

Decadal Industrial Growth of Uttarakhand: A Comprehensive Analysis

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ABSTRACT

The state of Uttarakhand nestled in The Himalayan foothills, has undergone significant industrial growth over the past decades since its formation in 2000. This paper offers a comprehensive Analysis of the industrial development in Uttarakhand examine its evaluation, challenges and, future prospects on a decadal basis.

This study begins with a historical background, exploring the pre-independence industrial landscape and the initial year post-statehood, highlighting key policies, challenges and developments. It then conduct a decadal analysis focusing on the period 2000 -2010 and 2010- 2020. Furthermore, this paper assess the impact of industrial growth on socio economic factors such as employment generation, GDP contribution, and infrastructure development.

Key words: Industrial Growth, Employment, GD, Socio Economic, MSMEs, SIDCUL

INTRODUCTION

Natural beauty, cultural heritage, and economic potential combine in Uttarakhand, a region at the foothills of Himalayas in northern India. Historically known as Uttaranchal, the state was carved out of the northern part of Uttar Pradesh in 2000, with the aim of accelerating its socio economic development. One of the key pillar of this development agenda has been industrialization, aimed at harnessing the state's abundant natural resources, skilled workforce and strategic location.

Prior to Independence, Uttarakhand (then part of united province of British India) was predominantly agrarian, with agriculture, forestry and traditional craft farming the backbone of the economy. Industries were primarily localized and centered around activities such as sericulture, handloom weaving and forestry related enterprises. The region's hilly terrain and geographical isolation posed challenges for large scale industrial development. After independence efforts were made to promote industrialization in Uttarakhand as part of broader development initiative. The establishment of the Indian Institutes of Technology (IITs) in Roorkee (now in Uttarakhand) in the 1950s and 1960s laid the foundation for technical education and innovation, contributing to the emergence of a skilled workforce.

In Uttarakhand, agriculture dominates the industrial structure, so rural and cottage industries like Khadi, wool, woodwork, leather, limestone slate, and others have been prominent among the local industries, which are based on agriculture. due to lack of transport facilities, essential commodities were supplied to the nearby area by local Hawkers in the village themselves. The development work in hilly areas began as per time and needs. Silk, Khadi handloom, beekeeping, woodcraft industries developed as a result of the industrial policies announced by the Government of India from time to time. The third plan period saw the establishment of industrial areas in a Kumaon Garhwal division. In which some engineering, chemical and paper industries were established. Prior to the establishment of Uttarakhand the main industries were Gharat industry, leather and shoe industry, wood art industry, handmade paper industry, fibre industry, beekeeping, herbal -based industry, Lisa industry, gold smoothing industry and handicraft industry, silk industry development etc.

Decadal analysis of industrial growth

2000- 2010: Foundation and Early Growth

Uttarakhand began developing its industrial base after becoming a state. Over the past 20 years, Uttarakhand has emerged as a favourite destination for investors. The state of Uttarakhand was granted special status by the Central Government on 1st April 2001 to promote investment in its industries. SIDCUL (state industrial development corporation) Uttarakhand Infrastructure Development Company Limited, Uttarakhand industries association were stabilised in 2002. Due to policies such as text holiday in 2003, the state industrial development accelerated. These areas, including Pantnagar Haridwar, Kotdwar, Sitar Ganj, and others, have developed as new industrial centres. As a result of forward-looking industrial policies and generous tax benefit, the state has experienced an increase in capital investment over the past few years. In order to develop newer industrial estates with state-of-the-art infrastructure, the State Infrastructure and Industrial Development Corporation of Uttarakhand limited (SIDCUL) has been established because of age-old industrial areas are not adequate to meet future needs. In addition, it has stabilised 2 Integrated Industrial Estate (IEE) Haridwar and Pantnagar, an IT park at Sahasradhara and one Growth Centre at Pauri Garwal, pharma city in Dehradun.

