

## CHAPTER – II

# ORISSA – LAND, PEOPLE, ECONOMY AND CULTURE

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#### HISTORICAL BACKGROUND:

2.1 History of Orissa, which acquired indelible fame and glory under its past names, 'Kalinga' and 'Utkal', dates back to very remote antiquity. The State was known, far and wide, for the heroic deeds, maritime trade and over-sea expansion of its people. They were pioneer founders of Indian colonies across the oceans. Splendid glimpses of its remarkable past are found in many epics including Mahabharat. Buddhist and Jain literature also have rich descriptions of bravery, patriotism and generosity of the people of ancient Kalinga. It is the soil of Orissa and supremely courageous sacrifices of its people that turned a merciless, atrocious, and barbaric Chandasoka to Dharmasoka amid the Kalinga war in 261 B.C. It is here in this soil, Asoka abandoned his expansionism and war adventures, took asylum in Buddhism and ultimately became its great defender and propagator. Kalinga was a vast and prosperous empire during the time of Kharavela who was a great patron of Jainism. Both Buddhism and Jainism survived and flourished simultaneously for a pretty long time in the ancient Orissa. The Oriyas were famous for their handlooms, silk fabrics, trade and commerce, etc. and were particularly known for seafaring and marine trade with oversea countries like Java, Bali, Sumatra, Borneo, Malaya, etc. From third century B.C. till the last day of the reign of Mukunda Dev, who was the last Hindu monarch, Orissa had a prosperous independent status and all round developments. During the time of Ganga Kings South-Western Bengal was within Orissa empire. The Jagannath temple at Puri and the Sun temple at Konark were built during this dynasty which continue to remind the Oriyas of their past brilliant incredible sculptures and architectures. During the time of Surya Dynasty, that followed Ganga Dynasty, an extensive empire was established, the border of which touched the mid-stream of the Bhagirathi in the North and the Cauveri in the South. Miseries of Orissa started in 1568 A.D. when it lost its independence and was annexed to Bengal by its Afgan ruler Sulaiman. Subsequently, in 1576 the Mughals gained sovereignty over the territory.

2.2 During Shahjahan's time in 1633 A.D., a team of English merchants led by Cartwright came to Orissa for establishing trade relationship of the East India Company and with this, seed for future British rule in the province was sown. With the death of Aurangzeb the whole of the country witnessed horrors of political upheaval and Orissa was no exception. In between 1741 to 1751 there was a series of fights, struggles and altercations between the Marhattas and the Mughals in the region for capturing power over the territory while the British were watching with hounding eyes, in wait for the opportune moment. Broadly, Muslim rule lasted from 1576 to 1751, but the whole of Orissa was hardly under complete Muslim subjugation at any time. During Mughal rule, Orissa was included in the Subah of Bengal and was divided into 5 sarkars, namely, Jaleswar, Bhadrak, Katak, Kalinga Dandapat and Raj Mahendri. Ultimately, in 1751 under a treaty, the then Bengal ruler agreed to pay the entire revenue of Orissa region to the Marhattas. With this, Orissa virtually slipped into the hands of the Marhattas of Nagpur who half-heartedly attempted to strengthen their administration in the area with Cuttack as their head-quarters. When Clive became Governor of Bengal and obtained 'Dewani of Bengal, Bihar and Orissa', from the Mughal Emperor in 1765, again controversies surfaced on the question of payment of revenue to the Marhattas and Orissa continued to suffer from and turmoil as a battle ground for its two foes. It may be mentioned here that only a part of what is now the Midnapur district of West-Bengal was referred to as Orissa in the deed of grant of the 'Dewani' and so the major portion of Orissa as it stands now remained outside the clutches of the British.

2.3 However, the infightings among the claimants for succession to the Marhatta throne, successive famines, lack of proper administration and revolt of the local zamindars against the Marhattas, soon helped the English in consolidating their position in Orissa. Finally, during the second Anglo-Marhatta war (1803-1806) on 14<sup>th</sup> October, 1803 the English captured 'Barbati Fort' at Cuttack and laid foundation stone of a more tortuous British regime for the Oriyas. In 1803 Puri was made headquarters of a collector for the province of Orissa. Subsequently, on 23.10.1828 the province was divided into 3 districts, namely, Baleswar, Katak and Jagannath (Puri). Before this in 1759 the Nizam of Hyderabad, under a treaty had given up Ganjam (then a part of Northern Sarkar of Southern India) to the English and since 1794 Ganjam is continuing to function as a district with a Collector at its head.

On 3<sup>rd</sup> January, 1804 the English occupied Sambalpur, where the Chauhan Rajas were ruling. After wards in 1849 it lapsed to the East India Company as the last ruler died without any issue. Further, in 1803, the Marahattas parted with Angul to the British, which continued as a feudatory state till 16<sup>th</sup> Sept. 1848 when the British under a resolution confiscated it. In 1855 the British established their authority over the administration of Khondmals to which the then feudatory ruler of Boudh had to agree. In 1809 the British Government assumed general administration of Jeypore Estate by appointing an Assistant Agent for it. Banki came under British control in 1840 and continued as a Government estate.

2.4 All the above, Oriya speaking tracts which were parts and parcels of Orissa during the Surya Dynasty and before, however, were not allowed to remain under any single administrative unit or province during the British Raj. While Northern Orissa (Cuttack, Puri and Balasore Districts) continued as a part of the then Bengal, Ganjam continued as a part of the then Madras Presidency. Sambalpur was in South-West frontier Agency till 1860 when it was transferred to Bengal but was again annexed to Central provinces in 1862 and was brought back to Bengal once again in October 1905. It is Lord Curzon who in 1912 strongly advocated in the House of Lords for early unification of the Oriya speaking tracts and declared that the Oriyas have been sacrificed without compensation as the "Oriyas are a non-agitating people". After this in the same year a separate province 'Bihar and Orissa' was created through partition of Bengal presidency only and thus only a part of the Oriya speaking tract was unified and even all the Oriya speaking tracts of Bengal did not come under the new province. The Orissa and the Oriya speaking people continued to suffer under chronic negligence and indifference; right from the time they lost independence. They were neither allowed a single administrative unit nor were accommodated as part of a single administrative unit. The fracturing and fragmentation of the Oriya speaking region proved calamitous for the Oriyas who became victims of torture, injustice and oppression. The dispersal of the Oriya speaking tracts Jeopardised the linguistic, cultural, social and political affinity of the people who continued to languish and suffer. British Historian W.W. Hunter has lamented the sufferings of the Oriyas with the words "Unfortunately, however, we had filled our courts and public offices with highly educated unscrupulous subordinates from Bengal, whom the Oriyas (Oriyas) regarded as foreigners just as much as if they had been Marahattas. Indeed under the Marahattas, the peasantry could always put a limit to their miseries. The Jungles afforded a safe retreat from Marhatta violence; no asylum could be found to shelter the unhappy 'Oriyas' from the dexterous extortions and chicanery of our Bengal underlings." (History of Orissa, Vo-II, Page-124, print 1872) John Beams in later part of 19<sup>th</sup> century described Orissa under Bengal presidency as a "dark and neglected lower province."

2.5 Eventually, discontentment and negligence gave way to a systematic demand for unification of the Oriya speaking tracts as a separate State and ultimately Orissa became a separate province within British India with effect from 1<sup>st</sup> April, 1936, with only some parts of the Oriya speaking tracts, despite recommendations of the Montague Chelmsford Committee, 1918 for formation of homogenous administrative divisions based on language and race. At the time of formation of the new province several Oriya predominated areas were severed and the state is still continuing dismembered. Subsequently, after independence on the eve of abolition of the feudatory states, 25 such States joined Orissa and the State got its present shape and size. Thus, the glorious past of the ancient Kalinga was obliterated during the period that followed its loss of independence and the untiring and valiant Oriyas renowned for their patriotic sacrifices, and extensive maritime adventures turned into 'a non-agitating people.'

#### ORGANISATION OF DISTRICTS:

2.6 Orissa province as constituted on 1<sup>st</sup> April 1936 consisted of six districts, namely Cuttack, Puri, Balasore, Sambalpur, Ganjam and Koraput. Besides, the old districts of Angul and Khondmals were split up into two and Angul portion was kept under the collector Cuttack while Khondamals portion was kept under the Collector Ganjam. Koraput district was created with the area, which came to Orissa from the vizag agency. The Khariar Zamindari and another 61 villages, which came from the then central province, were tagged to the district of Sambalpur. Consequent upon the merger of the ex-states in 1948 nine more new districts were created. These new districts were Dhenkanal, Sundergarh, Keonjhar, Balangirpatna, Nayagarh, Narasinghpur, Bamara, Nilgiri and Boudh. Again in

1949 when the ex-state of Mayurbhanj merged with Orissa the district of Mayurbhanj was created. Thus, by 1949 the whole of Orissa consisted of 16 districts. But there were only 12 District Magistrates as some of them exercised jurisdiction over some of the newly created districts as ex-officio district magistrates. Soon thereafter a new district namely Kalahandi was created comprising Kalahandi ex-state ( which was taken out of Balangirpatna district ) and Nuapara sub-division of Sambalpur district. In the days that followed, various new subdivisions were formed covering different ex-state areas with some adjustments for administrative convenience. During this process the districts of Nayagarh, Narsinghpur, Bamara, Nilgiri, Boudh and Angul were made sub-divisions and finally the state continued to have 13 districts till 1993 when many of the existing districts were bifurcated to make administration closer to the people and the number of the re-organised districts became 30. The Table given below shows area, population and headquarters of the districts.

Table No. – 2 A  
DISTRICT PROFILE  
AREA, POPULATION AND HEADQUARTERS OF DISTRICTS

Sl.	District	No. of GPs	No. of Blocks	No of U.L.Bs	U.L.Bs Status			Area (Sq.Km.)	Population	Headquarters
					Corporation	Municipality	N.A.Cs			
1.	Angul	209	8	3		1	2	6375	1139341	Angul
2.	Balasore	289	12	4		1	3	3806	2023056	Balasore
3.	Bolangir	285	14	4		1	3	6575	1335760	Bolangir
4.	Boudh	63	3	1			1	3098	373038	Boudh
5.	Bhadrak	193	7	2		1	1	2505	1332249	Bhadrak
6.	Bargarh	248	12	3		1	2	5837	1345601	Bargarh
7.	Cuttack	342	14	4	1	1	2	3932	2340686	Cuttack
8.	Deogarh	60	3	1		1		2940	274095	Deogarh
9.	Ganjam	475	22	18		1	17	8206	3136937	Chhtrapur
10.	Dhenkanal	199	8	3		1	2	4452	1065983	Dhenkanal
11.	Gajapati	129	7	2		1	1	4325	518448	Parlakhamundi
12.	Jagatsinghpur	194	8	2		1	1	1668	1056556	Jagatsinghpur
13.	Jajpur	280	10	2		2		2899	1622868	Panikoilli
14.	Jharsuguda	78	5	3		2	1	2081	509056	Jharsuguda
15.	Keonjhar	286	13	4		2	2	8303	1561521	Keonjhar
16.	Kalahandi	273	13	3		1	2	7920	1334372	Kalahandi
17.	Koraput	226	14	4		1	3	8807	1177954	Koraput
18.	Kendrapara	230	9	2		1	1	2644	1301856	Kendrapara
19.	Khurda	168	10	5	1	2	2	2813	1874405	Khurda
20.	Mayurbhanj	382	26	4		1	3	10418	2221782	Baripada
21.	Malkangiri	108	7	2			2	5791	480232	Malkangiri
22.	Nawarangpur	169	10	2		1	1	5291	1018171	Nawarangpur
23.	Nayagarh	179	8	2			2	3890	863934	Nayagarh
24.	Nawapada	109	5	2			2	3852	530524	Nawapada
25.	Puri	230	11	4		1	3	3479	1498604	Puri
26.	Khandhamal	153	12	2			2	8021	647912	Khandhamal
27.	Rayagada	171	11	3		1	2	7073	823019	Rayagada
28.	Sambalpur	148	9	5		1	4	6657	928889	Sambalpur
29.	Sundargarh	262	17	4		4		9712	1829412	Sundargarh
30.	Sonepur	96	6	3		1	2	2337	540659	Sonepur
T O T A L		6234	314	103	2	32	69	155707	36706920	

Source: -

1. Census of India 2001
2. Panchayati Raj Department, Government of Orissa
3. H & U. D. Department, Government of Orissa

*N.B: Remuna of Balasore District and Dhamnagar of Bhadrak District have been notified as N.A.C. but have not yet become functional.*

#### GEOGRAPHICAL FEATURES:

2.7 The State with a geographical area of 155,707 Sq. Kms., comprising 4.74% of country's landmass, is broadly within the coastal plains of India with forest clad low mountain ranges and wide expanse of fairly open plains in the South and West. The scheduled areas cover nearly 45% of the total geographical area. It lies in the East coast of the country between 81° 27' and 87° 29' East longitudes and 17° 49' and 22° 34' North latitudes, with a coastline of 480 K.ms. and a continental shelf of 24000 Sq. Kms. It has vast forest coverage of 48,838 Sq. Kms. i.e. 31.4 percent of the State's geographical area, which includes a large chunk of 27,972 Sq. Kms. of dense forest. The State is also endowed with vast mineral deposits like coal, iron-ore, manganese-ore, bauxite, chromite, dolomite, nickel, precious and semi precious stones, etc. Of the major rivers of the country, the Mahanadi, which is a deltaic river, passes through the State with a large number of tributaries and distributaries. Besides, there are many other big and small rivers and streams with a network of branches, which not only cause severe floods but keep many areas cut off from communication during rains. The State has not been able to harness its water resources to get the benefits of such a bounty of nature. The state is divided into ten agro-climatic zones on the basis of soil, rainfall, climate and other relevant characteristics. Broadly, the land area of the State is divided into three classes, namely (i) Low lands accounting for 25.6%, (ii) Medium lands accounting for 33.6% and (iii) Up-lands accounting for 40.8%. The state experiences hot and humid climate round the year with short winters.

