



## **LAGGING OF INDUSTRIES IN WEST BENGAL & ITS EFFECT ON UNEMPLOYMENT**

***Jayanta Kumar Mandal***

Assistant Professor

Trivenidevi Bhalotia College

Raniganj, West Bengal

### **Abstract**

Employment is considered to be one of the main contributors to the progress of human life. Employment is known as one of the main pillars of livelihood in modern times. With employment, the youth find a way to establish themselves. Industrialization is one of the easiest ways to create employment in the modern large-scale state system. Although there is a livelihood opportunity in the unorganized sector, the guarantee of employment is created through industrialization. It is not observed in any other case. The relationship between industrialization and employment is eternal. In the era of modern industrialization, employment is largely dependent on factories. Industrialization progress started soon after Indian colonial rule. Bihar, Jharkhand, Orissa, including West Bengal, it did not take long to create an industrial environment. Answer: Colonial West Bengal depended mainly on jute industry. Later industries like iron, mica, electrical manufacturing etc. started flourishing. There is not much news about the industrialization progress of West Bengal in recent times. On the contrary, due to the closure of factories one after the other, the way of employment has been blocked for the youth of West Bengal. Statistics show that the trend of government jobs has decreased day by day, especially since 2000, when the growing industrial establishment in West Bengal became the biggest hope of employment for the youth. But at present the government's policy is in a state of wavering hope and fear due to various reasons such as land related complications. In this situation, it is considered that a sufficient range of thinking about employment has been created. I intend to discuss in my research paper the situation of industrialization, employment prospects and consequences of unemployment.

<b>CORRESPONDING AUTHOR:</b>	<b>RESEARCH ARTICLE</b>
<b>Jayanta Kumar Mandal</b> Assistant Professor Trivenidevi Bhalotia College Raniganj, West Bengal, India Email: <a href="mailto:jkm61411@gmail.com">jkm61411@gmail.com</a>	

**Keywords:** Industrialization, Unemployment, West Bengal, Colonial, Youth, Government

### **Introduction**

Industrialization process reached its peak at the beginning of the of the twentieth century and Bengal experienced the highest rate of growth of the industry sector amongst all the state in the country (sen,1987) Bengal in general and Calcutta in particular activities of the eastern part of the country with high concentration of industrial capital, Even the down independence. West Bengal was the premier industrialized state in the country with employment of our six lakh people in the organized sector in 1948 and 1962 many of the major public sector manufacturing ventures such as Chittaranjan locomotive workers, Durgapur steel plant and Damodar Valley Corporation were set up in the state.

In the project, I will present the rate of unemployment in West Bengal in several point of time but before that I want to explain the definition of unemployment.

Unemployment is a condition in which skilled and able individuals do not get gainful jobs at a decent wage. There is unemployment in both rural and urban areas. Seasonal unemployment occurs in the rural population and educated unemployment occurs in the urban areas.

It observed that as in the case of all India the number of unemployment in West Bengal was much larger in 1999-00 while it had declined by 1993-94.

- Few industries in this area are not given opportunities to local people.
- Limited no of vacancy in government jobs.
- Low qualification.
- Inadequate work in this area.
- Rapid population growth.
- Unscientific agriculture.

### **Literature Review**

1. **Dr.VinodeTare (2013) :** From this book, I able to collect the information about the growth of industrialization in urban area and its effect in West Bengal.
2. **Prafull Gotadia (26, April 2021) :** this article help me out to know about the lagging economy of West Bengal due to lagging industry and also the reason of deterioration of the state economy.
3. **Article – Times of India (10, December 2008) :** in this article, I found the statistical rate of West Bengal industrial growth with the comparison of other states. I able to draw a sketch up and down or the central zone of industrial development in West Bengal.
4. **Abhishikta Chowdhury(2012):** the article explain measure sector of manufacturing sector in West Bengal and the fact that manufacturing sector hoe much influenced to developed the sector.

### **Research Questions**

1. What is the status of employment in West Bengal?
2. Why there should be lacked in industrialization in West Bengal?
3. Is the rate of employment got increased or not?
4. Is there any link employment and industrialization?

### **Research Objectives**

1. To know the progress of industrialization in West Bengal.
2. To know the status of employment in West Bengal.
3. To relate the lagging of industrialization and unemployment in West Bengal.
4. To know the other reasons of unemployment in West Bengal.

### **Research Methodology**

As whole research work for this work is confined to the library, books and internet and no field work has been done. Hence I has opted the doctrinal methodology of research.

The methodology of this paper is descriptive and required information are collected from different secondly sources like books, magazines, research articles, websites, etc. The project study covers the entire West Bengal Hoping that the Objectives of study will be realised.