Table: Outline of Industrial Park Development by SIDCUL

Name of Industrial Park	Location	Area(acre)	Number of Factories
IEE Haridwar	Haridwar	2034	542
IEE Pantnagar	U S Nagar	3339	399
Sitargunj (ELDECO-SIDCUL)	U S Nagar	1200	-
Sigaddi Growth Centre	Pauri Garhwal	100	25
Pharma city	Dehradun	50	31
IT Park	Dehradun	60	12

Source: Arora(2007), www.sidcul.com

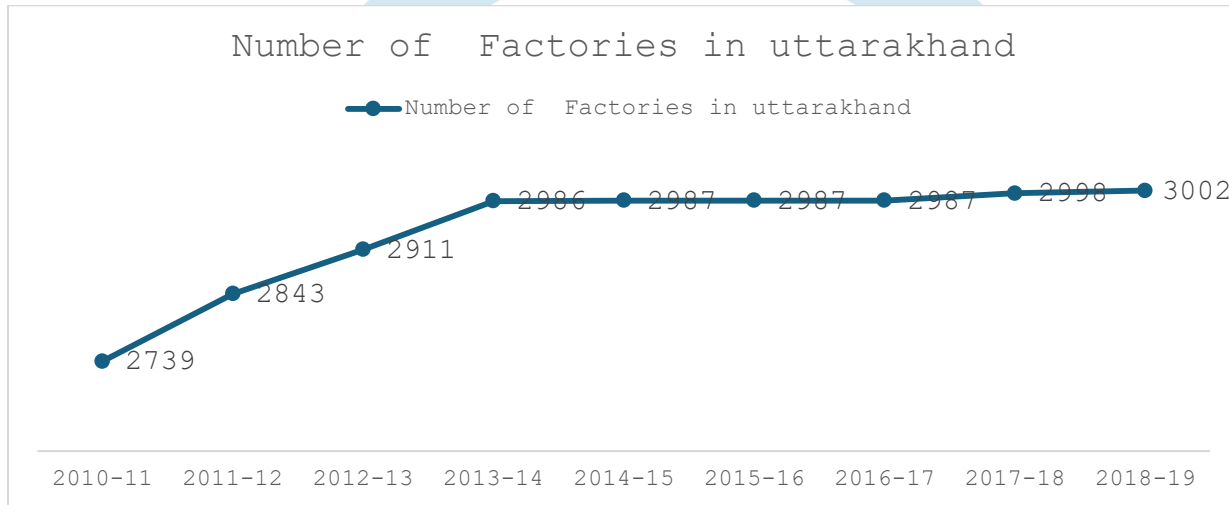
At the time of formation of Uttarakhand, the number of industries operating in the state was only 40, which increased to 211 in February 2011, in which capital investment of ₹27,960.56 crore has been made and 80,379 people have got employment.

Table: District wise status of large Industries

S.N.	District	Unit(before the formation of state)			Unit(9/11/2000 – February 2010)		
		Number of Industries	Capital Investment(Rs. Cr.)	Employment	Number of Industries	Capital Investment (Rs. Cr.)	Employment
1.	Nainital	4	1233.84	3166	4	1233.84	3166
2.	US Nagar	22	1555.83	9103	116	9568.79	30059
3.	Dehradun	6	153.38	2886	12	256.44	3309
4.	Pauri	2	66.94	763	2	66.94	763
5.	Haridwar	5	1824.27	12461	76	16826.40	43385
6.	Bageshwar	1	10.15	460	1	10.15	460
Total		40	4844.41	28839	211	27962	80379

2000-2010 laid the foundation for Uttarakhand's industrial growth by establishing an industrial infrastructure, promoting key sectors, and implementing supportive policies. Despite challenges, Uttarakhand has achieved great success and is well positioned for future expansions and diversification, positioning it as a great place for industrial investment and economic growth.

2010-2020: Consolidation and Diversification



Source: RBI Handbook on Indian states, table 35, page 35 and 36

As Uttarakhand's industrial landscape consolidated and diversified between 2010 and 2020, the state's economy grew significantly. The state's economy grew and diversified during this phase as existing industries matured and new sectors emerged, contributing to its economic growth. The above figures show that as the number of factories increased from 2,739 in 2010-11 to 3,002 in 2018-19. We take a closer look at the consolidation and diversification of Uttarakhand's industrial growth during this time:

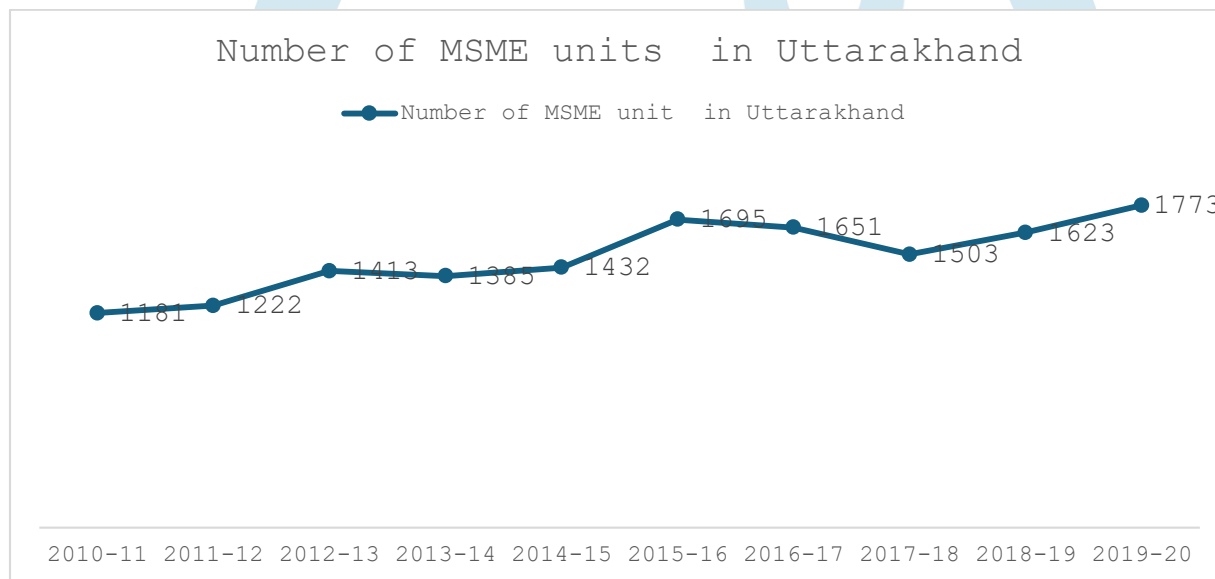
Pharmaceutical Sector: during Uttarakhand's industrial boom, the pharmaceutical industries were key contributors. Pharma companies expanded their operations while new players entered the market. A conducive environment and favorable industrial policies attract investments in this sector. Dehradun, Haridwar and Rudrapur have emerged as major pharmaceutical hubs in Uttarakhand.

Tourism Sector: Uttarakhand's natural beauty and cultural heritage continue to draw tourists, driving tourism growth. Tourism-related business grew as a result of improved infrastructure, including better road connections and accommodations. The popularity of adventure tourism, ecotourism and Wellness tourism, grew offering visitors a variety of experiences. According to Uttarakhand tourism statistics, 3,09,72,134 Indian tourists and 1,36,459 foreigners and a total of 3,11,08,593 came to the major tourism destination of Uttarakhand in year 2010 and according to the date of 2019 the total number of tourists in major tourist destinations are 3,92,25,740

IT Sector: Technology advancements led to the growth of the IT/ITES sector in Uttarakhand. A number of initiatives were implemented by the state government to promote IT investments, including setting up IT parks and providing incentives to IT companies. IT hubs like Dehradun and Haridwar offer opportunities for software development, BPO services and IT training.

Agro-based Industries: Uttarakhand's fertile land and favourable climate conditions made it ideal for the development of agro- based industries. Horticulture -based industries, herbal and aromatic plant processing unit, and food processing unit flourished during this time. By supporting farmers and entrepreneurs in setting up processing unit and marketing their products, the state government promoted value addition in agriculture.

The state has clocked a compounded annual growth rate of 10.86 per cent between 2011-12 and 2017-18 to record a gross state domestic product (the state equivalent of the more popular GDP) of \$33.21 billion. The net state domestic product has grown at a faster clip of 11.07 per cent over this period. Figure put out by the development of industrial policy and promotion (DIPP) shows that cumulative FDI inflow between April 2000 and June 2018 was \$680 millions. Even with the challenges for industrial growth, the state has been persistent in driving policies measures to reform micro small medium enterprises (MSMEs), the Ease of Doing Business, and the growth of all industries. A conducive market environment has been promoted through the below chart clearly show that the total number of MSMEs increased from 1,181 to 1,773 during 2011-12 to 2019-20.



