 for 55 lakh population while Kalahandi had only 8 for 16 lakh population during the same period<sup>20</sup>. In

the backward districts like Koraput and Kalahandi there is no good college and no university at all which are essential to develop the backward population.

It is, thus, clear that both the development and underdevelopment co-exit in a backward state like Orissa. We have seen in this chapter that the coastal regions of Orissa is not only developed in agriculture and industrial production but also in the sphere of education. This is quite evident from relatively better socio-economic condition and higher literacy and educational level the people of the regions. Contrary to this the south and western region are agriculturally and industrially underdeveloped through a number of heavy industries and power projects have already been set up in these regions. The literacy rate and educational level of people in this regions is also quite low as compared to those in the coastal region.

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# **CHAPTER - IV**

FACTORS FOR DEVELOPMENT AND UNDERDEVELOPMENT

### CHAPTER - IV

### FACTORS FOR DEVELOPMENT

#### AND UNDER-DEVELOPMENT.

We have already mentioned in the previous chapter that both development and under-development may be analysed along with agriculture and industry. In fact, we have treated agriculture and industry as two dimensions of development and under-development which may also be treated as factors These factors and causes are located in or causes there in. the economy and society of Orissa with varying degree of their effectiveness along with their interrelationship. the chief objective of this chapter is to locate some of these factors contributing to both development and under develop-It is also intended to find out regional variability in their effectiveness. The various indicators taken for analysis of both development and underdevelopment in Orissa are agriculture, industries, demography, education etc. Though all these are very much related to one another for our indepth understanding, we will discuss these variables one by one.

Agriculture: Orissa is an agriculturally backward state as stated in the earlier chapter. The agricultural

backwardness in the state is attributed largely to the natural phenomena like, floods, cyclones and droughts. It is only during the Kharif season (from June to October) Orissa witnesses a good harvest. As stated in the previous chapter the Mughal, Marathas and British had exploited the agricultural economy of the state to their maximum gratification. After 1947 a new era started with full commitment to progress and prosperity to progress and prosperity of the agrarian economy of the state. But indiscipline, maladministration and corruption have created several hurdles in the agricultural development in the state.

The land reforms have not yet taken place in Orissa. The majority of tenants and farmers are not aware of the land reform because of their illiteracy and lack of administrative support. A number of land legislations enacted in the state remained largely complicated because of the complex character of land tenure systems which existed in different regions of the state till 1936. Though the land reform took place in Orissa after independence, it was implemented variously in the different regions. For instance, people in urban areas and in coastal belt have taken most of its advantage as compared to those in the backward regions because the former were educated and could pressurise the administration. Moreover, they applied

political pressure for the proper implementation of land reforms. The tenancy land was completely abolished in 1972 but land is still being leased out or leased in the backward regions of the state. The landless labourers or farmers are still tilling the land of others. Most of the land distributed among them is inadequate and sterile. Therefore, they prefer must of the time to work as share croppers.<sup>4</sup>

Unlike farmers of the coastal belt of Orissa, farmers of the backward districts are the real victims of the failure of land reforms. Hence, it can be said that land reforms have been too timed to bring out any radical change in rural areas specially in the southern and western regions of Orissa. Another factor for the sorry state of farmers is that the land owners lease out their land to a section of farmers who are economically well off and potential to invest in land. Besides, nepotism also has played a important role in the process of leasing of land. to stretch the discussion further, we can argue that unequal distribution of land is the major structural source of inequality in Orissa till today. Nearly 60 percent of the total rural households possessed only 10 percent if the total cultivable lands in 1971. 5 An adequate agricultural development would have been possible in the state of the efforts were made to

modernise agriculture through liquidation of the intermediary rights, fixation of fair rent and guaranteeing security of tenure. It would have also been possible if the redistribution of the surplus land with the ceiling limit and been properly implemented in the state. But this has not taken place and therefore rich farmers are becoming richer and the poor, the poorer.