2.8 The Agro-climatic zones of Orissa with types of climate mean annual rainfall and soil group stand tabulated below. These agro-climatic zones come within three geographical regions namely Northern Orissa Highland, Southern Orissa Highland and Mahanadi Delta, which stretches from river Subarnarekha in North to Chilika lake in South.

Table No. – 2 B  
Agro-Climatic Zones in Orissa

Sl.	Agro-Climatic Zone	Climate	Mean Annual Rainfall (in mm)	Soil group
1.	North Western Plateau	Hot & Moist	1648	Red & Yellow
2.	North Central Plateau	Hot & Moist	1535	Red loamy
3.	North Eastern coastal plateau	Hot & moist sub-humid	1568	Alluvial
4.	East & South Eastern Plateau	Hot & humid	1449	Coastal alluvial saline
5.	North Eastern ghat	Hot & moist Sub-humid	1597	Laterite and brown forest
6.	Eastern ghat high land	Warm & humid	1522	Red
7.	South Eastern ghat	Warm & humid	1522	Red, mixed red and yellow
8.	Western undulating	Warm & moist	1527	Black, mixed red & black
9.	West Central table land	Hot & moist	1527	Red, heavy textured colourous
10.	Mid Central table land	Hot & dry sub-humid	1421	Red loamy, laterite mixed red & black

2.9 Monsoon influences the climate of the state and creates havoc with its erratic and uncertain behaviour. As a result, the state faces flood and drought, now and then, and even both drought and flood in the same year. 'Wrath of Nature' is a major curse for the people of the state. Devastating floods, terrible droughts, disastrous cyclones and torrentuous rains often visit the state and scrape all the gains of toil and hard labour. Gandhiji wrote in 'Navajivan' (Gujrati) on 10.4.1921 "My impression has been that nowhere else were the people likely to be so poor as in Champaran (a district in Bihar). But I am afraid Orissa beats Champaran in this respect. The difference between the two is that in Champaran the ryots had been impoverished by the oppression of the indigo-planters, whereas in Orissa the suffering is due to the wrath of Nature. Either the crops do not grow due to lack of rains or

there are floods following excessive rains and the crops and houses are washed off; hence there is always a near famine in this State."

#### DEMOGRAPHIC PROFILE:

2.10 Orissa is experiencing a moderate population growth rate with a decennial growth rate of 15.94% during the period 1991-2001. This is, however, lower compared to the growth rate of 20.06% in the previous decade. The population of the State in 2001 has become 367.07 lakh from 316.60 lakh in 1991. The territory of the State had a population of 103.03 lakh at the beginning of the 20<sup>th</sup> century and during the century it has registered a growth of more than 356%. The density of population has increased to 236 per square Km, in 2001 from 203 in 1991, as against 274 for India in 1991 and 324 in 2001. The sex ratio has increased to 972 (Number of females for 1000 males) in 2001 from 971 in 1991 with a female population of nearly 181 lakh, which accounts for 49.29% of the total population.

2.11 The urban population of the State has marginally increased from 13.38% in 1991 to 14.97% in 2001. Literacy rate, (excluding the age group of 0-6) has increased from 49.09% in 1991 to 63.61% in 2001, which is lower than the national average of 65.30%. The female literacy rate being only 50.97% is much lower than the male literacy rate of 75.95%. S.C. and S.T. population constitute 16.53 and 22.13% of the total population respectively in 2001 compared to 16.20% and 22.21% respectively in 1991.

2.12 As per provisional figures of 2001 census, the proportion of workers to total population was 38.89% compared to 37.53% in 1991 and the total number of workers in the State comes to 142.73 lakh. Main workers accounted for 67.07% of the total number of workers while marginal workers accounted for 32.93%. The proportion of workers in rural areas was 88% and in urban areas 12%. The proportion of male workers to male population and female workers to female population in 2001 stood at 53% and 25% respectively as compared to 54% and 21% in 1991.

#### RELIGION AND CULTURE:

2.13 Orissa has a rich cultural heritage, which is a harmonious blending of art, religion and philosophy interwoven around 'Lord Purusottam Jagannath' – the internationally famous Vaishnavite God at Puri. The State has splendid historical monuments depicting glamorous heroic deeds and cultural upheavals. Puri, popularly known as the 'Jagannath Dham' because of the sacred shrine of Lord Jagannath has a special place in the cultural history of the country. It is one of the four dhams of India i.e. place of principal preceptor of Hindu Religion and a cultural nerve centre. Both Vaishnavism and Shaivism flourished in the State. Geographically ancient Orissa of the remote past was a link between Dakshinapath and the Aryavart and at the same time its mountain ranges were safe homes for the original primitives. Thus, it was a meeting ground of Anarya, Dravida and Arya cultures all of which have ultimately contributed to the growth of Hinduism. Mahabharata describes Orissa as a land inhabited by saints (rishis).

2.14 The richness of the culture of a region can be visualised from the sculptures and monuments of the past. The 'golden triangle' of Puri, Konark and Bhubaneswar has many magnificent and massive temples as examples of superb artistic, sculptural and architectural skill of the people of Orissa. The temple of Lord Lingaraj at Bhubaneswar is a centre of attraction for Shaivites. The Black pagoda at Konark is a charming epitome of architectural perfection and proof of superb creative genius of the Oriya people. The Jagannath Temple at Puri is a wonderful monument. These places along with many other such places have all along provided spiritual bliss as well as reawakening and have educated the people to follow a secular way of life. As already mentioned both Buddhism and Jainism had also flourished in ancient Orissa. In fact Lord Jagannath is also described by some scholars as a symbol of Buddhism, while He was originally a God of the Savaras i.e. one of the primitive tribes of the State.

2.15 Historically, under patronage of the Hindu Kings of the past, cultural unity through blending of Buddhism, Jainism and Hinduism has taken place in the State which is the culture inherited by modern Orissa. The culture of Orissa has been much refined subsequently under the influence of the Koran of the Muslims and Bible of the Christians but has never lost its basic values of exercising control over the passions, discarding materialistic ideology, showing respect to the religious beliefs of

others, etc. Many scholars and devotees including Chaitanya Dev, have also contributed to the culture of Orissa but no foreign invasion has been able to dwindle it down. Muslims and Christians who have equally flourished in this state have also contributed much to the Jagannath cult. Mention from among whom may be made of Salbeg. The Jagannath culture of the State is often described as more than a faith and philosophy and is accepted and followed as a 'human culture'.

2.16 While talking about culture of Orissa one cannot forget the rich, artistic and eloquent Odissi dance of the state, which is typical and famous for expression of the concepts of 'rasa' or supreme devotion to Lord Vishnu. The music of the State, also known as Odisi music, is also remarkable for its lucidity and rhythm.

2.17 Religion is another important cultural characteristic of the population of any country. Orissa, being traditionally a secular state, has never shown any intolerance towards any religion. Several religions have thrived in the comfortable cradle of this state, as may be appreciated from the following data.

Table No. – 2 C

Religious Communities	No of persons in 1981 census	% to total population	% to total population according to 1991 census
Buddhists	8028	0.03	0.03
Christians	480426	1.82	2.10
Hindus	25161725	95.42	94.67
Jains	6642	0.03	0.02
Muslims	422266	1.60	1.83
Sikhs	14270	0.05	0.05

2.18 Thus, while ancient Orissa was a meeting ground of primary races and basic cultures, modern Orissa is a meeting ground of different religions and religious people. It is in true sense a beautiful abode where all people can live in harmony, love and friendship crossing all barriers and differences in faith.

#### HUMAN RESOURCE DEVELOPMENT:

2.19 From the demographic profile of the State it is clear that the State being over populated, does not lack human forces. As a resource, people are abundantly available as factors of production to work in combination with other factors. But a large population may not necessarily contribute to economic development when they lack education, skill and technical knowledge, etc. "Developing countries with high literacy rates have tended to grow faster, even after allowances are made for differences in incomes and physical investment, and they have had higher physical investment rates." (World Development Report, 1980, P.37) In Orissa literacy rate is 63.6%, which is lower than all India average of 65.4%, and particularly the same is much lower in rural areas and for females. The functional literacy rate, for which no statistics is available, is considerably much lower than the existing literacy rate. The picture of technical and vocational education, a bare necessity for increasing efficiency of labour, is gloomy and feeble. This speaks of the very poor quality of human capital in the State and indicates widespread poverty.

2.20 "Human Capital Formation" is one of the poorly nourished sectors in Orissa. The quality of education in the state is fairly low and the content less relevant to the 'needs' of the individual and the society. The prevailing educational system does not aim at conveying knowledge and skills necessary for self-employment and / or for developing entrepreneurship, but is more concerned with certification and credentialling for government job. Its contribution to the growth of human capital is minimal. As a result number of job seekers in the 'live register' of Employment Exchanges has risen rapidly from a meagre 9593 in 1956 to 7.62 lakhs by the end of 2002. The number of educated job seekers (matriculates and above) was only 1964 in 1956, which has gone up to 6.18 lakhs by the end of 2002. There is lack of employment both in government and non-government sectors.

2.21 The number of Primary and Secondary Schools and enrolment figures, however, has recorded a tremendous rise. In 1950-51 there were 9801 Primary Schools with 3.15 lakh pupils. In 2002-03 the number of Primary Schools were 42824 with 46.08 lakh pupils (excluding U.P. Schools). The teacher-pupil ratio in 1950-51 was 1:19, which unfortunately has come down to 1:55 in 2002-03. The most disturbing factor in primary education is the problem of high rate of dropouts. The overall dropout rate at the Primary stage was 34.2% in 2002-03 while for girls it was 36.5%. The dropout rate of SC and ST students was 37.2% and 53.3% respectively in the said year.

2.22 In 2002-03, excluding the Primary Schools, 11510 U.P. (Upper Primary), Schools (with class VI & VII ) commonly known as M.E. Schools were functioning with 9.54 lakh pupils while in 1950-51 there were only 501 U.P. Schools with 40000 pupils. The teacher-pupil ratio was 1:16 in 1950-51 while it is 1:23 now. The dropout rate at upper Primary stage during 2002-03 was 59% for all, 47.5% for SC and 77.7% for the ST. In case of SC and ST girl students, the dropout rate was 49.2% and 80.3% respectively during 2002-03.

2.23 In 1950-51 a total number of 16000 students were enrolled in the secondary classes in the State in 172 High Schools. This has gone up to 12.88 lakh in 2002-03 with 6811 number of High Schools. The teacher-pupil ratio in Secondary School was 1:7 in 1950-51 and 1:22 in 2002-03. The dropout rate in high school stage was as high as 67.2% in 2002-03, for boys 65.9% and for girls 68.5%. In case of S.T. it was alarmingly high being 78% for boys and 76.5% for girls.

2.24 Coming to general higher education it may be pointed out that in conformity with National Policy on Education, 1986 the +2 wing of all government colleges have been separated in the state since 2001-02. Higher Secondary Education (+2) is imparted in 1112 General Colleges now, most of which have facilities for Arts stream only. In 2003 a total number of 1,59,402 students were enrolled at higher secondary level out of whom 1,01,096 were in Arts stream, 46,423 in Science stream and 11,883 in commerce stream. From among them 55,577, 27,036 and 7,128 respectively in the three streams passed out successfully making the total of 89,741. Thus, the pass-outs in Science and Commerce streams constituted only 61.47% of the total successful.