### **A Historical Account**

West Bengal had a long tradition of leading the industrial economy of India. In the ancient and medieval periods, Bengal was one of the leading regions of the country in the production of manufacturing and industrial products. The abundance of natural resources coupled with the availability of skilled artisans helped the province to achieve phenomenal growth of cottage industries, especially in the fields of silk goods and cotton fabrics. Growth of the industry sector accelerated further during the colonial regime. The modern industrialization process started in the first jute mill around 1850.

The industrialization process reached its peak at the beginning of the twentieth century and Bengal experienced the highest rate of growth in the industry sector amongst all the states in the country (Sen, 1987). Bengal in general and Calcutta in particular became the center of commercial and industrial activities in the eastern part of the country with activities of the eastern part of the country with high concentration of industrial capital. Even at the dawn of independence, West Bengal was the premier industrialized state in the country with Employment of over six lakh people in the organized sector in 1948. Between 1948 and 1962, many of the major public sector manufacturing ventures such as Chittaranjan Locomotive Works, Durgapur Steel Plant, and Damodar Valley Corporation were set up in the state. Industrial production during this period was largely confined to export-oriented processing (e.g., jute) and plantation (e.g., wagon making). However, this situation started changing after independence, particularly since the beginning of the 1960s. During the British rule, the economy of Bengal war largely dominated by the multinational corporations and large business dominated houses. But with the beginning of the planning era, shackles were put on growth and expansion of their business

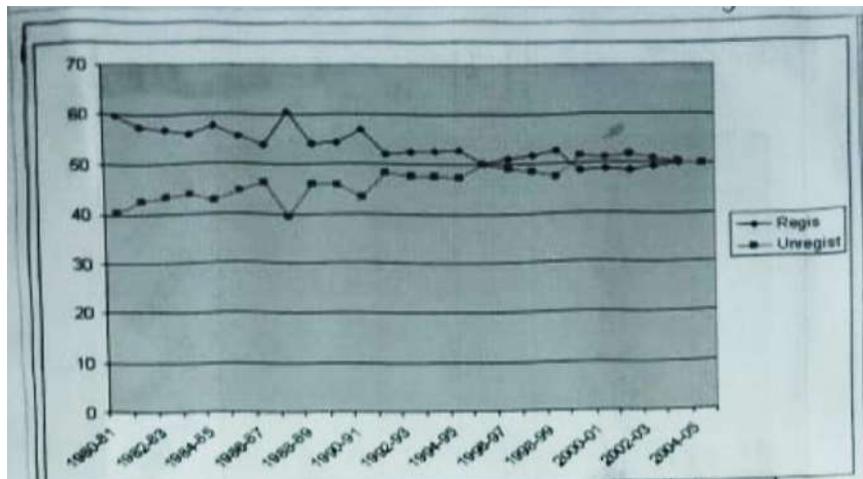
house. Second due to the partition of Bengal, two major industries viz, jute and tea were adversely affected. In addition to migration from the erstwhile East Pakistan that created huge population pressure in the state.

As a result, the growth of the industry sector in West Bengal stated slowing down, and eventually the state fall far behind other state Gujrat, Maharashtra, Karnataka and Andhra Pradesh.

### **Industrial Growth in West Bengal : The Recent Trend**

West Bengal India's sixth largest state in terms of economic size, has a projected Gross state Domestic Production (GSDP) of Rs.17.13 trillion (US\$ 221.37 billion) in 2022-23. The state's GSDP grew at a CAGR of 11.54% from 2015-16 to 2022-23 BE West Bengal is the largest producer of rice in India.

In the last two decades, West Bengal had a slow rate of industrialization but witnessed a relative growth of small and industries began largely as an ancillarisation operation of large and medium industries which grew depending on govt. orders, but was counterproductive for expansion of consumer goods industries facing market competition and risk.



**Source: National account statistics, West Bengal**

During the Second World War, five jute mill in Calcutta shut down within a years. The flow of now jute was also affected; By of jute jumped to Rs. 29 per maund in 1946-47 from Rs. 16 per a maund in 1945-46.

India and Pakistan (east decides to initially cooperate with each other, but the situation soon became complicated. The jute industry, which was one of the most important import and industries of colonial Bengal, was already declined by 1960, as a result of partition, lack of cooperation between India and Pakistan after independence and change in global demand.