The expansion of irrigation facilities, use of modern fertilisers and of HYV seeds are three chief sources of increasing agricultural productivity under the green revolution. But less availability of the irrigation facilities and less purchasing power of peasants in case of high rate of fertiliser and HYV seeds are the serious obstacles to achieve the goal of green revolution. The coastal districts and some parts of the central belt of Orissa have realised the importance of green revolution and therefore they reap the advantage in agricultural production. But the backward districts like Koraput, Kalahandi and Phulbani could not do so and hence lag behind the districts of coastal bet in agricultural production.

Orissa is not a poor state in case of water resources and in fact one of the biggest rain receiving states of India as stated in the previous chapter. However, the coastal belt has the high concentration of river networks

and more irrigation projects which provide enough irrigation facilities. On the other side, the southern and western regions of Orissa don't have any major river resulting into scarcity of water resources and irrigation facilities. is interesting to note that a part of Kalahandi and south west part of Koraput districts do not have adequate facilities of irrigation despite having good rain fall and river networks. One of the reasons for that lack of irrigation facilities in the region is that the government has not set up any large scale water project except the Indravati and Kolab project in the south western region of the state.8 But these projects only help as a whole and also some neighbouring states but not to the local people of the region. The Indravati project has occupied hundred acres of cultivable land in the south-western parts of Koraput and of Kalahandi district. Consequently the tribal people of these areas have lost their cultivable lands. Though these people have been provided alternative site of land, this needs the lift irrigation facilities.

Further, these irrigation and power projects not only alienate them from their land but also displace them to such places where there are no roads, no electricity, no schools, no drinking water facilities etc. <sup>9</sup> These displaced tribals, therefore continue their shifting cultivation which is also

restricted by the rules of the state forest department. Now, these people can neither depend on the shifting cultivation nor on piece of infertile land given to them by the state government in lieu of their displacement. These people by force depend on non-agricultural occupations which in turn, neglect the agricultural development in this region.

The second reason for the agricultural backwardness of these regions is that the government has deliberately developed bigger irrigation projects in these areas which are of no use as these regions are hilly. Instead, they need smaller irrigation projects. But both the central and state governments are developing the irrigation projects at the cost of the backward regions and their problem are neglected. If the government of Orissa does not give proper attention to the agricultural backwardness in these regions, these regions may become more backward and the coastal region will develop more at their cost. 10

There can not be any green revolution without appropriate use of fertilisers and HYV seeds in land. These two are key inputs in improving the agricultural production. <sup>11</sup> The introduction of high-yielding varieties of seeds and use of chemical fertilisers has become imperative for the growth of agricultural production in the state, but a disparity is

marked in availability and consumption of fertilisers in the state as stated in the previous chapter.

Therefore, an imbalanced agricultural development has taken place in the coastal and non-coastal belts of Orissa. It is because of availability of huge quantity of fertilisers and less black marketing in the coastal belt. farmers of this region are also well aware of use of these chemical fertilisers and are educated enough to check the black marketing of these fertilisers. 12 Contrary to this in the non-coastal belt of Orissa the farmers do not get enough quantity of fertilisers on the reasonable price due to high cost and black marketing. They are also not well aware of use of these fertilisers. They more often stick to their traditional practice of adding organic matter in the soil. So is the case of their use of the HYV Seeds. 13 It is in this context Mahanty found the big gap between the invention of HYV seeds by agricultural scientists and their use in the agricultural field by the farmers. 14 Thus, the agrarian economy of the backward districts of Orissa is characterised as of abysmally poor, landlessness and extreme inequality as compared to that of the coastal belt. The inequality in the distribution of land also is observed in the state. A small number of population belonging to the higher caste peasants has occupied more acres of land than the lower castes

inspite of their numerical predominance. Secondly, the farmers of the coastal districts make better use of the integrated programmes for cultivation and development of rice, pulse and oil seeds than the farmers of the non-coastal belt. Also the farmers of the backward regions do not have the benefits of these programmes, modern education and technology. Thirdly, the strategy of the agricultural development in the state is some what wrong as it does not promote balanced agricultural development in the state. 17