2.25 For degree education in all the three streams there are 567 colleges with intake capacity of 1,35,205 students. Besides, post-graduate courses in 27 subjects are available in 25 government colleges and M.Phil facilities in 11 subjects are also available in 3 government colleges. The state has nine universities including Orissa University of Agriculture and Technology and Biju Pattnaik University of Technology.

2.26 The object of providing self-employment and alternative employment by developing skilled human resources through vocational education at the higher secondary stage has not met with much success in the State. At present vocational education is being imparted in 85 higher secondary schools, spread over 23 districts covering 14 trades only. No evaluation study appears to have been done to find out success of the scheme nor any statistics regarding employment made available to students passing out in different trades is available. Besides, there are 24 Industrial Training Institutes and Industrial Training Centres with a total intake capacity of 6200 students in Govt. sector and another 109 such institutions in Private sector with intake capacity of 16304 students in the State. These institutions impart training mostly in traditional trades and are neither equipped with nor are in a position to provide training in innovative trades.

2.27 The State has 5 Government engineering colleges and 33 private engineering colleges, which are functioning, under Biju Pattnaik University of Technology. These institutions have 19 different faculties with intake capacity of 10,385 students. The Regional Engineering College, Rourkela has been declared as National Institute of Technology with deemed university status under the control of the MHRD, Govt. of India with effect from 1.4.2003 only. Besides, Kalinga Institute of Industrial Technology (KIIT) Bhubaneswar, in the Private Sector, has also been honoured with deemed university status. For diploma courses there are 13 Government Engineering Schools / Polytechnics and another 13 such private institutions with a total intake capacity of 5415 students.

2.28 Orissa University of Agriculture and Technology has 11 constituent Colleges with intake capacity of 1250 imparting education and training in various aspects of Agriculture, Animal Husbandry and Veterinary Sciences, Agricultural Engineering and Technology, Home Science, Fisheries, Forestry, General Engineering and Basic Science.

2.29 In the field of Medical Science in Government Sector there are 3 Medical Colleges with intake capacity of 321, one Dental College with intake capacity of 20, one Pharmacy College, 3

Ayurvedic Colleges, 4 Homeopathic Colleges and one Nursing College. There are also two Ayurvedic Colleges, two Homeopathic Colleges and 13 Pharmacy Colleges in the Private Sector. The total intake capacity of the 14 Pharmacy Colleges is 780 only.

2.30 Thus, in a State with a population of 367.70 lakhs and a literacy rate of 63.6% facility for higher technical education is available only for 11635 persons per year in the Engineering Colleges (10385) and OUAT (1250). The facility available is 1(one) for 3155 populations. In 2003 a total number of 146171 students had passed the High School Certificate Examination in the State. The total seats in Engineering School / Polytechnics, Engineering Colleges and OUAT being 17050 it can be said that facility for higher technical education including Diploma Courses is available only for 12% of the students passing H.S.C. and facility for degrees in technical education for 8% of them. The number of seats available in Medical Colleges is shamefully low in the state and therefore it is hardly possible to have a well-knit network of health service in the State. It is enough to say that Human Resource Development is at a very low level in the State and it needs strengthening and revamping.

#### AGRICULTURE:

2.31 Agricultural progress is a basic prerequisite of economic development, which prepares the ground for industrialization to follow. In Orissa Agriculture has been and is the main source of livelihood and income. Cultivators and agricultural labourers account for 29.7% and 35% of the total workers in the state according to 2001 census. Thus nearly 65% of the people directly depend upon agriculture for their livelihood. In 1995-96 there were 39.66 lakh operational holdings in the State with a total area of 51.44 lakh hectares. The average size of holding was 1.30 hectare. However, marginal and small holdings thus becomes an in-built constraint for the development of agriculture and accounted for nearly 82% of the total number of holdings, which itself is a proof that the agriculturists are very poor in the State and so neither are capable of making high investments in agriculture nor able to avail mechanization for augmenting production. The per capita availability of cultivated land has declined to 0.16 hectares in 2002-03 from 0.39 hectares in 1950-51. Nearly, 62% of the cultivated land is rainfed. Besides, agriculture in the State is totally exposed to the vagaries of monsoon and is a vast playground for floods or droughts, which visit the State almost every year. Productivity of agriculture in Orissa is relatively low compared to other States like Punjab, Haryana, Kerala, West Bengal, Andhra Pradesh, Uttar Pradesh, Tamilnadu etc. mainly because of traditional agricultural practices, low investment, lack of irrigation facilities and uneconomic size of holdings.

2.32 Lack of security of tenancy is still a major problem in the State though the State has implemented land reforms since 1.10.1965. Under the Orissa Land Reforms Act, 1960, it is permissible for raiyats having lands not exceeding three standard acres, persons under different disabilities as defined in the law and privileged raiyats to have tenants. In a State where average size of holding is 1.30 hectares it can be well imagined that tenants are permissible over most of the land holdings. But such tenants are neither recorded nor enumerated and have not been given any substantial right over the land to enable them to have access to institutional borrowings or to invest on the land. This is another major factor for the low productivity of the land.

2.33 Agriculture and Animal Husbandry contributed 28.13 percent of the Net State Domestic Product in 2001-02. There is, however regular fluctuation in the agricultural production of the State, which is evident from the following table.

Table No. – 2 D  
Food grain Production In Orissa

		<i>(in lakh MT)</i>					
Sl.	Food grain	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
1.	Rice	62.05	53.91	51.87	46.13	71.49	92.44
2.	Total Cereals	63.51	55.43	53.58	47.67	72.81	33.50
3.	Total Pulses	2.60	2.45	2.44	2.08	2.59	2.05
TOTAL food grains (2+3)		66.11	57.88	56.02	49.75	75.40	35.55

2.34 The fluctuation of production is mainly due to vagaries of nature, like flood, drought, cyclone and the like. For example, there was a good harvest in 1997-98 with production of 66.11 lakh MT. It came down to 56.02 lakh MT in 1999-2000 due to Super Cyclone in 14 Districts, which caused much devastation, and to 49.75 lakh MT in 2000-01. The production in 2001-02 reached 75.40 lakh MT but came down to less than half of it in 2002-03 (Provisional). This fall was due to severe drought in the Khariff as well Rabi season of 2002. The average yield rate of rice in Orissa was 15.89 quintal per hectare in 2001-02 which came down to 7.59 quintal in 2002-03. Orissa's share to the food grain basket of the country is also dwindling. Food grain production in the country and in the state along with share of the state stand tabulated in Table No. 2 E below. The Table reveals that Orissa contributed 4.71% to the total food grain production of the country in 1950-51 when its total food grain production was 2.393 Million MTs only. In 2002-03, Orissa produced 4.048 Million MTs of food grains with a growth of 169% of the production of 1950-51. In terms of share to the country's production, however, its contribution in 2002-03 came down to 2.22%. On the other hand, all-India production has recorded a rise of more than 359% in the same period from 50.82 Million MTs. in 1950-51 to 182.57 Million MTs in 2002-03. It is to be noted that the State while having 3.57% of the population of the country is now contributing only 2.22% to the national food grain basket.

Table No. – 2 E  
Food Grain Production  
Orissa's share(%) in All India Food Production

Year	Orissa	India	Share of Food Grain Production of Orissa in%
1950-51	2.393	50.82	4.71
1960-61	4.029	82.02	4.91
1970-71	5.104	108.42	4.71
1980-81	5.977	129.59	4.61
1990-91	7.031	176.39	3.98
1995-96	7.923	180.42	
1996-97	5.346	199.44	2.68
2000-01	4.98	196.81	2.53
2001-02	8.233	212.03	3.88
2002-03	4.048	182.57	2.22

Average of three years	Orissa	India	Food Grain Production share of one S.S.U in India
1950-51 to 1952-53	2.53	54.07	4.68
1960-61 to 1962-63	4.128	81.63	5.06
1970-71 to 1972-73	4.77	103.54	4.61
1980-81 to 1982-83	5.40	130.80	4.13
1990-91 to 1992-93	7.40	174.75	4.23
2000-01 to 2002-03	5.94	197.14	3.01

Source: *Agricultural Statistics at a glance –2003 and Agricultural Statistics of Orissa at a Glance.*

2.35 Barring food grains the State has no other major contribution to the agricultural production of the country. During 2002-03 coverage under oil seeds was 2.68 lakh hectares with a production of only 1.15 lakh MT. Among other cash crops sugarcane, jute/ Mesta and Cotton are grown in some pockets only. In 2002-03 only 0.47 lakh bales of cotton was produced. Coming to cropping pattern it may be seen that during 2002-03 as much as 91.7% of the area cultivated was covered under food grains including 77.7% only under paddy. Coverage under oil seeds was only 4.9%, under fibers

1.3% and under other crops (including sugarcane, potato, tobacco, chilly and ginger) 2.1%. Lack of commercial crops is another factor, which contributes to the poverty of the people.

2.36 Though endowed with vast potential for development of horticulture and favourable agro-climatic zones Orissa does not produce fruit crops in any massive scale. Hill tracts of KBK districts and of Kondhamal and Gajapati districts have been identified for large-scale horticultural activities. Initiatives in this sector can be said to be in a rudimentary stage only as the State lacks the size of funds necessary for intensive horticultural activities.

2.37 Floriculture is yet to make its presence felt in the agrarian scene of Orissa. The State has only started demonstrating commercial floriculture since 2002-03. A total number of 852 demonstration units for rose, marigold, crossandra, gladioli and jasmine were taken up during that year.

2.38 Use of chemical fertilizers and organic manure has a direct link with increase in productivity. Unfortunately consumption of fertilizer in the State is very low being only 39 kg. per hectare in 2002-03 against the national average of 90.12 kg. in 2001-02. The poor farmers in the State have very low purchasing power and credit support to avail the subsidized fertilizer. States like Andhra Pradesh, Punjab and Haryana, whose productivity is much higher, reaps the maximum benefit of fertilizer subsidy. In the present scenario large and medium farmers are only able to use fertilizer in the State and get the benefit of subsidy. A policy change appears necessary in providing subsidy on fertilizer to benefit the small and marginal farmers. The subsidy should be channelised prorata to the states on the basis of cropped area/operational holding area, to be distributed by them to the farmers. It should not be given to the fertilizer manufacturers as a price subsidy.

2.39 Lack of adequate credit is another handicap for the agriculturists in the State. There is very poor lending of capital to the agriculture and other priority sectors in the State by the Commercial Banks. The same are astonishingly low compared to the all India average. The credit deposit ratio of these banks in Orissa was 47.75 as on 31.3.2003 against the all India average of 59.38. During 2003-04 by end of September 2003 credit disbursement under agriculture term loan and allied to agriculture were only 29% and 35% respectively against the targeted amounts in the Annual Credit Plan which speaks of the negligence of agriculture by the commercial banks of the State. During this period the C: D. ratio had increased to 50.7 against RBI stipulation of 60%.

#### EMPLOYMENT SITUATION:

2.40 Labour as a factor of production though abundantly available in the State is mostly unskilled and inefficient. The size of labour force available is too large compared to scope for employment. In 1991 main workers constituted 32.78 per cent of the population while marginal workers constituted 4.75 percent in the state compared to all India average of 34.12 percent and 3.52 per cent respectively. Thus, total workers constituted 37.53 percent compared to 37.64 per cent for the country. In 2001 the total workers accounted for 38.88 percent. This sounds very fine, as Census of India has accepted all those who got work even for a single day in the preceding year as marginal workers and those who got work for 183 or more days as main workers. Hence, virtually these figures do not help in determining the employment or non-employment situation in the state. According to 1991 census the state had a total population of 316.60 lakhs and of them 32.78 per cent were only main workers i.e., had work for 183 days or more. It is not possible to say as to how many or what percentage of them had work for more than 300 days in a year. Even if it is accepted that all of them had work or employment, the inference is that 67.22 per cent of the people had no employment or meaningful employment. Even if the population in the age group of 0-14 and 60 + are ignored the percentage of people unemployed was definitely of very high order. Out of the total number of workers in 2001, main workers accounted for 67.07 percent including 29.70% of cultivators, 35% of agricultural labourers, 4.80% of household industries and 30.50% of other workers. The proportions of male workers to male population and female workers to female population in 2001 were 52.75 % and 24.62% respectively. The disturbing fact is that the pressure of population on agriculture has not come down even after more than five decades of planning.