The Durgapur steel plant and Durgapur from came up, the Damodar Valley Crop power station started functioning and diary-based industry came up in Kalyani; By 1946factories in Bombay employment 13.53 lakh people, when West Bengal employment 8.87 lakh people; by 1966, the number of licences approved for Maharashtra was higherthan that of West Bengal;

Between 1952-53 and 1964-65, Tamil Nadu's agricultural growth rate grew by 4.17 percent and West Bengal's by 1.94 percent.

### **Composition of Manufacturing Sector in West Bengal**

In 1960, West Bengal was one of the 3 richest states in India. And it owned this wealth to the social and physical infrastructure that came with Calcutta's post as the longstanding capital of the British Empire which helped it develop a strong manufacturing tradition. During the colonial period, West Bengal was one of the leading states in terms of industrial output and employment a trend which continued uninterrupted until the mid 1960s, when West Bengal losing its prominences in the industrial scenario of India. During the period from 1960s to the 1990s, the state witnessed a steady decline of the manufacturing sector evident from its insignificant contribution to the GSDP. Manufacturing sector contributed only 9.11% to the state GDSP in 2008-09 while it contributed only 15.45% to GDP of India. The share of manufacturing in GSDP has experienced deceleration in recent years: hence it is important for the sector to revive for economic resurgence of the states through among other things, opening up to job opportunities for semi-skilled workers who cannot be absorbed in the services sector Secondly, a health growth of manufacturing is critical for creating a large production and consumption base within the state's economy. Further, as productivity of manufacturing is higher than in agriculture, facilitating the shift of workers to the sector will propel growth as well. It is in this back drop that the share of manufacturing in GDSP needs to be pushed and this in turn would generate employment (which has been a major problem plaguing West Bengal)

### **Geographical Distribution of Industrial Units.**

West Bengal, the sixth largest economy in India, had a gross state product (GSDP) of \$132.86 billion in 2014-15. Known for its culture grandeur and colonial legacy, much of the post-independence story is all about the communist parties who have created a deep social and psychological impact on Bengalis.

There is no talk of industrial progress, wooing investor or creating wealth as Marxist ideology came into full play. As a result, West Bengal was relegated to obscurity in terms of social and economic progress till the arrival of firebrand Mamta Banerjee. TMC chief was voted to power with two-thirds majorities as the left front led by CPI(M) suffered a humiliating defeat in the 2011 assembly election.

From 2004-15, West Bengal grew at an annual rate of 11.06% with key indicators of industry growth showing indicators a health trend. The state's per capita GDSP in 2014-15 was \$1,450 as compared to \$555 in 2004-05. The per capita GDSP increased at an annual rate of 10.08% between 2004-05 and 2014-15.

The natural resources, policy incentives and infrastructure in the state support investments in major sector such as iron and steel, biotech, coal, leather, jute, products, tea, IT, germs and jewellery. The state has 3,000 acres of land at its disposal to set up industries.

West Bengal has 12 growth centres (as on August 2015) for medium and large-scale industries set up by the West Bengal Industrial Corporation (WBIDC). There are exclusive growth centres for electronics, software technology and export processing. Major industrial areas of West Bengal are Haldia, Kolkata, Asansol-Durgapur region and Kharagpur.

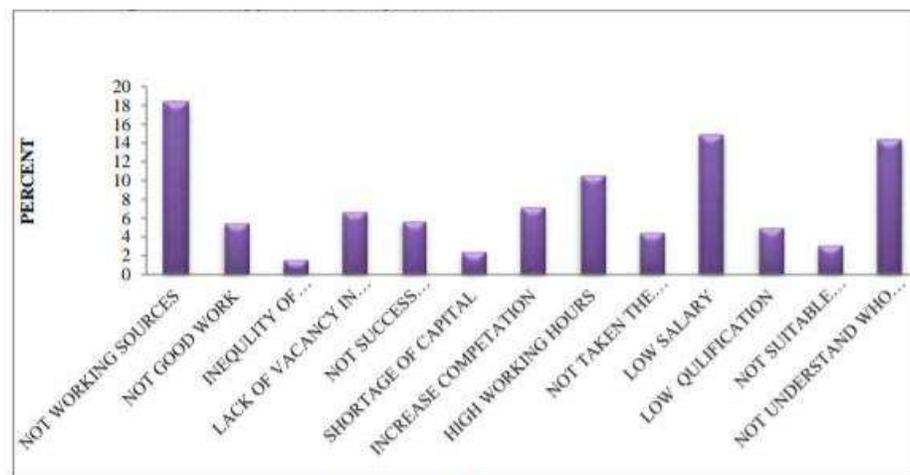
### **Unemployment of West Bengal Reason:**

Unemployment is a reason for alarming concern in India today. The root of the problem can be traced to a host of reasons that contribute collectively towards this problem.