# Industries and Industrialization

Industrialization is the sinquo-non for economic development of a country. The pride of Orissa(Utkal). Mathursulation Das therefore had a prime thought over the prospects of industrialization to the progress of state in particular and country in general. Since his time (1903) Orissa has been struggling to put her position in the Industrial maps of the country. The goal of industrialization was to generate more employment and income and to achieve a healthy coordination between the economy of agriculture and of industries in the state. It is aimed to set up industries in the backward areas and thereby to enhance the interaction between backward and foreward regions in the state. But the result was futile despite a minimum industrial revolution

that took place on some pockets and left the rest of the state industrially backward.

It is important to discuss here, how the industries or industrial centres in urban areas have been developed by exploiting the raw materials of backward district in the state. In such situation we are confronted with some vital questions like how far is development of industrial centres justified at the cost of the industrial development at the peripheries in the backward regions. How does industry serve as the model of development in one and not in other regions in their socio-economic development?

We have already noted in the previous chapter some regional variations both industrial development and underdevelopment in the state. The reasons for this are availability of both material and non-material resources and their proper utilization Interestingly, the areas endowed with vast material resources do not have more industries as compared to the areas without natural resources. Also the areas with more industries are not more developed economically than the non-industrial areas in the state. This is primarily because of variation in the distribution of public capitals among the different district, utilisation of the available natural resources. These propositions, however, require careful examination in the light of regional varia-

tions both in the industrial development and underdevelopment in the state.

The variations in the industrial development in Orissa depend on the types of organization and entrepreneurship available in different regions. The districts of Cuttack, Puri, Ganjam, Dhenkanal, Keonjhar, Sambalpur and Sundergarh have been associated through the partnership form of organization unlike other backward district associated through the propriotorship form. The people in the modern enterpreneural class are more in the coastal belt than in the hilly and backward districts associated through the propriotorship the people in the modern enterpreneural class are more in the coastal belt than in the hilly and backward districts like Phulbani, Kalahandi and Keonjhar. industrially less developed districts have traditional enterpreneural skills and inadequate capital formation. Hence there is industrial climate as found in the coastal and central belt of Orissa. 19

These disparities are largely due to the imbalanced development of education, communication, urbanization and infrastructures variously available in the state. Since the early times people of the coastal belt have been exposed to the forces of modernization, higher education, urbanization, communication and infrastructural facilities in the state.

Therefore, they are more advanced than the people of the non-coastal district. 20 Besides the government's negligence to provide higher education to the people and checking up corruption, the paucity of proper and sufficient roads, railways, electricity and infrastructures are responsible for industrial underdevelopment in the backward region<sup>21</sup>. For instance, the available state highways, the National highways and major districts roads are less in number and length in the backward regions than in the coastal belt of Orissa. Even Block roads are inadequate in most of the villages in the backward regions than those in the coastal To add to their woes, though the backward regions have quite a few hydro-electric projects at Kolab and Dudumma, they do not get electric supply as compared to the coastal districts which are more often dependent on the backward areas for the supply of electricity<sup>22</sup>. It is, thus, clear that the coastal belt or Orissa is developing not on the basis of its own resources but also on the resources and out put of backward regions.

Conversely, the backward regions remain backward as the people do not know how to make proper use of electricity in their agriculture and village industries. The intensive agricultural development and development of small scale industries in the backward districts or regions are possible

only when the proper infrastructural facilities like roads, railways, etc. are available there to connect the producing centres with adequate markets in such regions. This may also ease the future problems of droughts, floods etc. in the backward district. The state government is also required to harness electricity from the renewable sources like energy, tidalwayes, wind energy and biomass for proper development of these districts on regions.