2.41 Growing unemployment of the educated youths has become a very serious problem in the State. As already stated the educational systems in the state are not conducive to help or promote self-employment or entrepreneurship. For example, in 1991 there were only 1,600,513 persons having

matriculation and above qualification but below graduation, of who 96768 only were technical diploma holders in various trades. There were only 566447 persons having graduation and above qualification including technical and medical degrees. In urban areas 19.16% of the main workers had matriculation and above education while 14.29% had graduation and above level of education. In rural areas only 4.98% of the main workers were matriculates and above while only 1.62% were of graduates and above. As per Live Registers of Employment Exchanges, at the end of 2002 the number of educated unemployed was 6.18 lakh, which accounted for 81.10% of the total number of applicants of 7.62 lakh. In the year 2002 alone 141234 registrations for employment were made while only 2239 vacancies were reported and 2601 placements were done including the backlog. Among the educated job seekers through employment exchanges 4.65 lakh were matriculates and under graduates constituting 75.2%. The number of graduates and post-graduate job seekers of general education line were, 1.33 lakh. The number of job seekers in technical line were only 0.05 lakh graduates and above and 0.15 lakh diploma holders. The technical graduates seeking job included 2398 engineering graduates and 2145 medical graduates. These figures are only indicative of the unemployment situation in the State and can be taken as the tip of a massive iceberg. There is urgent necessity to explore new areas of employment including self-employment and to revamp the educational system with the objective of making it more vocational oriented.

#### MINERAL RESOURCES:

2.42 Orissa is endowed with large deposits of various mineral resources and occupies a significant position in the mineral map of the country. Major minerals like chromites, nickel, bauxite, iron-ore and coal are plentifully available in the State which accounts for 98.39%, 95.11%, 70.39%, 26.50% and 24.37% respectively of the total deposits in India during 2002-03. A brief comparison of the deposits is given in the table below. Besides, other minerals like China Clay, fire clay, lime stone, quartz, precious and semi precious stones, copper, manganese, graphite, titanium, Vanadium, etc are also available in the State.

Table No. – 2 F  
Mineral Reserves in Orissa and India, 2002-03 (in million tonne)

Sl.	Name of the Mineral / Ore	Reserve in Orissa	Reserve in India	Percentage to All India reserve
1.	Iron ore	3567	13460	26.50
2.	Chromite	183	186	98.39
3.	Coal	51571	211594	24.37
4.	Bauxite	1733	2462	70.39
5.	Lime Stone	1032	75679	1.36
6.	Dolomite	434	4387	9.89
7.	Fire clay	108	518	20.85
8.	China clay	157	986	15.92
9.	Nickel ore	175	184	95.11
10.	Vanadiferous magnetite	2.5	11.5	21.74
11.	Manganese	50	167	29.94
12.	Mineral Sand	82	266	32.33
13.	Graphite	2.0	4.58	43.38
14.	Pyrophyllite	8.6	9.9	86.87
15.	Lead Ore	1.8	176	1.02
16.	Talc – Soap stone	0.1	213.7	0.05

Source: Directorate of Geology, Orissa Bhubaneswar

2.43 It is noticed that total production of minerals in the State is registering continuous rise over the years. In 1998-99 the total production was 634.30 lakh tonne of the value of Rs.2365.56 crore while in 2002-03 (p) the same has gone up to 873.62 lakh tonne of the value of Rs.3694.16 crore. Thus over a period of 5 years the growth in production is 37.73 % and in value is 56.16%. Out of the total value of production during 2002-03, the share of coal, metallic, and non-metallic minerals was 56.06%, 40.65% and 3.29% respectively. But the growth of revenue receipt from Mining Sector over

the same period of 5 years was 40.38% as the total receipt was Rs.315.96 crore in 1998-99 and Rs.443.53 crore in 2002-03(P). During these five years the State respectively got 13.36%, 12.30%, 12.98%, 12.93% and 12% of the total value of the minerals produced towards Mining royalty, cess on mining royalty and other revenue from minerals. Thus the direct revenue generated from the minerals, in a state having huge deposits is bleak and does not appear commensurate with depletion of the deposits every year. This is an instance how a poor state is being made to part with its wealth (especially coal which constituted 56.06% of the total value of minerals produced during the year) without getting adequate and equitable compensation. It appears that this distress condition is due to the fact that the State does not get direct revenue as cess on mining royalty as Supreme Court have declared cess on mining royalty as ultravires. Besides, royalty due on exploitation of mineral resources is also not forthcoming in time because of inordinate delay in the revision of rates of different royalty. Mining royalty though meagre compared to the value, it constitutes nearly 60% of the States non-tax revenue and nearly 16% of the States' own tax and non-tax revenue taken together and therefore its timely revision of rates and collection is very important for the state. The delay in revising the rate of royalty ranging from 9-10 years at different points of time has caused revenue loss of nearly Rs.50 crore per annum to the state. Sarkaria Commission on Centre State relation had recommended revision of royalty rates in every two years. This has not been followed strictly, resulting in huge loss to a poor state like Orissa.

2.44 Another paradoxical problem is that mining though an important activity in the state, has not been able to provide employment to its large reserve of unemployed. According to 1991 Census only 0.98% of the main workers of the state were engaged in mining and quarrying work. The situation does not appear to have changed much - as the rate of exploitation of minerals has not gone up substantially. During 2002-03 the rate of exploitation of Graphite, Chromite and Manganese ores was 2.50%, 1.80% and 1.26% respectively of total reserves while for all other items the same was less than 1%. For coal it was 0.10%, for iron ore 0.62%, and for Bauxite 0.28%.

2.45 Though the State has abundant deposit of several major minerals it has very few minerals based industries, countable in the fingertips. The Rourkela Steel plant, aluminium plants by INDAL and National Aluminium Company, three chrome plants at Brahmanipal, Bhadrak and Choudwar by Orissa Mining Corporation, FACOR and ICCL respectively, a Metal and Ferro-Alloys Factory at Theruvalli, two Sponge Iron Plants in Keonjhar district and the Rare Earth Ltd. at Chhatrapur are the few such important industries. Besides, there are three coal based thermal power plants at Talcher, Kaniha and Banharpalli and a few captive power plants of some of the major industries. Thus, the scope for value addition inside the State is very limited and the State does not earn much revenue alone from the export to foreign countries or from transporting to other states.

2.46 All these contribute to the extremely poor return from the minerals sector and the State does not get much despite its natural resources. It has been therefore, rightly described by some as a "hapless Cinderella of modern India."

## INDUSTRIES:

2.47 Rapid economic development of any region is possible through industrialization. However, despite abundance of mineral resources, long coastline plentiful inland waters and diverse forest wealth, Orissa has lagged behind and has not been able to gain any significant place in the industrial map of the Country. In the initial stages, only power intensive industries were attracted to Orissa due to availability of cheap power. Since the demand for their products were mostly in developing States outside Orissa, the production was exported with further down-stream development of industries in other States. Orissa not only lost revenue by supplying power at cheap rates to these industries in national interest, but also lost the benefit of the multiplier effect from down-stream industrialisation.

2.48 The major minerals of Orissa namely iron ore, chromite, manganese and coal have largely been exported due to non-promotion of suitable industries within the State. Development of industrial infrastructure and establishment of such industries in the State could have dramatically boosted Orissa's industrial production and revenue from industries. Apart from the loss of mining royalty on coal and other minerals, this situation has adversely affected Orissa's non-tax and tax revenue from industries. Though Orissa is predominantly an agricultural State, a major alternative source of augmenting economic activity as well as generating greater income with a high degree of

employment, eventually lies in the growth of the industrial sector. Unfortunately, with a meagre share of barely 2 percent of the industrial output, employment and manufacturing value addition at the national level (as per the Annual Survey of Industries: Factory Sector 1997-98), Orissa continues to rank as one of the least industrially developed states in India.

2.49 An inter-state comparison of industrialization in terms of the share of value added in factory sector is indicated in the following table. The predominance of only five states (Maharashtra, West Bengal, Gujarat, Tamil Nadu and Uttar Pradesh), which contributed over 55 per cent of national industrial income in 1960-61, is clearly noticeable from the table. The recent achievers are Andhra Pradesh and Rajasthan, while Kerala is a loser. It is important to note that Assam and Orissa have remained at the lowest rungs, with Orissa having the status of the least industrialized state among the 15 major states of India throughout the period 1960-61 to 1986-87; only recently there is a marginal improvement in its relative position. As is clear, the share of Orissa in all-India value addition has practically remained unchanged at about 2 per cent since 1970-71. It is particularly disappointing to note that with reference to its population base (about 4 percent in national total) the state has failed to create a sustainable industrial base. Even the per capita value added in the manufacturing sector of the state is the lowest among the major states.

Table No. – 2 G

States	Share (%) in value added in factory sector									
	1960-61		1970-71		1980-81		1986-87		1997-98	
	Share	Rank	Share	Rank	Share	Rank	Share	Rank	Share	Rank
Maharashtra	26.7	1	26.8	1	25.0	1	23.8	1	21.7	1
Tamil Nadu	7.9	4	9.8	4	10.3	3	10.4	2	8.7	4
Gujarat	10.5	3	9.1	3	9.5	4	10.2	3	9.2	2
West Bengal	20.5	2	13.6	2	11.5	2	7.8	5	6.2	6
Uttar Pradesh	6.3	6	6.6	5	6.3	5	9.1	4	9.2	3
Madhya Pradesh	2.4	12	3.6	9	5.0	7	4.3	9	5.5	9
States	Share (%) in value added in factory sector									
	1960-61		1970-71		1980-81		1986-87		1997-98	
	Share	Rank	Share	Rank	Share	Rank	Share	Rank	Share	Rank
Andhra Pradesh	3.1	8	4.0	8	4.9	8	5.4	7	7.4	5
Bihar	6.5	7	5.7	6	5.1	6	5.0	8	5.5	8
Karnataka	3.2	7	5.7	6	5.1	6	5.0	8	5.5	8
Punjab	3.0*	10*	2.3	11	3.2	11	3.1	11	3.0	12
Haryana	-	-	2.2	12	2.9	12	2.9	12	3.0	11
Kerala	2.7	11	2.9	10	3.3	10	2.7	13	2.1	14
Rajasthan	1.0	13	2.1	13	2.8	13	3.3	10	3.5	10
Assam	3.0	9	1.4	14	1.1	15	1.9	14	Neg.	15
Orissa	0.9	14	1.9	15	1.7	14	1.6	15	2.4	13

Source: Annual Survey of Industries 1997-98 : Summary Results for Factory Sector.

Note: \* Includes Haryana

2.50 It may be noted that three nodal agencies namely Industrial Promotion and Investment Corporation Ltd. (IPICOL), Industrial Development Corporation Ltd. (IDCOL) and Orissa State Electronics Development Corporation (OSEDC) are engaged in promoting large and medium industries in the State and to accelerate industrial growth. By the end of 2002-03, Orissa had 358 large and medium industries with an investment of Rs.3, 584.71 crore and employment potential for 85,777 persons.

2.51 With growing industrial sickness in the state the State Government have adopted a new Industrial policy in December 2001 with the objectives of (i) creating business climate conducive to accelerate investment in industry and infrastructure projects, (ii) to raise income, employment and economic growth in the State (iii) to reduce regional disparities in economic development and (iv) to balance utilization of the natural resources for sustainable development.

2.52 All said and done, Orissa has occupied a very miserable place in the industrial map of the country. Industrialisation is regarded as synonymous with economic development. The proportion of national output generated in the industrial sector of a state, the proportion of work force engaged, and

the proportion of investments made in the sector can precisely determine the extent of industrialisation in a state vis-à-vis the country. Industrialisation involves transformation of basic raw materials and intermediate goods into manufactured or finished goods. For this purpose application of technology and techniques of modern management are necessary. A relatively diversified natural base, plenty of raw materials, adequate power supply and fairly elastic supply of skilled and semi-skilled labour are the primary factors necessary for such transformation. A potentially large market for the manufactured goods and a cost effective net-work of transport facilities, to deliver raw materials, etc at the manufacturing points and the manufactured goods at the market points, are also considered as important factors for augmenting industrial growth. These are, however, secondary factors, which have to be provided and organised where the primary factors are available. Capital, including credit is a major and most important facilitator, while entrepreneurship also plays a vital role.