Source: Directorate of Industries, Dehradun, Uttarakhand

Impact of industrial growth on socio-economic factors

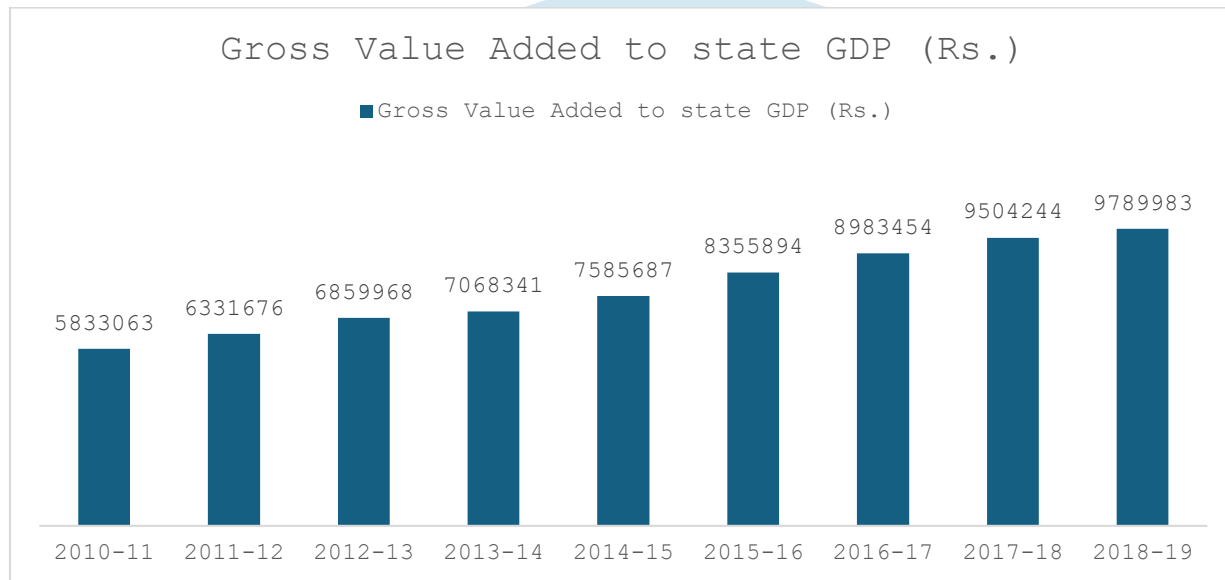
In Uttarakhand, industrialization has contributed significantly to employment generation. Both skilled and unskilled workers have found employment opportunities in manufacturing units, industrial parks, and service sectors. As a result of industrial growth ancillary industries and support services such as transportation, logistics and hospitality I have also generated jobs. The given table shows the contribution of MSMEs towards employment generation.

Table: Contribution of MSMEs towards employment generation

year	Employment			Total
	Micro	Small	Medium	
2010-11	4733	9632	2496	16861
2011-12	4523	5966	1524	12013
2012-13	4599	8608	1789	14996
2013-14	5341	2471	1285	9097
2014-15	5386	2232	409	8027
2015-16	6064	4638	665	11367
2016-17	6157	5523	549	12229
2017-18	5440	4782	477	10699
2018-19	6399	2958	580	9937
2019-20	6544	3940	1240	11724

Source: Directorate of Industries, Dehradun, Uttarakhand

Industrial production contributes significantly to Uttarakhand's Gross Domestic Product (GDP). Economic output and revenue sources for the state have been bolstered by the growth of industries like pharmaceuticals, tourism, and manufacturing. State government can invest in infrastructure development, social welfare programs, and other public services with the income, taxes, and the revenue generation by industrial activities. As a result, Uttarakhand's overall economic resilience and competitiveness on the national and international scale are also enhanced by the industrial sector's contribution to GDP.



Source: RBI handbook on Indian states, table 100, page 246

The above chart shows the gross value added to states GDP increase from ₹58,33,063 to 97,89,983. Factory development has been a boon to Uttarakhand. As factories expand, employment and their contribution to state GDP increase as well.

CONCLUSION

Uttarakhand's industrial development has been marked by significant achievements, as well as challenges and opportunities as a result of its rapid growth. Over the decade the state has made substantial progress in laying the foundation for industrialization, diversification, and socio economic transformation. Between 2000 and 2010, Uttarakhand's industrial growth was characterised by the development of infrastructure, the found the formulation of supportive policies and initial investments during the following decades, Uttarakhand's industrial landscape underwent significant consolidation and diversification. New industries emerge while existing one expanded, contributing to economic growth, employment generation and revenue diversification, pharma, tourism, IT/ITES, renewable energy and bio technology were strategic sectors of focus for the state.

Industrialization has profoundly affected various social economic factor in Uttarakhand. A major driver of employment generation, it contribute to livelihood and economic empowerment. The state's GDP infrastructure development, and socio-cultural dynamics have also been bolstered by industrial growth. The sustainability of the environment infrastructure constraints, and socio economic disparities, however, required continued attention and concerned efforts. Ultimately, Uttarakhand's industrial growth journey reflect challenges, successes, and aspiration, establishing the state's socio economic landscape for success. Uttarakhand can realize its vision of becoming a model of sustainable industrial development by building on its past achievements, addressing current challenges, and embracing opportunities.

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