Industrialization can prove to be a model for economic development of a state or of a country, but it may not necessarily lead to the social development of the people in As mentioned in the previous chapter, there are general. four industrial complexes in Orissa. These are at Rourkela, Talcher, Ganjam and Damanjode. Since the establishment of these industrial complexes the development of small and medium scale industries around these complexes has not been very encouraging. The enclave development in the slate has failed to trickle down its impact on the backward and underdeveloped district or region.<sup>23</sup> So there is no prospect of inter-dependence between the forward areas of industrial centres and the backward areas of the peripheries. Rather, the forward areas exploit the backward peripheries located around the industrial complexes. As a matter of fact, the industrial complexes have been set up in the backward areas

to exploit the available material resources only for the benefits of the forward areas. 24

The centrally sponsored industries like the Rourkela Steel Plant at Rourkela, Alluminium factory at Damanjodi; HAL at Sunabada etc. are based mostly on profit making for, both the central and state government. 25

For instance, the HAL and Aluminum Factories have been floushering in the backward district, Koraput. But the people of this district have neither got employment nor any economic benefit from these. Not only these but many other factories in this region in particular and in the state in general have created the situation of displacement, disorganization, slum cultures, delinquencies, crimes and prostitution among the local illiterate masses. Even farmers of these areas do not get any help from these factories for their agricultural development as stated earlier. So this local people are largely deprived of the benefits of the large scale industrialization in the backward or under-developed regions and its fruits are taken away by the people in general and entrepreneurs in particular.

Unlike the large scale industries, small scale industries provide more employment and generate more income to the larger population of the state. But it is the coastal

belt which has more small scale industries as compared to its counterpart. However, small scale industries in the backward regions more often fall in sickness due to internal and external reasons.

The infrastructural bottlenecks, concentration of industries producing similar items, financial problems bureaucratic hurdles, marketing problems, political interference, half-hearted employment of government policy and people's negative attitude towards the government policy, power interruption, natural calamities, unsuitable business climate, etc. are the external causes like defective management, outdated method of production, lack of entrepreneurial ability, old equipment, delay in collection of date ... fraudalent intention of employers and employees and lack of research and development which not only lead to sickness of the industries but also create condition for close down of the existing industries. Nonetheless, the external causes emerge from social, political and environmental conditions which are beyond the control of a unit while the internal causes arise out of internal disorders and are well within the control of the organization. 26

There should be a mixed dose of liberalization and regularization in tackling the financial and managerial problem of sickness in this backward areas.

# Demography as Attribute to Development and Underdevelopment

Population and development are two interrelated aspects which influence each other. Population variables i.e. high birth and death rates, infant mortality etc, influence the development variables and vice-versa. Orissa has also the same kind of interaction between population variables and the development variables.<sup>27</sup> The variation in the demographic characteristics of the different districts is also the cause of their development and under-development in the state which has been declining because of high mortality rate, hazards of high frequencies of child bearing and maternity in an early age. However, the backward districts like Koraput, Kalahandi Keonjhar, Mayurbhanj and Phulbani have more mortality rate, high frequencies of child bearing and early marriage than the coastal districts this variation is said to be due to illiteracy and ignorance of the people regarding their health status. Most importantly, the state government has not provided effective health services and proper sanitation in these areas.

Similarly, the birth rate is high in these areas due to rigid social customs. beliefs, traditions and early marriage among the people as mentioned above. The tribals of the

backward regions think that more children will be a better economic support to their family. The state government has launched the family planning programmes to check the high birth rate in the backward regions but these have not produced the desired in absence of educating the rural masses. Contrary to this, the coastal belt has witnessed a balanced population growth due to adequate health services, education facilities including agricultural and industrial development. 28

The scheduled caste and scheduled tribe account for about 38 percent of total population of the state. Though they are the backward categories of people in the state as elsewhere in the country. They cannot be attributed to contributing for the backwardness of the state. Rather, their educational backwardness, social segregation, economic exploitation, etc, are the consequences of the overall backwardness which can also be seen as their relative backwardness along the regional variations. For instance, the scheduled castes of Cuttack, Puri and Balasore districts have improved their socio-economic conditions as compared to those of the non-coastal belt. 29 As stated earlier, the coastal districts have better access to modernisation, industrialization and modern education. The scheduled caste people of these districts also have better access to these

as compared to the scheduled caste people of other backward districts.