2.53 Orissa fortunately is abundantly endowed with all the primary factors but unfortunately is poorly embellished with the secondary factors. The facilitating factors are either not available or where available are at a cursory level. These are not outbursts of long agony but are facts borne out of authentic data. The table, below gives data on the number of factories that were in operation in 2000-01 in the 14 major states of the country, including Orissa, the proportion of investments made to the country's investment in industries, output, gross value added, net value added and number of persons employed, as found from the Annual Survey Report of Industries 2000-01 of Government of India, Ministry of Statistics And Programme Implementation, C.S.O (Industrial Statistics Wing Kolkata). From the figures in the Table it is glaringly noticeable that Orissa accounted for the lowest percentage in the number of factories in the country (1.21%) except Bihar and lowest percentage of investment (2.59%) excluding Bihar and Kerala. The total output of Industries in Orissa accounted for only 1.43% of the country's output compared to 19.96% of Maharashtra, 13.81% of Gujarat, 11.17% of Tamilnadu, 7% of U.P. and 6.62% of Andhra Pradesh. During the year Maharashtra had added 21.77% to the net value followed by 11.74% of Gujarat, 11.37% of Tamilnadu, 6.95% of U.P., 6.18% of A.P. while Orissa contributed a meagre 1.64%. Number of persons employed was only 1.61% in Orissa compared to 14.68% in Maharashtra, 14.23% in Tamilnadu, 11.36% in A.P. and 9.41% in Gujarat. Such a dismal position of investment and labour employment naturally cannot contribute much to the Net Domestic Product of the country or the State and can never drive out poverty from the region. When natural wealth remains unapproached, raw materials un-exploited, water resources un-harnessed and labour forces unemployed, it is only a daydream to expect better return from these God's gifts to the State.

Table No. – 2 H  
ANNUAL SURVEY OF INDUSTRIES-2000-01, GOVERNMENT OF INDIA, MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION, C.S.O., NEW DELHI.

Sl.	States	Factories in operation	Invested Capital (Rs. in Cr.)	Total output (Rs. in Cr.)	Gross value added (Rs. in Cr.)	Net value added (Rs. in Cr.)	No. of persons employed (Rs. in Cr.)
1.	Andhra Pradesh	12870	39121.00	61347	11077.19	8878.67	907055.00
		10.38%	6.84%	6.62%	6.21%	6.18%	11.36%
2.	Bihar	1344	2920.34	7254.87	896.5	729.26	62905.00
		1.08%	0.51%	0.78%	0.50%	0.51%	0.79%
3.	Gujarat	13634	93001.41	127977.28	22992.07	16855.87	752013.00
		10.99%	16.26%	13.81%	12.89%	11.74%	9.41%
4.	Haryana	4381	21873.58	44675.04	7105.69	5570.54	300882.00
		3.53%	3.83%	4.82%	3.98%	3.88%	3.77%
5.	Karnataka	6696	35684.71	46258.83	10211.94	8301.63	474150.00
		5.40%	6.24%	4.99%	5.73%	5.78%	5.94%
6.	Kerala	4509	10377.82	26710.55	4181.62	3553.81	3133.55
		3.64%	1.81%	2.88%	2.34%	2.47%	0.04%
7.	Madhya Pradesh	3055	19733.42	36712.34	7417.37	6208.34	253444.00
		2.46%	3.45%	3.96%	4.16%	4.32%	3.17%
8.	Maharashtra	17526	103631.20	184971.46	37686.64	31260.98	1172799.00
		14.13%	18.12%	19.96%	21.13%	21.77%	14.68%

Sl.	States	Factories in operation	Invested Capital (Rs. in Cr.)	Total output (Rs. in Cr.)	Gross value added (Rs. in Cr.)	Net value added (Rs. in Cr.)	No. of persons employed (Rs. in Cr.)
9.	Orissa	1503	14809.91	13242.67	3079.43	2351.68	128662.00
		1.21%	2.59%	1.43%	1.73%	1.64%	1.61%
10.	Punjab	6970	15008.10	35018.49	5258.26	4300.80	358558.00
		5.62%	2.62%	3.78%	2.95%	2.99%	4.49%
11.	Rajasthan	4858	18553.06	30784.18	6464.55	5258.02	232177.00
		3.92%	3.24%	3.32%	3.62%	3.66%	2.91%
12.	Tamilnadu	19019	55785.18	103539.8	20272.14	16536.32	1136265.00
		15.33%	9.76%	11.17%	11.37%	11.51%	14.23%
13.	Uttar Pradesh	9216	49010.00	64854.18	12402.89	9577.02	539739.00
		7.43%	8.57%	7.00%	6.95%	6.67%	6.76%
14.	West Bengal	5905	25220.97	39132.67	7114.73	5699.17	569838.00
		4.76%	4.41%	4.22%	3.99%	3.97%	7.13%
All India		124042	571799.40	926901.85	178350.34	143621.41	7987780.00

*N. B. Highlighted figures in the second row of each of the state denote percentages of All India figures.*

2.54 Credit, which is a major component of capital, is somehow elusive in the State. Nationalised Commercial Banks and National financial institutions like IDBI, IFCI and ICICI play a vital role in providing credit to the industrial sector of any state. Credit is considered as 'a phenomenon of development' and banking system as a key agent in the process of development. Since July 19, 1969 when 14 major commercial banks were nationalized in the country much water has flown in the river Mahanadi, but very little credit flow for the Oriyas from the big vaults of the Banks. The people of the state are bewildered and bewitched with the populist approaches like establishment of Regional Rural Banks, introduction of Lead Banks Scheme, launching of District Credit Plans, Prioritization of Advances to selected sectors, adoption of Service Area Approach, etc as the net results do not appear satisfactory. The preamble to the Banking Companies (Acquisition and Transfer of Undertaking) Act, 1970 states the objective of nationalization as "to control the heights of the economy and to meet progressively and serve the needs of development of the economy in conformity with national policy and objectives." Planners and Economists believed that nationalization of banks would help in effective development of national resources for achieving greater degree of growth and would ensure supply of capital / credit needed by the productive sectors of the economy, particularly those of farmers, small-scale industrialists and self-employed professionals / artisans, etc. Besides, nationalization aimed at helping growth of new and progressive entrepreneurs and creating fresh opportunities in neglected and backward areas in different parts of the country. Unfortunately, available data indicate that regional disparities in credit supply have not at all diminished. As far as Orissa is concerned there has been very little change in the degree of concentration of bank credit.

2.55 Table No.2 (I) below shows credit outstanding in the records of the scheduled commercial banks as on 31.3.2001. The share of credit of the 4 high income states, namely Punjab, Maharashtra, Gujarat and Haryana was 37.72% with per capita credit of Rs.8380 while they accounted for only 18.80% of the total population of the country. On the other hand, Orissa, which is one of the low-income states contributing nearly 3.6% of population, had a credit share of only 1.16% with per capita credit of Rs.1734 only. Out of five middle income States namely Andhra Pradesh, Karnatak, Kerala, Tamil Nadu and West Bengal, three States i.e. Karnatak, Kerala and Tamil Nadu have been pushed up to high-income group. Table No. 21 below shows that the 7 high income states, namely Maharashtra, Punjab, Haryana, Gujarat, Karnatak, Kerala and Tamilnadu having a population share of

33.1% only have got a share of 58.09% in credit with per capita availability at Rs.7858 while the 5 low income states (which includes Orissa) having a population of 44.69% have got only a share of 12.61% in bank credit with per capita availability at Rs.1798. Among the 5 low-income states only Bihar is behind Orissa and among all the 14 states in the table Orissa is at the 13<sup>th</sup> place. Thus, Banks have endeavoured very little to reduce regional disparities.

Table No. 2 I  
Scheduled Commercial Banks' Credit (Outstanding as on 31.3.01)

High Income States				
Sl.	Name of the States	2001 Population share (%)	Credit share 2000-01	Per capita credit (Rs)
1.	Punjab	2.37	3.48	7707
2.	Maharashtra	9.43	26.76	14890
3.	Gujrat	4.93	5.48	5827
4.	Haryana	2.05	2.00	5098
Total		18.78	37.72	8380.50
Middle Income States				
1.	Andhra Pradesh	7.37	6.57	4668
2.	Tamilnadu	6.05	10.61	9194
3.	Karnatak	5.13	6.29	6420
High Income States				
4.	Kerala	3.10	3.47	5872
5.	West Bengal	7.81	5.47	3674
Total		29.46	32.21	5965.6
Low Income States				
1.	Bihar +	10.98	1.91	1214
2.	Orissa	3.57	1.16	1734
3.	U.P.+	16.99	5.46	2136
4.	M.P. +	7.91	3.53	2165.5
5.	Rajsthan	5.50	2.54	2419
Total		44.95	14.60	1933.7

Source C.M.I.E.

Note: Bihar includes Jharkhand, U.P. includes Uttaranchal, M.P. includes Chhatisgarh

N.B.: Tamil Nadu, Karnatak and Kerala though have been included under High Income States, they have been shown under Middle Income States. On else, the Higher Income Group States with 33.1% population Banks' credit Share was 58.09%.

Table No. – 2 J  
(Scheduled Commercial Banks)

Sl.	Name of the States	Per Capita Bank Credit 2000-01 (Rs.)	% of share in total credit 2000-01	2001 Population share (%)
Low Income States				
1.	Bihar	669	1.03	10.7
2.	Orissa	1734	1.16	3.6
3.	Madhya Pradesh	2528	2.83	7.9
4.	Rajsthan	2419	2.54	5.5
5.	Uttar Pradesh	1638	5.05	17.0
TOTAL		1798	12.61	44.7
Middle Income States				
1.	Andhra Pradesh	4668	6.57	7.4
2.	West Bengal	3674	5.47	7.8
TOTAL		4171	12.04	15.2
High Income States				
1.	Maharashtra	14890	26.76	9.4
2.	Punjab	7707	3.48	2.4

Sl.	Name of the States	Per Capita Bank Credit 2000-01 (Rs.)	% of share in total credit 2000-01	2001 Population share (%)
3.	Haryana	5098	2.00	2.1
4.	Gujrat	5827	5.48	4.9
5.	Karnatak	6420	6.29	5.1
6.	Kerala	5872	3.47	3.1
7.	Tamil Nadu	9194	10.61	6.1
	<b>TOTAL</b>	<b>7858</b>	<b>58.09</b>	<b>33.1</b>

Note: Bihar, U.P. and M.P. do include Jharkhand, Uttaranchal and Chhatisgarh respectively.

2.56 Injustice done by the three major financing institutions of the country to the state is far more tormenting and torturous. Table No.2 K shows investment of IDBI, IFCI and ICICI in the major states of the country. From the table it is evident that 4 high income states, namely Maharastra, Gujarat, Punjab and Haryana having a population share of 18.80% only had received 43.83%, 40.44% and 45.3% (average of the three being 43.19%) of the total investments of IDBI, IFCI and ICICI respectively, cumulatively by end of 2001-02; while the share of Orissa, having a population share of nearly 3.6%, was only 1.83%, 2.20% and 1.35% respectively, of their investments. When the Nation has adopted balanced regional development as its objective of economic planning, it seems, the financing institutions are hand in glove to defeat its purpose by deliberately depriving the state of needed nourishment, thereby it is compelling it to thrive with stunted economic growth and anaemic fiscal health.

Table No. – 2 K  
Investment of three major financing institutions IDBI, IFCI and ICICI

Sl.	Names of the States	Population share% 2001	Cumulative share as on 31.03.02			Average
			IDBI	IFCI	ICICI	
High Income States						
1.	Maharastra	9.4	23.83	17.51	27.99	23.11
2.	Gujrat	4.9	13.75	15.42	13.48	14.22
3.	Punjab	2.4	3.46	4.86	1.19	3.17
4.	Haryana	2.1	2.79	2.65	2.64	2.69
	Sub-total	18.80	43.83	40.44	45.3	43.19
Middle Income States						
1.	Andhra Pradesh	7.4	8.85	8.48	5.5	7.61
2.	TamilNadu	6.1	8.83	7.69	7.46	7.99
3.	Karnatak	5.1	7.00	6.08	6.59	6.56
4.	Kerala	3.1	1.51	0.82	0.68	1.00
5.	West Bengal	7.8	4.34	3.78	5.13	4.42
	Sub-total	29.5	30.53	26.85	25.36	27.58
Low Income States						
1.	Bihar	11.0	0.65	0.25	0.27	0.39
2.	Orissa	3.6	1.83	2.20	1.35	1.79
3.	U.P.	17.0	6.77	10.39	4.29	7.15
4.	M.P.	7.9	4.44	5.05	2.63	4.04
5.	Rajsthan	5.5	4.75	4.03	2.52	3.77
	Sub-Total	45.0	18.44	21.92	11.06	17.14

Source: IDBI Annual Report 2002-03.

N.B.: Though by this time Tamil Nadu, Karnatak and Kerala have been included among High Income Group of States, they have been shown here under Middle Income States.

