

A Critical Study of History of The Growth of Industrial Entrepreneurs in the State Bihar

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ABSTRACT

The industrial development in India, as already pointed out owes much to the managing agency houses for the act of entrepreneurship for the whole country. They similar agency has contributed to the industrial development in the state of Bihar. in absence of economic infra-structure like industries banks, issue house, investment banks, and other promotional facilities, the promotion of jute, loon and steel sugar, coal and other mineral industries in the state of Bihar owes largely to the activities of this very institution. They have floated a number of industries enterprises in the state. since the last quarter of nineteenth century.

Keywords : Industrial Development, Entrepreneurship, Transport Facilities

INTRODUCTION

Introduction

During the early British regime, the provinces of Bihar, Orissa and Assam were combined with Bengal and Calcutta as the capital. all the other state in the eastern regional became the hinterland of Calcutta which was the sea-port of eastern India and the centre of European trades. When Europeans entered in industrial enterprise the6y first set up jute manufacturing units in and around Calcutta. to meet the fuel requirement of these mills they set up mining of coal units in the regional of Bihar and developed transport facilities.

Post-independence, India's planned economy was single-mindedly shaped on an industrial policy targeted towards developing heavy industries near raw material supply centres along with creating an effective infrastructure network for mobilizing the resources among different aimed destinations. An undivided Bihar, with its rich mineral base and close proximity to Kolkata for transport access,

became an exciting hunting ground for large scale investments. The operations of Tata Iron and Steel Company (TISCO) in Jamshedpur and public sector units like SAIL in Bokaro testify to the positive prospects Bihar was offering. Despite the flaws of policies regarding traditional communities, new industrial cities such as Ranchi, Bokaro, Jamshedpur, Dhanbad and others came up under the changed policy atmosphere.

The pattern of industrial policy manoeuvrings in the initial five years plans significantly influenced the shaping of growth prospects in Bihar for the long run. Their impact was felt in three different ways. Firstly, the resource rich southern parts of Bihar, especially the regions of Chhota Nagpur emerged as the hub of industries. Secondly, over emphasis on heavy industries in South Bihar undermined any chances of developing agro-based industries in the naturally conducive Gangetic plane of northern region of the state. Consequently, the industries of southern Bihar failed to establish any significant interface with the minor industries located in North Bihar. In the absence of such strong linkages between south and North Bihar, the bifurcation of the state in the year 2000 (the creation of Jharkhand) came as a severe blow to the newly formed Bihar.

A small village with a few huts and population of hundred in 1907 is now called the steel city of India having more than 8 lacks of population living in industries atmosphere. The first world war provided ample opportunity and Jamshedpur made the best of it. A good number of small and medium scale industries as also some of the large-scale industries sprung up around the main city.

After first world war, when the government industrial policy took turn on the recommendation of industrial commission, in 1919, a number of sugar mills cement units were promoted by the managing agency houses. A group of industries were set up by Dalmia brothers at Dalmianagar by the promising native entrepreneurship R K Dalmia. The units have been later on handed over to M/S Sahu Jain & Co. It is a clear example of the transfer of ownership under the influence of matrimonial relationship.

Thus, we visualize that in the industries development of Bihar, Calcutta houses have played a priming part. In case of Bihar, the banking enquiry committee of Bihar & Orissa remarked, 'the main burden of promoting and will probably continue to fall on the private capitalist, the indigenous bankers and the managing agents in Calcutta and Bombay supported by their local banks.' In the state of Bihar during the period between 1951-52, and the number of managing agency houses engaged in managing companies increased to 75. Promotional activities and financial assistance extended by

the managing agencies have helped and state in developing industrially. Name of Tata sons ltd and sahu jain co ltd figure more prominently in this regard.

Moreover, the bifurcation resulted in some structural changes in the overall industrial pattern of Bihar. All big mineral based industrial houses were located in the new state of Jharkhand and very few large-scale industries are left in post bifurcated Bihar. Thus, there have been no mineral based industries in the state and the industrial enterprises were bound to be restricted in lightweight segments such as agro-based, food processing, textiles, leather, wood and paper industries.

Despite this, macroeconomic overview on the economy of Bihar marked a significant increase in Gross State Domestic Product(GSDP) since the beginning of the last decade and during the second half of the decade. As per the Central Statistical Organization (CSO), the average annual growth of GSDP in Bihar has been robust at 8.5 per cent during the period 1999-00 to 2009-10 and more importantly in the second half of the decade. During the period from 2005-06 to 2009-10, the state income of Bihar grew at an impressive average annual growth of 10.9 per cent.

As a result, the economy of Bihar has undergone major structural changes during the last decade with the changes in composition of its GSDP between 2000-01 and 2009-10. The share of agriculture has declined from 38.8 per cent in 2000-01 to 20.8 per cent in 2009-10. On the other hand, the share of secondary sector increased from 10.7 per cent to 19.9 per cent and share of the service sector increased from 50.5 per cent to 59.4 per cent during the same time period. But the Per Capita Income (PCI), measured by the per capita net state domestic product at current prices, of Bihar remained abysmally low at Rs 13,663 compared to all India average of Rs 37,490 in 2008-09.

The fiscal front of the Bihar shows that the gross fiscal deficit ratio to GSDP is at 2.7 per cent in 2010-11 which is within the desirable Fiscal Responsibility and Budget Management (FRBM) target level. The revenue receipt/GSDP ratio is also at a comfortable level in Bihar at 28.1 per cent for 2010-11 and the state enjoys a revenue surplus as per the budget estimate of 2010-11. Bihar is among the top states when it comes to central transfer (CT). The 2010-11 budget shows a CT- GSDO ratio at 21 per cent. Even Bihar's expenditure pattern is very impressive as the state spends mostly under the heads of developmental expenditure, social service expenditure and capital outlay. Therefore, Bihar gives strongest fundamentals, which are considered essential for sizable investments; undoubtedly it has an undeniable edge on this in eastern side.

Micro, small and medium enterprises (MSMEs) have been playing major role in the economy of Bihar. 2000 onwards this trend has grown stronger. As on 2010-11, the state has about 183729 registered MSME units with a total investment of Rs 1,275 crores, which creates employment to about 6 lakh people. According to the fourth all India survey of micro, small and medium enterprises conducted in 2006-07 by Ministry of MSME, a total number of 71,435 enterprises were surveyed in Bihar. Out of these surveyed enterprises, 52,188 MSME units are operational. These operational units constitute more than 73 per cent of total number of enterprises surveyed in Bihar during 2006-07. The future growth of industry in Bihar will be continuing heavily propelled by MSMEs.

Association of the name of meaning agents in an inducement by itself to public for subscribing to the shares of different enterprises.

The political leaders and economist also have expressed the same felling. While inaugurating small industries seminar, conducted by of the industrial estates of Bihar van Patna in 1966 the then chief minister said that “government is ready to help by all means to the young industries entrepreneurs, who have already set up some units in the industries states of Bihar,

The plan period is not very satisfactory in Bihar. Cacaos the successive government of Bihar in not interested in the development of entrepreneurship.

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