The scheduled tribes account for 22.32 percent of total population in the state. The coastal belt has the least population of scheduled tribes as compared to non-coastal belt. For instance, Cuttack district of the coastal belt records only 2.29 percent while Mayurbhanj district of noncoastal belt records the highest percent (57.87%) of the total tribal population in the state. On the whole the scheduled tribes are the most backward people living primarily in the backward regions of the state. They are simple, innocent, and peace-loving people. The process of modernisation, industrialization, urbanization and education have not brought much change to this custom-ridden tribal in the state. 30 But the tribals people of the coastal belt are little developed because of their early exposure to forces of changes for socio-economic development. More specially these tribals who have come in contact of Christianity, have been blessed with the above forces of changes. However, Christianity has not made any impact on the tribals of Koraput and Kalahandi districts as compared to those of Phulbani, Mayurbhanj and the districts of coastal belt.

Tribals of the hilly areas like Koraput have neither fertile land nor proper river network for agriculture. Even their rights over forests, land and water are now restricted by different government schemes. 31 A number of industries and projects developed in this backward region have also, in a way, displaced them. As a result, they have not accepted modernism and the same time left their traditionalism. Now, they are practically at cross-roads of their progress.

If the state intends to achieve development, it needs to develop its weaker sections - the scheduled caste and tribes who live predominantly in rural areas.<sup>32</sup> It has to learn from the failures of developmental planning and first educate the people and then go for modernisation and industrialization. It has also to educate the planners to know the needs of the people and then plan and implement various schemes.

The agricultural labourers, cultivators, marginal workers; main workers and workers in the household industries in various districts of the state differ in their percentage to the total population of Orissa. This is mainly due to the imbalanced regional variation in the socio-economic development. The coastal districts report a smaller percent of marginal workers and also the female workers engaged in agriculture than those in other under-developed districts

like Koraput and Kalahandi.<sup>33</sup> A higher number of female agricultural labourers is found in Kalahandi district while Sambalpur and in the coastal districts there is a higher percentage of workers engaged in the household industries. This is simply because the rural population is largely engaged in the traditional occupations like agriculture in the under-developed districts.<sup>34</sup> A more balanced participation of workers in the state economy in general and of underdeveloped regions in particular is possible only when these regions are also industrially developed.

# Education and development:

Education is absolutely necessary for transforming the unskilled occupations to the skilled occupations and the traditional economy. It has become an integral part of prosperity of the country. Orissa has witnessed progress in the sphere of general education only in its few pockets leaving the rest of the state educationally backward. The coastal districts have recorded more educational development than the non-coastal districts. The reasons behind this uneven educational development is that, first, people of the coastal belt were early-exposed to the British modern education than the people of other backward districts as stated earlier. Secondly, various schools, colleges, university, technical institutions were set up in this region with the

help of the British administration. A few early educated person in the region had more emphasized on the importance of education for the people here. Such local inspiration have largely been absent in the backward districts of Koraput and Kalahandi.

All districts except those of the coastal belt in Orissa have their local dialects while Oriya remains the forcing language for the tribals of the backward district. In fact, the state language is the major source of incentives for its socio-economic development and of people in particular. Even then, the best way to achieve socio-economic development in the backward districts or regions is to impart information through their local language/dialect. This is perhaps the main lacuna in the failure of educational development of the tribals in the state.

As compared to the coastal belt of Orissa, the backward districts or regions do not have basic infrastructural facilities in education. Besides, a weak-administration, corruption and improper attentions of the state government to the educational system lead to the educational backwardness.