#### HANDLOOM AND HANDICRAFTS IN THE ECONOMY OF THE STATE:

2.57 Orissa has one of the richest traditions of handloom and handicrafts in the country, which goes back to the time of antiquity. The ancient rock-cut caves and beautiful stone carvings engraved in the temples of medieval Orissa provide a glimpse of the rich tradition of crafts, art and sculpture in the ancient past. The traditional crafts like wood and stone carvings, tie and dye weaving textiles, folk

and patta paintings, appliqué, filigree, dhokra casting, bell metal works, jewellery work, etc., had flourished side by side with royal patronage and ritualistic needs of the temples in the state. Somehow, the State has been able to retain its reputation for excellent and artistic handicrafts, which have worldwide recognition.

2.58 In a poor and industrially backward state like Orissa, such traditional handicrafts and handloom hold considerable promise for economic empowerment and provide gainful employment to the traditionally skilled but less educated poor in the rural non-farm sector. It is found that next to agriculture, handloom and handicrafts sector is a major provider of employment to the people in Orissa. Handloom and handicraft products of Orissa are appreciated all over the country and outside for their exquisite designs, natural motifs and superb colour combination. These traditional craft industries of Orissa have, however, historically passed through many stages of ups and downs. In post-independence India, because of preference for smoke stack heavy industries, this sector has taken a rear seat in the planning priorities. But a time has come when these traditional avenues of work should be revamped and efforts should be made to upgrade and rejuvenate them. The world market is expanding for the traditional handlooms and handicrafts.

2.59 During 2002-03 a total number of 293 Handicrafts Co-operative Societies with membership of 21482 were actively functioning in the State. These societies provided employment to 7967 artisans, produced articles worth Rs.854.23 lakh and sold articles worth Rs.879.12 lakhs during 2002-03. Unlike other informal sectors, the production and organizational structure of the craft economy is more fluid and diluted at the level of artisan workers. With years of work experience the artisan worker learns and acquires skill. However, as survival of craft production depends on its marketability, which in turn depends on the working capital to run the production cycle, the trader entrepreneur still occupies the prime position, than the artisan worker in this sector. In handloom side during 2002-03 a total number of 59503 looms were functioning in the State, which produced 90.82 lakh Sq.mts of clothes with an investment of Rs.117.64 crore. These looms provided employment to 1.19 lakh weavers.

#### IRRIGATION:

2.60 In an agrarian economy irrigation acts as an insurance against the vagaries of nature and at the same time helps in raising the productivity of land. It makes up moisture deficiency in soils and brings up additional crops on the land. In Orissa however, irrigation facility is quite inadequate and hence, agriculture is absolutely dependent upon the monsoon. Agricultural production fluctuates widely from year to year because of erratic behaviour of the monsoon. The net irrigation potential created by end of 2002-03 from all sources was 26.03-lakh hectare, which is 44.12% of the total irrigable area of the State. Out of 26.03 lakh hectare of irrigated area, 12.21 lakh hectare of land are irrigated through major and medium irrigation projects, 4.65 lakh through minor (flow), 3.47 lakh through minor (lift), and 5.70 lakh through other sources which include private tanks, ponds, dugwells, water harvesting structures and the like. However, assured irrigation available through major and medium irrigation projects accounts for 46.91% of the total area under irrigation. This underscores the need for stepping up the assured irrigation potential in order to insulate agriculture from the vagaries of monsoon.

#### POWER:

2.61 Orissa is the first State in the country to embark upon reforms in the power sector. Supported by the World Bank as well as DFID, it went in for the full package: unbundling, corporatisation, and privatization. As part of reforms measures, Orissa State Electricity Board has been dissolved and power generation, transmission and distribution systems have been entrusted to Orissa Hydro Power Corporation (hydro generation), Orissa Power Generation Corporation (thermal generation), Grid Corporation of Orissa (transmission), and four distribution companies. An independent Regulatory Authority has been established to administer, regulate and monitor generation, transmission and distribution of power.

2.62 As per the available information, during 2002-03, State's share in installed capacity in the State sector was 2,798.88 MW (hydro 1,918.88 MW and thermal 880.00 MW) against which power

was available to the extent of about 869 MW. In addition to this, 440 MW of power was received from Central sector projects towards State share and 62 MW of power was purchased from captive power plants installed in the State by different industries. Thus, from all sources about 1371 MW of power was available against the estimated demand of 1367 MW. Out of 46,989 inhabited villages in the State, 37,790 villages have been electrified by the end of 2002-03 with coverage of 84%. (Source: *Economic survey, 2003-04*)

#### FOREST:

2.63 Forests produce requisite raw materials for industries, defence, communication, domestic use and other public purposes. They can contribute substantially to the exports of the country and provide large volume of employment in all the sectors, viz. primary, secondary and tertiary. Orissa has forest coverage of 48,838 Sq.Kms. which accounts for 31.4% of the geographical area. But the forestry sector in Orissa contributes very meagre revenue of 0.27 per cent (2000-01) to the Net State Domestic Product (NSDP). However, the sector provides livelihood support in terms of Non-Timber Forest Products (NTFPs), fuel wood, small timber, bamboo, other housing materials, fodder etc in sustaining large number of forest-dependent people and tribals in particular. But, there has been a progressive decline in the forest cover in Orissa during the last few decades; from 43.5 percent (1971) to 38.0 per cent (1981), to 35.2 per cent (1991) and at present (2002-03), 31.4 percent. Though this nearly satisfies the recommended norm of one-third-forest cover, there is the problem of uneven distribution. The north, north-eastern, western and southern districts of Mayurbhanj, Sundargarh, Sambalpur, Deogarh, Keonjhar, Angul, Boudh, Malakangiri, Nabarangpur, Rayagada, Gajapati and Nayagarh have good forest cover, while the districts in the eastern coastal part of the State in this respect lag far behind, though they have higher density of population. Hence, the main thrust in the forestry sector is on afforestation of wastelands and rejuvenation of degraded forests. Besides, conservation of forests is being ensured by intensifying protective measures and enlisting people's involvement in checking illegal felling and removal of trees. During 2001-02, plantation and afforestation programmes were carried out over 51,909 hectares against 49,246 hectares during 2000-01. The revenue receipts from forest produce were Rs.87.81 crore during 2001-02 against Rs.84.25 crore in the previous year. Fresh coverage under block plantations and rehabilitation of degraded forests was however as low as 17489 hectares in 2002-03. Revenue receipts from forest products, however, have gone up to Rs.96.92 crore during 2002-03.

#### TRANSPORT AND COMMUNICATION

2.64 Efficient transport and communication system is indispensable to economic development. It is said immobility and poverty go together. Orissa unfortunately has lagged behind in transport development particularly in respect of railways and ports.

#### ROADS:

2.65 At present 12 numbers of National Highways covering 3194 KMs run through 25 districts. The total road length in the State was 2,38,034 Km. as on 31.3.2003 and so the National Highways accounted for only 1.34% of the total road length. Of all the roads the village roads, G.P. Roads and Panchayat Samiti Roads constitute 79.25%, which alone is sufficient to speak about the poor quality of roads in the State.

#### RAILWAYS:

2.66 The total route length of railways in the State by the end of 2002-2003 was 2,401 KM consisting of 2,311 KM broad-gauge and 90 KM narrow gauge lines mainly passing through the fringes. The growth of the Railways in the country, since the maiden journey of 16<sup>th</sup> April, 1853 covering a distance of only 32 Kms., has been meteoric. Over a period of 150 years the total route length has reached 63122 kms. by end of 2002-03. On the other hand in 1897 the people of Orissa witnessed trains running between Dhanmandal and Kolaghat and between Khurda Road and Rajmahendry covering a total distance of 358 Kms. within Orissa. The present route length of railways

in Orissa being only 2401 Kms. the growth is not comparable with all India growth. The route length in the State is 15.4 Km. per 1000 square Km. This alone speaks of the negligence of the biggest nationalized undertaking of the country to a State having vast deposits of minerals and other national wealth. Had the State seen growth of a well-knit network of railways connecting its mineral-belt to the only major port of the State it could have witnessed much better economic progress.

#### AVIATION:

2.67 For expansion and modernization of the Biju Patnaik Airport at Bhubaneswar, the State Government has allotted 68.319 acres of Government land free of cost to the Ministry of Civil Aviation so that wide-bodied aircraft with national and international tourists can land easily. The current length of the runway at Bhubaneswar, the only airport of the State is 7,360 feet catering mostly to domestic flights. After the expansion, the runway will be of 9,000 feet on which bigger aircrafts can land. With the new runway operating soon, it would emerge as a major destination in eastern India. Thus, tourism in the state is likely to receive a boost with declaration of the Biju Patnaik Airport as an international airport. Apart from this, an updated instrument landing system will be installed and navigational aids upgraded for all-weather operations. It has been decided to construct new airstrips at Malkangiri, Daitari and Paradeep.

#### PORTS:

2.68 Paradeep is the only major port in the State. The improvement of Gopalpur to an all-weather port is in progress. The State Government has decided to build a Mega Port at Dhamra through private investment. The State Government is providing inland water transport services through motorized launches in different inaccessible areas.

#### FISHERIES:

2.69 With vast extent of water resources, the State has excellent scope for development of fisheries activities. It has the largest natural brackish water lake in the country, namely Chilika, measuring 0.79 lakh hectares. Orissa has a coastline of 480 kilometers and a continental shelf area of twenty four thousand sq. kilometers. The inland fisheries resources of the State include fresh water area of 6.66 lakh hectare and brackish water area of 4.18 lakh hectares. The total fish production in the State was 2.89 lakh tonne in 2002-03, out of which the marine fish accounted for 39.77%, brackish water fish 6.90% and fresh water fish 53.33%. Export of fish to other states and countries during 2002-03 was estimated at 0.82 lakh tonne. The total fish production in the State was 2.82 lakh tonne in 2001-02, which increased to 2.89 lakh tonne in 2002-03, showing an increase of 2.48%. The per capita consumption of fish per annum in the State has increased from 7.71 kg. in 2000-01 to 8.14 kg. in 2001-02 and 2002-03. All these show that the State has not been able to harness its water resources so far, to optimize employment and revenue generation from this sector.

#### ANIMAL RESOURCES:

2.70 Animal Resources play a vital role in providing as well as supplementing the income of rural people. As per Live Stock Census 2001, the total live stock population in the State was 234.59 lakh of which cattle population alone accounted for 138.10 lakh, buffaloes 13.88 lakhs, goats 58.80 lakhs, sheep 17.79 lakhs, pigs 6.02 lakh. It may be stated here that the total milk production in the State in 2001-02 was 9.32 lakh tonne, with per-capita availability of 70 gm. per day, which unfortunately came down to 8.94 lakh tons with per capita availability of 67 gm. per day in 2002-03 against per capita per day requirement of 210 gm. recommended by the Indian Council of Medical Research and all India average of 204 gm. (during 1997-98). The production of milk during 2002-03 was 3.77% lower than the production in 2001-02. Egg production in 2002-03 was 1,088.27 million showing an increase of 26.83% over the production level of 2001-02. Meat production in 2002-03 was 44.72 thousand tonne as compared to 42.64 thousand tonne in 2001-02. There were 540 Veterinary Hospitals and Dispensaries, and 2939 Livestock Aid Centers by end of 2002-03. 91.87 lakh animals

were protected against various diseases, 5.28 lakh castrations were performed and 52.25 lakh animals & birds were treated. The number of Milk Producer's Co-operative Societies in the State was 1,015 at the end of 2002-03 with procurement of 1.07 lakh liters of milk per day on an average during 2002-03. The State aims at 55.14 lakh M.T. of milk production and 7506 million nos. of eggs by the end of the 10<sup>th</sup> Plan period.

#### HEALTH:

2.71 Development is a holistic process. Economic development is meaningless if it does not take care of improvement in 'quality of life' of people belonging to different strata of society. The Ninth Five Year Plan document of India rightly mentions that human development and improvement of quality of life are the ultimate objectives of all planning. Needless to say, social sector development should aim at improvement of quality of life of the poor and weaker sections of population in particular and the people of the country in general. Right from the First Plan period, the country put thrust on social sector planning with a view to providing integrated essential services to the poor and the vulnerable segment. Further, in an attempt to provide greater focus and ensure achievement of objective through careful monitoring, the Minimum Needs Programme (MNP) was formulated in the Fifth Plan. Since then the government has been making continuous efforts and allocating adequate fund under the MNP to establish a network of facilities and services for social consumption according to national norms throughout the country. Notwithstanding this, in all sectors of social development, be it health, education, housing, water supply and sanitation our performance is far from satisfactory. After five decades of planned development, roughly 260 million people of the country are reported to be living below the poverty line. There are still many among the Indian Citizens, who often go to their bed hungry, remain alive with no access to medical amenities, have no means to afford proper shelter and have no stable job to ensure a reasonable standard of living. In this scenario, the status of development of social sector in a poor and backward state like Orissa may not be expected to be satisfactory, or comparable to national norm. However, in order to find out the development gap and access to the existing basic services across space and people, an attempt is made here to analyze the development status of the health sector in Orissa.

