

CHAPTER 12—ECONOMIC PROSPECTS.

ALTHOUGH NATURAL RESOURCES AND HUMAN EFFORTS ultimately condition economic development in any region, the course as well as the pace of economic events of an area like a district are influenced to a considerable degree by external factors. On the one hand, development of transport facilities and communications has reduced a district to an integral part of a market which is as big as the country itself and the allocation of resources may be governed by forces of supply and demand originating in any part of the country. On the other hand, as a result of economic planning which has now been accepted by most Governments as a principle to be put into effect, a district which may have remained backward or underdeveloped for certain reasons may be transformed into a granary or a centre of industrial activity by the location of factories and the resultant urbanisation. Adequate capital in which many a district is generally deficient may be supplied by organised agencies outside. Although such factors cannot be easily foreseen, the economic prospects of a district must be considered in the context of economic conditions of the country.

Dharwar district, although predominantly agricultural like most other districts, is well advanced in commerce and can probably claim a higher degree of industrialisation than some of its neighbouring districts. Greater progress may be recorded both in industry and trade in future also, leading to greater economic prosperity on the whole. However, an appreciable increase in the incomes of a majority of the people will depend on what improvements are possible in the field of agriculture and on what course it will take. Several agrarian reforms have been introduced by the State Government, the effects of which will be seen in due course of time. These measures are largely intended to suitably alter the existing institutional framework which imposes several handicaps on the human agency. The removal of these handicaps will enable the latter to put in the maximum effort; but even this effort can bear fruit only if certain other conditions are satisfied. These other conditions are really very important.

Agricultural production can increase either by extension of land under cultivation, or by intensive cultivation of the existing land which is possible if water supply is assured and the technique of cultivation is improved. On the first count, the district does not hold much promise. Already as much as 81 per cent. of the land is under cultivation and any substantial addition to it does not seem possible. Better and intensive cultivation of land already under

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the plough also does not hold promise of a rapid progress. Because the most essential need for that purpose is adequate and assured supply of water and better seeds, manure and implements. Supply of water is, however, dependent on natural advantages and the districts' resources in this respect are not ample. No good rivers flow through this region and irrigation by canals is not much of a possibility. The other sources are wells and tanks. So far, supplies of water from these sources have not been extensively available and even where they are available they have been confined to the western portions of the district where tanks and not wells supply water. The eastern plains of the district, with their rich soil, have always been liable to famines. In these areas irrigation facilities have been scanty. No doubt more wells can be sunk and larger supplies of subterranean water may be successfully tapped, but it does not seem possible that the total quantities thus made available will adequately meet all the demand.

Although food crops occupy a larger area than non-food crops, it is the latter kind of crops like cotton, groundnut and chillies which have mostly contributed to the agricultural prosperity of the district. The district sends extensive supplies of chillies over a large part of the country including areas in North India. Its cotton and groundnut have also found a ready market. In future it will be the demand for cotton and groundnut which will be increasing more than that for food crops, at any rate after the food situation becomes easier. Both cotton and groundnut are important industrial raw materials and the country is deficient in the supply of raw cotton of superior quality. The industrial demand for groundnut for consumption within the country will also increase once the process of industrialisation gets momentum. The district may, in course of time, be expected to grow superior quality of cotton which is now being imported from abroad. It is, therefore, possible that more and more of land will be brought under these crops in future.

Commerce, as has been seen in the previous chapters, is largely governed by the three cash crops of the district. The volume and direction of trade as far as these commodities are concerned will depend upon their increased production. This can be brought about by extension of land under these crops rather than by improved cultivation. Whether land actually will be brought under these crops will largely depend upon external circumstances. A slump in the cotton textile industry of Bombay or Ahmedabad may actually discourage production of cotton with the consequent decline in the district's exports in the immediate future. The industrial products of the district, with the exception of certain handloom products, are meant largely for consumption within the district. Even if they are exported at present to some extent to neighbouring districts, the quantity of that export has not been considerable so far. Handloom products, both cotton and woollen, have, however, enjoyed a wide market in the past, especially during war time and after when there was an acute shortage of cloth in the country. But the position has changed of late, and it is no longer certain that the handloom industry will sustain its markets in competition with mill products. That it cannot do so has been evidenced by the fact of the reservation to it of certain kinds of

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products in accordance with a policy recently adopted by Government. The district's trade in cloth, therefore, cannot be expected to increase in a substantial measure unless the industry is mechanised. There are certain industrial products like metal wares and iron and steel goods which are exported to neighbouring districts at present in small quantities. The exports of these will increase if the industries manufacturing them are mechanised and expanded, which seems fairly likely.