The reasons for variations in literacy rate (discussed in previous chapter) and educational achievement in different districts of the state are the drop-out, non-enrolement

of pupil, inadequate teacher students ratio, etc. 36 sides, the defective educational system; socio-economic problems of parents of the children and ineffective policy measures have also contributed to the educational backwardness of the region. For instance, the hilly and tribal belt of the state have neither good schooling facilities nor proper social environment to encourage the pupils to study in schools. The government encourage to some extent many students to go regularly to schools but the poor socio-economic condition of their parents, indifference and truancy of teachers and lack of interest among the students compel these students to withdraw from schools before completion of their education. Usually untrained teachers mostly from coastal belt are also not qualified enough to understand the psychology of students and of their parents and they often fail to convince the parents to send their children to schools. This is more evident in case of the girl students who are highly expected to maintain their chastity after attaining puberty. This is due to sociocultural factors prevailing among the people in the backward districts of the state. As a result, the girl students are generally forced to withdraw their enrolment from the school register. 37 To increase the literacy rate and educational level of people of the backward regions, the state govt. has adopted the National Literacy Mission and the total literacy campaign and other measures. But there is every region to apprehend that all these missions, campaign and measures may not bring the desired results due to obvious reasons.

Now a days, the subjects like commerce, science, engineering, management studies are much alluring and in demand to meet the needs of marketing, management, accountancy, etc. The coastal district, have set up a large number of science and commerce colleges. But the non-coastal, backward districts do not have such colleges due to lack of finance and political support. There is also remote possibility of coming up of support for opening more science, commerce and other professional colleges in this area. 38

In sum, numerous factors have contributed to both development and under-development in the state. We have seen in this chapter that the coastal districts are, by and large, developed in agriculture, industry and education. In fact, their development is cumulative, though it is also lopsided as the degree of development in one aspect does not strictly correspond to that in the other aspect. It is also evident that, development is seen more in urban than in rural areas in these districts. Contrary to this, the districts of non-coastal regions are largely backward or under-developed in almost all spheres. We have already

discussed, in this chapter that several reasons are responsible for the backwardness of these districts. However, there are number of pockets located mostly in urban areas in these districts or regions which are semi-developed or developed but the magnitude of such development is not identical to that in the coastal belt. We have largely attributed under-development of the backward regions to the development of the coastal belt and examined alongwith various factors or dimensions discussed in detail in this chapter.

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# **CHAPTER V**

CONCLUSION

#### CHAPTER - V

#### CONCLUSION

Development means some sort of advancement in the positive direction. The overall goal of development is to accord the economic, political and civil rights to the people across their gender, ethnic groups, religions and regions. Development, however, connotes different meaning in different contexts. For instance, development for economists means increase in percapita income, capital accumulation, employment opportunities, etc. But their emphasis on material development may not be consistent with the social development. On the other hand, development for sociologists is as a progressive transformation of certain a essential aspects of a given society.

The Marxist<sup>1</sup> have stressed on the role of historical forces in the economic development of a particular society while the non-Marxists have emphasised on freedom, competition and achievement. For instance, Weber<sup>2</sup> has emphasised religious ethic and rationality required for the development of a society. He has argued that capitalism has developed in the west only and not in the third world countries or societies like India. These third world countries could not develop due to their religious rigidity, traditionalism and

irrationality. Further the institutionalists attribute to a number of institution or institutional factors responsible for bringing about development or under-development in a given society. Contrary to this the diffusionist's argue that development takes place because of diffusion of cultural elements from developed societies to the under-developed societies or countries.

Under-development or backwardness, on the other hand, is the product of number of factors like over growth of population, heterogeneous resources, insufficient capital formation, low productivity, etc. A few Marxist scholar say<sup>3</sup> that the third world societies are under-developed because of the inequality found in the world economy and also lack of development in the third world societies. According to them, under-development is very much a result of the merchant capitalism, colonialism and neo-colonialism as stated in chapter-I.

There are differences in the theoretical and ideological dispositions propounded by both Marxist and non-Marxist scholars on the concepts of development and under-development. For instance, the central idea behind Frank's analysis that of both development and under-development are related to each other through a common historical process. According to him, development is there in the metropolitan

or urban centres at the cost of under-development present in the satellite or peripheries.