2.72 According to the latest sensitive health indicators of 1999, the average health status of people in Orissa is not even nearer to the average health status of people at all India level. Although Orissa has made relatively better progress in reducing crude birth rate, child death rate, maternal mortality rate etc. the same are still worse than the country's average. This is due to higher magnitude of illiteracy, rural poverty and malnutrition. The following table depicts the picture in detail

Table No. 2 L  
Sensitive Health Indicators, 1999

Sl.	Indicators	Orissa	India
1.	Maternal mortality rate per lakh life births	361	408
2.	Crude birth rate per 1000 population	24.1	26.1
3.	Crude death rate per 1000 population	10.6	8.7
4.	Life expectancy at birth (in year)	61.64	63.50
5.	Prenatal mortality rate per lakh life birth	61.4	42.5
6.	Infant mortality rate - 1994 - 98	97.8	70.0
7.	Total fertility rate - NHFS-2	2.5	3.2

Source - Government of Orissa, Health & Family Welfare Department, Bhubaneswar

2.73 The body mass index (BMI), which is worked out to assess the nutritional status of population by relating weight with height is found to be low for women in Orissa. According to National Family Health Survey 1998-99 (NFHS-2), the average of mean BMI of women in Orissa is 19.2%. Almost half (48%) of women in the state have a BM below 18.5, indicating a high prevalence of nutritional deficiency. The Survey reveals that the nutritional problems are particularly serious for younger women, rural women, illiterate women and women from scheduled castes and scheduled tribes (NFHS-2 Orissa: 153). Similarly according to NHFS-2 findings more than half of children (54%) below three years of age in Orissa are underweight

(weight-for-age), and 44 per cent are stunted (height-for-age). Among them, 21 per cent are severely undernourished according to weight-for-age and 18 per cent according to height-for-age. The proportion of wasting (weight-for-age) among the children of this age is also quite evident affecting about one-fourth of the total. Interestingly, the proportion of children who are underweight, stunted, or wasted have more or less remained constant between NHS-1 (1993) and NHFS-2, although severely underweight and severely stunted categories have decreased between NFS-1 and NHFS-2, from 23 to 21 per cent and from 25 to 18 per cent (NHFS-2 Orissa : 166). Added to this, it is found that prevalence of anemia among the women and children in Orissa is found to be very high. According to NHFS-2 findings nearly three-fourth (72%) of the children below three years of age and 63 per cent of women in 15-49 years age group have some degree of anemia. While the percentages of women with moderate and severe anemia respectively are 16.2 and 1.5, in the case of children below three years of age those are found to be 43.2 and 2.9 respectively (NHFS-2: 156 & 169).

2.74 With this scenario, it is found that according to the latest available data of the Health & Family Welfare Department, Government of Orissa, the State has at present one medical institution/health centre for every 21923 population and one medical bed for every 2685 persons. The doctor population ratio is 1:7560; nurse population ratio is 1:16500; and nurse-doctor ratio is 1:2 whereas the suggested national norms worked out by the Mudaliar Commission in 1960 was one doctor for every 3500 persons and one nurse for every 500 persons. The average area served by a medical institution comes to 92 Sq. Km.

2.75 According to the latest available data of the Government of Orissa, Directorate of Health Services by the end of 2002, there were 180 Hospitals, 158 Community Health Centres, 184 Public Health Centres (PHCs), 1,166 PHCs (New) and 13 Mobile Health Units in the State providing curative health services. Apart from 13 established mobile health units in the State 84 more mobile health units are also operating in KBK Districts. In addition, there were 5 Ayurvedic Hospitals, 519 Ayurvedic Dispensaries, 9 Unani Dispensaries, 4 Homoeopathic hospitals and 460 Homoeopathic Dispensaries. Health care and population control were the two main objectives of the Ninth Plan. The Family Welfare Programme is being implemented by the State Government with the objective of motivating eligible couples to adopt spacing and terminal methods and ensuring child survival through universal immunization. The death rate per thousand has been brought down from 21.6 in 1951 to 9.8 in 2002 and the infant mortality rate has been reduced from 97 per thousand live births in 1999 to 87 per thousand live births in 2002.

## POVERTY AND LIVING CONDITION

2.76 As per the latest estimate made by Planning Commission, Orissa happens to be the poorest State in the Country. 47.2 per cent people are below poverty level in Orissa as per the latest head count ratio measured by Planning Commission of India in 1999 as against the all India average of 26.10 per cent. Compared to the coastal region of the State, incidence of poverty is more in northern and southern regions of the State. In fact it is higher among the scheduled tribes than scheduled caste and general caste. It is to be noted that the percentage of rural families living below the poverty line is found to be much higher in the State (66.37% as per the estimate made by the Panchayati Raj Department, Government of Orissa in 1997). Besides structural poverty, the State also faces the conjectural poverty due to flood, cyclone and drought and destitute poverty of persons lacking either money or material to survive. In terms of development indicators like literacy rate, infant mortality rate, per capita income, and the living condition of the people of Orissa is far below the national average. Moreover greater inter district variation in the socio economic conditions of the people are found within the State. The performance of welfare activities like Employment Assurance Scheme, Indira Awas Yojana, Jawahar Gram Samridhi Yojana, Sampoorna Gramin Rojar Yojana and Swarnjayanti Gram Swarozgar Yojana have also not been able to push up economic condition of the people due to small size of the dozes.

2.77 Much needs to be done for upliftment of the poor people of the State. Economic growth is very vital to improve the living condition of the people. For this, development indicators like literacy rate, per capita income, infant survival rate and per capita food grain production have to be improved through appropriate and adequate investment in the concerned sectors. Adequate funds should be

diverted for upliftment of the rural poor in order to reduce higher incidence of poverty in the rural areas. Further, more efforts should be made to remove the present loopholes like corruption and misutilisation of funds. Increasing agricultural production and stability in food grain prices are very much essential for improving the level of living of the rural poor. Effective steps should be taken to control the climatic condition like flood, drought, cyclone etc. so that conjunctural poverty causing mass structural poverty in the State can be reduced. Adequate provision in the state budget should be made in order to remove the inter district variation. Last but not the least is that necessary steps are needed to improve the performance of welfare activities of the Government through Employment Assurance Scheme and Indira Awas Yojana etc.

#### TOURISM:

2.78 The State has virtually all the facets of tourist interest. From time immemorial the State is famous for religious tourism. Lord Jagannath at Puri and Lord Lingaraj at Bhubaneswar are the two deities visited everyday by thousands of devotees. Puri, apart from being the seat of Lord Jagannath, is one of the 'peethas' founded by Adi Sankara. A trip to Puri is considered sacred to every Hindu who pines for atleast one visit to this place of worship during his or her lifetime. This city by the sea has one of the largest sandy beaches of India that attracts tourists from all over the country and abroad, and a sea bath is always a memorable experience. The annual car festival (Rath Yatra) is an event that draws millions of devotees and tourists from all over India and also from foreign countries, providing an excellent opportunity to the culture tourists to have a glimpse of the great heritage of Orissa. The recent addition to the festive moods of Puri is the 'Beach Festival' organised during late November or early December by the Hotel Association of Orissa which attracts both classical and folk dancers from major centres of the country who perform under open air in the sea beach. The exhibition of sand sculpture by famous artists is another unique event of the Beach Festival.

2.79 Bhubaneswar, the capital city of the state is known as Temple City of India having about 500 temples. The most frequented temple by thousands of devotees is the Lingaraj Temple of Lord Shiva built in the 11<sup>th</sup> century. The Mukteswar temple and the Rajrani temple are among the finest temples of Orissa with superb stone carving of animals, flowers and human figures representing magnificent forms of Orissan art and architecture. This city is the gate-way to Orissa with Biju Patnaik airport and a major Railway station in the East-coast Railway section that receive large number of visitors entering the place for business, official work, sight-seeing and religious pursuit. At a distance of 20 Km. from the centre of the city, life throbs in one of the largest and magnificent Zoological Parks of the country known as Nandan Kanan. Endowed with a natural lake, it attracts migratory birds during the winter months. The Lion Safari of the zoo is the largest in the country. Of the other tourist attractions of Bhubaneswar are Dhauli with King Ashoka's rock edict, the Buddhist Temple (Shanti Stupa) built with Indo-Japanese collaboration, and the rock-cut caves of Khandagiri and Udayagiri, and Rani Gumpha with ornate carvings.

2.80 Puri, Bhubaneswar and Konoark comprise the legendary Golden Triangle. The Sun Temple of Konoark (known as Black Pagoda of the east) built in the shape of a celestial chariot with twelve pairs of wheels and seven horses is a 13<sup>th</sup> century architectural marvel depicting all aspects of life. The erotic art of the temple is astounding. Much of the postures of the Odissi form of dance are found in the beautiful statues of the temple. Every year during the Konark Dance Festival many celebrated classical dancers from all over the country come to this place and dance on the amphitheatre located against the backdrop of the marvelous temple. One finds the three jewels of ancient centres of Buddhism, not very far from the State capital. They are the Laleet Giri, Udayagiri and Ratnagiri. This "Tri-Ratna Triangle" of Orissa could be developed into a great tourist attraction for the Buddhists from all over the world.

2.81 To the lover of nature, Chillika Lake, Asia's largest salt-water lagoon with estuarine character provides an array of aquatic species and a boat ride in the lake particularly in winter is an experience that remains ever fresh in the minds of the visitor. The lake attracts millions of birds from the cold regions of Central Asia and Europe during the winter season providing a spectacular sight for the tourists and ornithologists alike.

2.82 In the short run apart from the existing Bhubaneswar-Konark-Puri circuit there are a couple of more tourist circuits which can be taken up for an all out development. In the western Orissa the religious-eco tourist circuit comprising of Nrusinghanath on the slope of Gandhamardan hills in the district of Bargarh, Harishankar in the district of Bolangir and the temples of Sixty-four Yoginis could be given topmost priority to attract tourist flow not only from within the State but also from the neighbouring States of Chhattishgarh, Jharkhand and Madhya Pradesh. Gandhamardan hills would provide a unique spot for the eco-tourists.

2.83 The tribals and their habitats in Kondhamal, Koraput and Kalahandi districts provide yet another different type of tourist attraction. Those searching for tribal art and culture would find a rich treasure in these three districts. It is very necessary to attract tourists from east and South-East Asia particularly to the three jewels of ancient centres of Buddhism – Laleetgiri-Udayagiri and Ratnagiri in recent years. This source can reap great incomes for the people of Orissa and the state exchequer provided the roads connecting these three places are widened and made motorable in all weathers.

2.84 In spite of all these tourists centres Orissa is lagging far behind in converting these into money-spinning abodes. A time now has come to create an institutional setup with an objective to benefit the people of the State through development of this industry. It is well known that tourism could provide a good number of direct employments apart from sizeable indirect employment in the State. Properly managed, it confers benefits in terms of social, psychological and more importantly, economic well being.

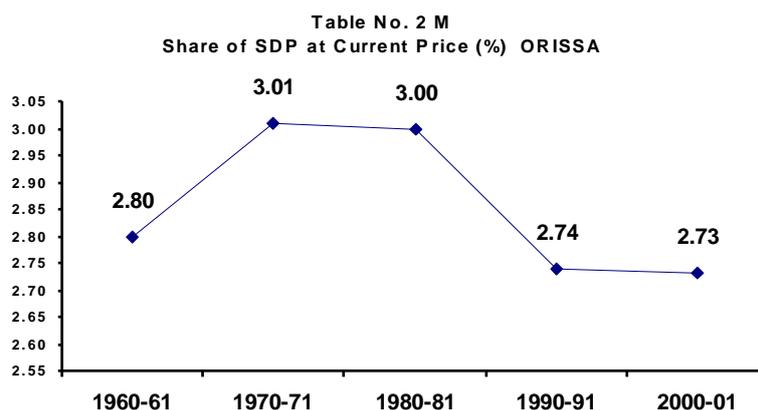
#### WILD LIFE OF ORISSA:

2.85 The state of Orissa, which constitutes a part of the Eastern Ghat ranges of India, has quite a diversified topography consisting of hills, valleys, dense evergreen forests, scrub jungles, estuaries and man-made forests. The forest area of the state is more than 30 per cent of its geographical area. The diversified ecological riches and environmental situation provide excellent habitat for a very rich and diversified fauna. Wildlife is very rich and in most of the cases, exciting. Orissa's wildlife parks are a source of great attraction not only to Indian tourists but they also attract tourists from all over the globe. The Simillipal National Park, Nandankanan Zoo, Elephant Sanctuary at Chandaka near Bhubaneswar, Chilka, Bhitarkanika and Gahirmatha wildlife sanctuaries are already on the world map. Apart from them, Baisipalli Wildlife Sanctuary, Debrigarh, Hadgarh, Kotgarh and Sundabeda sanctuaries are also excellent conservation areas popular with tourists who wish to enjoy the wild, unspoilt environment of nature.

