

INDUSTRIAL ESTATES IN INDIA

N. SOMASEKHARA

INDUSTRIAL ESTATES as a means of balanced development occupy a prominent position in Indian planning. They have been claimed as an important device for fostering small industrial enterprises. I had an opportunity to study effectiveness of the industrial estates in Mysore State and I found that they have not been a great success.¹ They have not achieved many of the objectives for which they were intended, namely creating new small enterprises, industrial development of backward areas, rural industrialization, decentralization of industrial development, etc. Such an evaluation is not too early. Even in the initial stages one would expect some positive results. Industrial estates, unlike steel mills or irrigation dams, should be capable of showing quick results. An assessment at this juncture throws light on the functioning of industrial estates in the initial stages and suggests the planning of industrial estates more thoroughly and scientifically. Even though the study concentrates on whether the industrial estates are effective, and not on why they are not effective, certain conclusions regarding the latter do emerge from the study of the former. What follows is an assessment of the limitations of the industrial estates in India and the possible lines of improvement.

WHY ARE INDUSTRIAL ESTATES NOT A SUCCESS IN INDIA ?

Let me first clear the decks by mentioning four preliminaries :

Firstly, I am not alone in coming to the conclusion that the industrial estates are not effective. Other studies have also come to similar conclusions. Mention may be made of the studies by (i) the Working Group on the Programme of Work for the Third Plan;² (ii) Profs. P. N. Dhar and H. F. Lydall;³ (iii) Dr. P. C. Alexander;⁴ (iv) the International Perspective Planning Team;⁵ and many others.⁶ My study only confirms many of the findings of the previous studies.

Secondly, the failure of industrial estates is not peculiar to Mysore. They have not been a success in many other states. The success of industrial estates must be regarded as an unusual phenomenon.