According to Mydral, <sup>5</sup> there are two types of forces which are both advantageous and disadvantageous to the development of a region. These are "the Backwash effect" and spread effects". The former helps in concentrating economic activities in some regions while later helps in spreading them to another regions.

Herchman<sup>6</sup> also states that there is "trickling down" effect of development in one sector or region to the underdevelopment in another sector or region as mentioned in chapter 1. This is time in the case of India also where developed regions have not only become more developed by these have also ignored the under-developed areas.

It has been stated that there is a number of socioeconomic factors which promote development of some region
but lead to under-development of other region. Some of
these are non-availability of infrastructural facilities,
uneven irrigation facilities, concentration of income,
stagnation in agricultural and industrial growth, and rural
and urban disparties.

Since development is a multidimensional process, its impacts cannot be analysed through a single factor. We have already discussed, in the previous chapter, about the roles

played by a number of factors producing regional variation both in development and under-development of the state. These variations go along with agriculture, industry, education and growth of population. These also go along with a member of anxiety or sub-factors like availability of cultivable land, availability of irrigation facilities, consumption of fertilizers use of HYV seeds, an effective result of land reform programmes, availability of adequate infrastructural facilities for industrial development, utilization of natural resources, availability of modern types of organisation and efficient entrepreneurial skill those are also coupled with facilities of general and scientific education and socio-economic characteristics of population. All these are found in better form in the districts of the coastal belt than in other districts of Orissa.

We have already mentioned in earlier chapters that the location of the coastal belt in the Eastern belt, or coastal through which the biggest river Mahanadi flows, is rich with alluvial soils, high concentration of rivers net work and suitable land masses which are conducive for the growth of agricultural production in the state. On the other hand, the backward districts like Koraput, Kalahandi and Phulbani districts of non-coastal belt do not have any major rivers network nor good soils for agricultural activity. The

laterite and brown soils which have no fertile character, sandy and porous in nature do provide support for the agricultural production in these backward areas.

Dense forests of the south-western districts not only occupy vast land masses but also obstacles to agricultural production. Unlike the coastal districts and northern district, the districts of Koraput, Phulbani, Keonjhar and Kalahandi with rich mineral and natural resources offer practically a virgin territory to the prospective industrial entrepreneurship. However the backward entrepreneurial skills, non-utilization and under-utilization of natural resources, inadequate infrastructural facilities, etc. have promoted some serious obstacles for the better industrial activities in this region.

Further, Roads, railways and electricity supply are not much developed and, in turn, not contributed to the basting up industries in the backward regions. These have also failed to connect districts of the Eastern region to those of the westerns and southern regions there is no well developed transfer linkage between agriculture, industrial centres and resource based areas. This also the major lacuna for development of the backward districts in the state.

We have also mentioned in the previous chapter that the non-coastal districts except the districts of Sambalpur, Sundergarh and Koraput, do not have adequate industrial development. But districts like Cuttack, Puri, Balasore and Ganjam in the coastal belt have more development through the small scale industries though these district do not have more large scale industries. Unlike the coastal belt, the south-western parts do not have small scale industries. On the whole, only the small scale industries provide employment opportunities to a large number of population in the state though these have not created so far sufficient employment opportunities for the rural masses in the backward regions.

Secondly, the agricultural economy had been ruthlessly exploited in the past by the alien rules in the state. However, these foreign rules had some positive impacts also on the socio-economic system of the state. For instance, the coastal districts were early exposed to the forces of development in agriculture, industries, occupational diversification and education as stated in the previous chapter. The positive impact was realised more in the coastal belt than in other districts of the backward regions. In other words, the foundation of development in the coastal belt and under-developments in the south-western regions was already