#### STATE DOMESTIC PRODUCT:

2.86 Gross State Domestic Product, being the sum total of the money value of all goods and services produced during a year in the state has been somehow accepted as an indicator of economic growth. In an agrarian state like Orissa a very large proportion of the state's income is obtained from the primary sector, consisting of agriculture and its allied activities than from the secondary, (consisting of industry, construction, electricity, etc.) tertiary (transport, communication, trade etc) or services sector. In the State, the primary sector contributed about 36.76% to NSDP during 2002-03 at 1993-94 prices, while the contribution of the secondary, tertiary and services sectors were 15.45%, 20.48% and 27.31% respectively. The Gross State Domestic product (GSDP) of Orissa at constant prices (1993-94) reached Rs.25, 539.01 crore in 2002-03, according to a quick estimate, from Rs.18, 536.66 crore in 1993-94. The Net State Domestic Product (NSDP) or State Income has increased from Rs.16, 184.88 crore in 1993-94 to Rs.21, 861.91 crore in 2002-03 at 1993-94 prices. The per capita income at constant prices has been estimated at Rs.5836/- in 2002-03 against Rs.4896/- in 1993-94.

2.87 The share of State Domestic Products of Orissa at current prices was 2.80% in 1960-61, which touched a level of more than 3% in 1970-71 and almost maintained that level through out the decade. However, it came down below 2.75% in 1990-91 and has shown a further declining trend till 2000-01. This trend is reflected graphically below for clear appreciation.

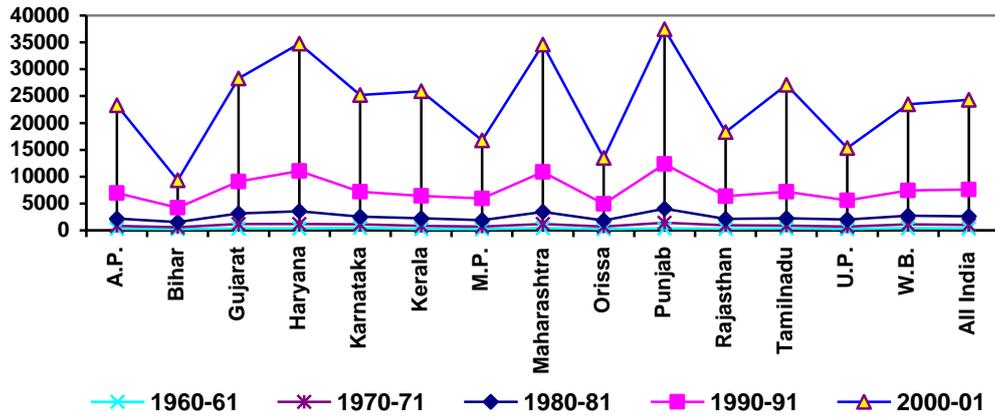


2.88 Notwithstanding the fact that GSDP is a deceptive economic indicator, both due to its limitation in concept and methodology in measurement, this is being used by the economists all over the country to measure economic development for the last 40 years i.e. from 1961-62 to 2000-01. In 1960-61, Karnataka had the highest per capita income followed by Maharashtra and West Bengal. In 1960-61, five states namely Karnataka, Maharashtra, West Bengal, Gujarat and Punjab had per capita income above the national average. In 1970-71, Punjab topped the list with five states having above the national average per capita income, namely Punjab, Haryana, Gujarat, Maharashtra and West Bengal. Karnataka came below the national average. In 1980-81, Punjab, Maharashtra, Haryana and Gujarat, remained above the national average. West Bengal came near the national average in 1980-81. In 1990-91, high income States, above the national average, were Punjab, Maharashtra, Haryana and Gujarat. With 18.8 per cent share of population, these four States had 29.95 per cent share of State Domestic Product. The middle income States were Andhra Pradesh, Tamilnadu, Karnataka, West Bengal and Kerala which had per capita income very close to national average. The population share was 31.68 per cent and State Domestic Product share taking the average of 1988-89, 1989-90 and 1990-91 at 32.95 per cent. By 2000-01 seven States namely Punjab, Maharashtra, Haryana, Gujarat, Tamil Nadu, Kerala and Karnataka had crossed the national average and occupied the position of high income States. Surprisingly, five States, Bihar, Orissa, Madhya Pradesh, Rajasthan and U.P. are continuing in the category of low income States during last 40 years. With about 45 percent of population share they are having SDP share of 28.89 per cent only. These are all evidently clear from the figures in the Table No.2-N below and the graphs attached herewith.

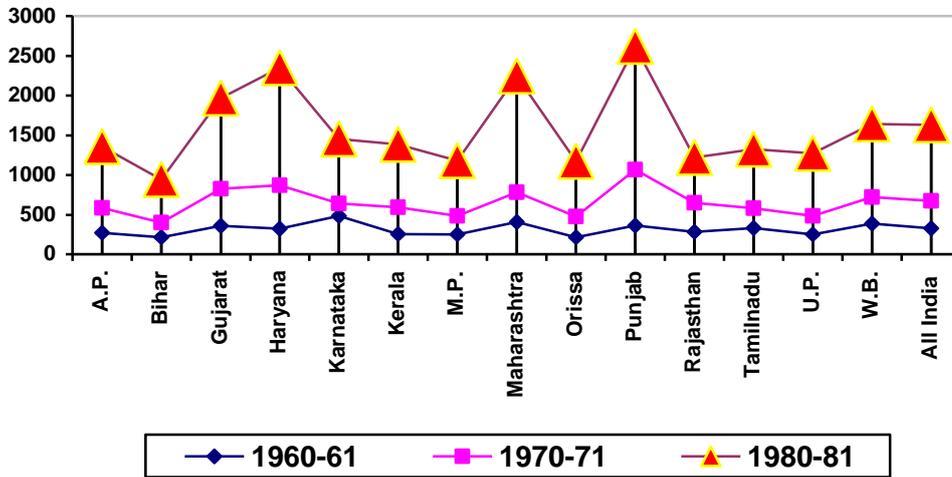
Table No. – 2 N  
PER CAPITA STATE DOMESTIC PRODUCE OF MAJOR STATES IN CURRENT PRICE

State	1960-61	1970-71	1980-81	1990-91	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	Times
Andhra Pradesh	275	585	1358	4728	8615	11224	11683	13993	14878	16373	59.50
Bihar	215	402	943	2665	4094	1014	4474	4813	5108	5466	25.4
Gujarat	362	829	1967	5913	11036	16153	16536	18815	18685	19228	53.0
Haryana	327	871	2351	7508	13770	16707	17749	19716	21551	23742	72.0
Karnataka	485	641	1454	4598	9004	11670	12566	15420	16654	18041	37.2
Kerala	259	594	1385	4200	8324	13050	14231	16029	17709	19463	75.1
Madhya Pradesh	252	484	1181	4049	6518	8819	9455	10682	11626	10803	43.0
Maharashtra	409	783	2244	7444	15244	17619	18954	20356	22604	23726	58.0
Orissa	217	478	1173	3077	6079	6401	7831	8324	8733	8547	39.4
Punjab	366	1070	2620	8318	15504	17353	18762	21184	23254	25048	68.4
Rajasthan	284	651	1220	4191	6958	10102	10997	12348	13046	11986	42.2
Tamil Nadu	334	581	1324	4978	9668	13327	15404	17613	18623	19889	59.5
Uttar Pradesh	252	486	1272	3590	5963	7501	7779	8633	9323	9721	38.6
West Bengal	390	722	1643	4673	7851	9857	11682	13641	14894	16072	41.2
All India	350	720	1741	5365	10149	11964	12707	14396	15626	16707	47.7

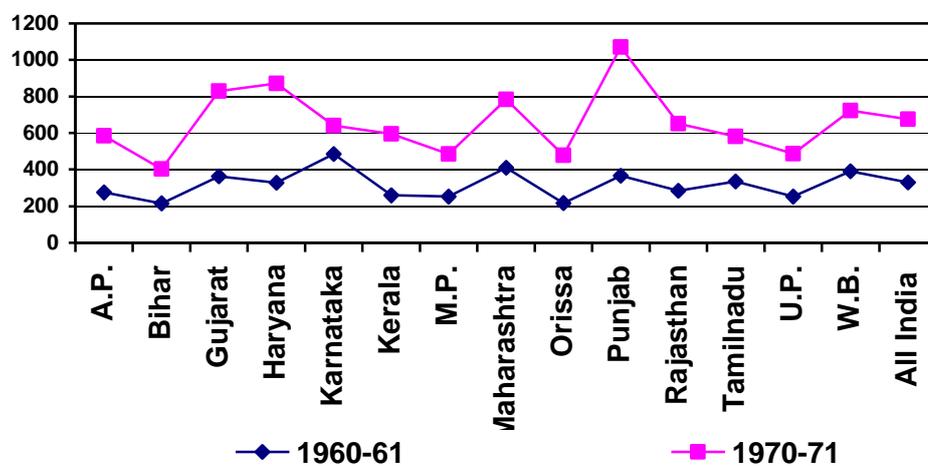
**Table 2 O**  
PER CAPITA STATE DOMESTIC PRODUCT OF MAJOR 14 STATES



**Table - 2 P**  
PER CAPITA STATE DOMESTIC PRODUCT OF 14 MAJOR STATES



**Table No. 2 Q**  
PER CAPITA STATE DOMESTIC PRODUCT OF 14 MAJOR STATES



2.89 High income states did not achieve their pace of economic growth from own resources and the states' budget. As already shown in Table No.2 K. Maharashtra having 9.46 per cent of country's total population has enjoyed a cumulative share as on 31.3.2002 from the investments of IDBI, IFCI and ICICI at 23.11 percent. Similarly, Gujarat with 4.95 percent of population could receive an investment of 14.22 per cent from these three major financial institutions. However, poorer states like Bihar and Orissa having population share of 10.7 and 3.6 per cent respectively have received a cumulative investment by 31.3.2002 at 0.39 per cent and 1.79 per cent respectively. Similarly, taking the Scheduled Commercial Banks' credit into account, Maharashtra has received 26.76 per cent i.e. Rs.14890 per capita credit as on 31.3.2001, whereas Bihar and Orissa have 1.91 and 1.16 per cent share respectively i.e. per capita credit of Rs.1214 and Rs.1734. It is but natural that Maharashtra and Gujarat, thus enjoying a larger share from the national extra - budgetary cake, have made an galloping stride in economic development. Bihar and Orissa not having surplus on their revenue account, could not build their socio-economic infrastructure like roads, electrification, education and health care and despite abundant natural resources, without having easy and fair access to financial institutions could not develop any of the primary, secondary or tertiary sectors.

2.90 During last 40 years, i.e. from 1960-61 to 2000-01 Punjab has increased its SDP, 68 times, Haryana by 72 times, Maharashtra by 58 times, Gujarat by 53 times, Tamilnadu and Andhra Pradesh by 59.5 times each, whereas Bihar has increased only 25.4 times and Orissa by 39.4 times. It is interesting to note that the highest SDP growth during the last 40 years is in Kerala (by 75 times), though financing institutions' investment there is hardly 1 per cent. The large amount of remittances from outside coupled with bank credit and investment from co-operative sector could take it ahead of other prosperous states. There is no grudge or animus against prosperity of other states, but one has to note a very simple fact that low income states, if they can not avail sufficient financial investment from extra – budgetary sources for their economic development, deserve to be adequately compensated by statutory transfers from the Government of India for building up their long felt infrastructure and not only for balancing their revenue accounts but also to create adequate surplus to meet the necessary expenditures for socio-economic development.

2.91 Thus, despite its rich and heroic history, huge deposits of mineral wealth, charming natural resources, great forest wealth, fertile soil, vast coast line and massive power potential Orissa languishes as the poorest State in the Country. It presents the paradox of poverty in plenty.

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