Both agricultural and commercial prosperity will be assured if certain new industries are established in the district and some of the existing ones are adequately mechanised. The prospects in this respect seem to be quite good. The district has raw materials on which it can base its industries, it can raise capital from its merchant community and can avail itself of cheap electric power. A certain degree of industrialisation has already been achieved; it is at present concentrated in the two cities of Hubli and Gadag. Further development of these places as industrial centres is more a matter of accentuating the process that has already started than starting it afresh.

Unless a depression affects the cotton textile industry of the country in the near future, establishment of new spinning mills and the mechanisation of weaving establishments in this district do not appear improbable. The present spinning units are obviously insufficient to meet the requirements of yarn by the handloom industry of the district. The establishment of additional spinning units will be profitable. What is, however, doubtful is whether the handloom industry will be able to maintain the level of production reached in the past years in view of the difficulties in marketing its production in competition with mill products that are both less costly and superior in finish. The emphasis laid in the Second Five Year Plan on Small-Scale and Village Industries is, however, calculated to give a sufficient impetus for the sale of handloom products of Dharwar. The conversion of handloom centres into centres of powerlooms may provide another solution to the problem of sales. What seems to have hindered such a process of conversion in the past was not merely lack of adequate capital and enterprise but also lack of cheap power. The non-availability of cheap power seems also to be the reason for the present units remaining without any addition being made to them during the last decade. The availability of power from the Jog project throws open possibilities of establishing small powerloom factories which will be provided with yarn by the spinning units. As a result of such a process the cost of manufacture could probably be reduced and a variety in design and pattern could be introduced in the products to compete successfully with mill products.

Groundnut is another raw material on which some industries may be built up. At present only a small fraction of the district's production is crushed in a few oil mills. Groundnut has several industrial uses, two of which at least command a ready market. Hydrogenation of the oil for consumption as vegetable ghee and soap manufacture are two lines of production which may be exploited with profit. The marketing of these products may not present serious difficulties as the local market may absorb local production.

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Another industry which holds promise of expansion is the general engineering industry. There are certain factories in Hubli which produce several kinds of consumer and capital goods. Not only spare parts of oil mills and rice mills and agricultural implements but even complete machinery for rice mills and oil mills are also now being produced. If adequate capital is invested, the industry will be able to produce several other consumers' goods like office equipment and furniture and also capital goods. There is a potential market for this industry in that the establishment of new industries in the district will itself create demand. The railway workshop which may expand in course of time may be able to meet many of its requirements from the local industry.

Copper and
 Brass ware.

At the present time, copper and brass wares are manufactured solely by hand. All machine-made products are imported. Mechanisation of such establishments should prove of profit to the industry and the people. Even in its present state, the industry is able to market its goods outside the district to some extent. If machinery were to be introduced the whole of the local market may be captured by the local industry.

The above-mentioned industries are the more important ones. There may be several other lines of production which local enterprise may take on with profit. Certain attempts have been made already, and though progress has not been made in these lines so far, progress in future may not be ruled out. Mention may be made in this context of the manufacturing units of plywood, tea chests and fertilizers. With the necessary help from the State Government many such lines of production may prove to be profitable.

Construction of
 Railway.

The external trade of this district has been carried on by land routes. Several of its products directly go to, and many raw materials and consumer goods are imported from, Bombay. The cost involved in the transport of goods by land can be reduced if they can be sent by sea. Goods can be sent by sea through a port on the coast of the adjoining district of North Kanara. But the transport of goods to the port is not possible at present for want of railway link. If the project of such a railway materialises, Dharwar district will secure an additional advantage in securing its raw materials as well as marketing its products.

The Jog electric power, which has been recently made available to the district, may be said to mark another significant step towards increasing the tempo of industrialisation. Taking an overall picture, therefore, one can say without hesitation that the district holds out good promise of further economic progress.