- **Economic Growth without Adequate Employment**  
**Opportunities:** India's GDP projections for years 2017 is 7.5% but that growth does not currently translate into creating more employment opportunities for the labour force of the country. In the year 2016, India's rural unemployment rate stands at 7.15% whereas unemployment rate in urban areas at 9.62%.
- **Education:** Although literacy rates have risen in the last few decades, there still remains a fundamental flaw in the education system in India. The curriculum is mostly theory-oriented and fails to provide vocational training required to match up with current economic environment. The degree-oriented system renders itself redundant when it comes to producing human resources adept at fitting into specific profiles within the economy.
- **Population Growth:** Rapid growth of population has often been labelled as the major reason for increasing unemployment in the country. In the last ten years (2006-2016), India's population has increased by 136.28 million and unemployment is at a 5 year high in the financial year of 2015-2016. Current survey data revealed that the all-India level, 77% of families do not have a regular salaried person.
- **Faulty Employment Planning :** The five year plans implemented by the government have not contributed proportionately towards generation of employment. The assumption was that growth in economy will automatically generate enough employment. But in reality the scenario does not quite match up to the assumption and there have remained gaps between the required number of jobs and actual numbers generated.
- **Alternative opportunities:** There has been a definite push towards providing the people employment by the agriculture based- industries with alternative methods of employment during the off seasons. Skilled-based trainings for their employment in other sectors are lacking till date.
- **Slow Industrialization :** The industrial scenario in India is still slow to flourish. Agriculture still remains as the biggest employer in the country. People are not yet keen towards self-employment, especially in the rural sector, depending on existing employment opportunities.
- **Lack of Industries:** Inadequacy of capital investment persists heavily in India and that has been a key contributor in not generating enough industry that in turn provides employment to the labour force.

- **Rate:**

The rate of unemployment in West Bengal is lower than in the country, and it has spiked to a large extent during the lockdown, the centre for Monitoring Indian Economy (CMIE) has said. According to the Mumbai-based think tank, the employment rate in West Bengal was 17.3 per cent in May while it was 23.5 per cent at the national level.



**REASONS OF UNEMPLOYMENT**

The figures were the same in April this year, the CMIE data said. In March, the unemployment rate in West Bengal was 6.9 per cent, it was against the all India figure of 8.8 per cent, it said. The nationwide lock down was imposed on march 25.

The unemployment rate in West Bengal is low as compared to India although the state lacks large industry, economist Abhirup Sarkar said small units dominate the production space in the state and they are not dependent on the global demand and supply.

While the world, along with India, is going through a recession for the last one -and-half years, the hardest hit is who depend on global markets.

West Bengal Finance Minister Amit Mitra has also tweeted that despite the dual challenges of COVID- 19 and cyclone Amphan the unemployment rate in West Bengal is labour than that of the country.

### **Solution**

The data on employment and unemployment is collected through Period Labour Force Survey (PLFS) conducted by National Statistical Office (NSO), Minister of Statistical and Programme Implementation (MOSPI) since 2017-18. As per latest annual PLFS report for 2019-20, the State/UT-wise details of the estimate unemployment rate for persons of age 15 years and above on usual status basis during 2019-20 are given at Annexure.

Employment generation coupled with improving employability is the priority of government. According to the government of India has taken various steps for generating employment in the country, like – ABRY, ABP, EPFO, PMMY, GKRA etc.

### *Lagging of industries in West Bengal & its effect on unemployment*

Flowing are the measure to solve the unemployment problem:

- The government should try to control the population, so that the work force can be reduce.
- The education system of India needs to be reformed to address the problem of unemployment. The emphasis in education should shift from theory to practical.
  - The government should take necessary steps to develop cottage and small industries, both in the rural, as well as, urban areas. These industries are labour intensive and employ more labour, per unit of capital.
  - Increase mechanization of agriculture in various states has lowered the employment elasticity of growth of agriculture output.
  - The use of labour-intensive techniques with lower productivity of workers in the industry and agriculture may lower the growth of output.
  - Government needs to keep a strict watch on the education system and should try to implement new ways to be generating skilled labour force.

### **CONCLUSIONS**

- The rate of unemployment has reached at 7.7 in the last month, with youth unemployment at 10.41 per cent.
- The reasons for this drastically high rate is a combination of poorly executed government policies and the international economic environment.
- Also added to these are the lack of in-demand skills, proper education facilities and efficiency of workers.
- Rhe negative sentiments of consumers regarding major markets like automobile and estate is also a major concern for reducing the jobs in private sectors.
- The reliance of industries on AI and automation is another factor for layoffs and lesser jobs vacancies.

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