laid in the pre-independent era. A number of legislative measures adopted in the post-independent era have been much effective in the coastal districts but not in the backward districts. Unlike in the coastal belt, the bureaucratic hurdles, weak political support and illiteracy in the backward areas have created a non-conducive situation for devel-Thirdly, there is regional variation in the socioopment. cultural backwardness in the state. Culturally the coastal districts are more modernised than the non-coastal dis-The people of the coastal districts conceive of tricts. their culture as representation of Oriya culture as a whole. No doubt, rich culture of the coastal belt is not only famous in the country but also in the world. But the tribal culture of the backward districts as a whole is neglected, ignored and disrespected by the people of the coastal dis-None the less, the traditional culture of both tricts. tribals and non-tribals is not to be seen as an obstacle for economic development of the backward districts of Orissa. Rather, there is a need of evolving a model of development which may be equally beneficial to both tribal and nontribals in the state.

Finally the regional variation, in the socio-economic development of the state may be attributed to four major

indicators or dimensions of development qua underdevelopment as discussed in chapter 3.

They are: one, the coastal districts record more agricultural production than other district in the backward region. It is because of variation in the availability of fertilisers, HYV seeds and irrigation facilities. Their backwardness in their agricultural production is due to their traditional practices of adding organic matters in the soil, black-marketing of fertilisers and HYV seeds, outdated technology and illiteracy of the farmers.

In order to stabilize agricultural production and promote a balanced economic development in all districts of Orissa, the state government needs to encourage the farmers through providing sufficient chemical fertilisers and HYV seeds at subsidised rates and more uniform in irrigation facilities. It should encourage farmers for adopting dryland farming, in the un-irrigated areas substituting paddy crop by conf crops like pulses, oil seeds and millets, and for adopting mixed cropping practices. There also need to use adequate developmental strategies mostly on the basis of their applicability to various regions of the state.

Two, the goal of industrialization for uniform economic development of the different districts in Orissa has not yet been realised. In fact, one region has developed at the

cost of under-development of another region. The industrial complexes located in the backward districts have not encouraged the backward areas to go for development. The spread effects and trickle down effects of industrialization have not been effective in the state till today. The fruits of industrialization. i.e. increased income and employment opportunities have been transferred from rural areas to the urban centres of the coastal belt. Thus, the goal of industrialization for the socio-economic development of the people in the backward districts has not yet been realised.

The state government should give due emphasis on a sustainable and balanced industrial development in the state. The adequate exploitation of resources of mineral, water and forest resources, a healthy relationship between agricultures and industries, a good forward and backward linkage with ambitions of "spread effect" of industrialization, building the man power resources more strong with modern technical education, etc. should be the major thrusts to boost the industrial production and wipe out the regional disparties in the state.

Three, educationally, the backwards districts have remained more backward than the coastal districts. The reason for this is the lack of basic schooling and infrastructural facilities. The drop out, non-enrollment and

inadequate teacher-students ratio also another set of causes of educational backwardness in these districts. The state government should give proper attention to evenly provide the different districts in the state. A balanced regional educational development is required to achieve the goal of economic development of the state.

And four, the coastal districts have a balanced demographic composition than that in the other districts of The population variables like low birth and death rates, low infant mortality rate, high male and female literacy rate, healthy mother and children ratio, etc. have, in a way, contributed to the economic development in the coastal districts. But reverse is the situation in the backward districts. Districts of the non-coastal are dominated by people of the backward communities like scheduled castes and scheduled tribes. Basically, the tribals in the backward districts are isolated, exploited and marginalised. Also there is a high growth rate of the population in these districts which, in turns, not only slows down the pace of economic development but also creates problems of unemploy-In order to curb the menace of population expulsion We've the state government programme and at the same time popularize female education. The uneven growth of population in different districts needs to be checked by providing adequate alternative solutions to the people.

In sum, the coastal region of Orissa is not only developing on the basis of its favourable socio-economic and geographical conditions but also through exploiting the backward districts in the state. It appears that the state government does not have genuine concern for the development of other districts unlike those of the coastal belt. Therefore, for a proper and balanced development of the state the regional disparities of various sorts need to be removed and the developed regions be checked further from exploiting the under-developed regions in the state.

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