

Emerging Patterns of Disparities in Industrialization in the state of West Bengal; A Macro-Economic Analysis with Case Study Research of Jessop India Limited

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Abstract: *Economic imbalances and social disparities are a common feature of development economies, particularly those which have historical antecedents of colonial rule. The study of regional imbalances is given focus especially to Southeast Asian countries owing to its renewed importance in the global order. Post independent India had to tackle with several problems at the outset, regional imbalance and economic disparities being a major area. West Bengal, heralded as the second best industrial area has faced steep decline in the last decade, owing to the three fold reasons of unplanned government measures, policies lacking vision, along with lack of an ideal industry friendly environment. The worst hit is the North 24 parganas Howrah belt, popularly known as the industrial hub supplying heavy metals. There have been steep backwash effects after two decades of spread effects in this region, which once saw many big scale industries, ancillaries, townships and infrastructure built around them. A case study of Jessop and Company Limited has been done to exemplify the point analyzing the reasons for decline of Industries in WB, the regional disparities of the area vis-à-vis other regions, migration and the socio economic conditions of the Jessop workers at present.*

Keywords: *regional imbalance, unplanned government measures, backwash effects, spread effects, ancillaries, Jessop and Company ltd.*

Introduction

Regional imbalance due to economic disparities is the most challenging area in the discourse of developing nation states globally. Countries that have experienced colonisation during the fag end of the nineteenth century have been particularly subjected to find a solution to bridge these lacunae between developed regions and stretches of underdeveloped areas (Atul Kohli, 2009). This binary situation of development punched with intermittent stretches underdeveloped areas has been a point of debate in the public policies of the government, particularly in India, as it has a colonial history spanning two centuries. As a matter of fact, most countries of the South East Asian regions which later on formed regional cooperative bodies like the SAARC, ASEAN, NAM after the Cold War have mostly had an interim economy that left deep gashes in the development agenda. In India particularly, during the promulgation of the Five Year Plans immediately after independence, the prime concern was to develop the economy and bridge over the regional imbalances by providing the masses with *roti kapda aur makaan*, namely agriculture, industry and infrastructure (Aseema Sinha, 2005).

However, various studies after a decade of independence showed that there were emerging patterns of lopsided development, with some regions doing better than the other. There were inter-state, inter-regional and trans-regional disparities that the policy makers had to deal with, coupled with differences in income, infrastructure, technological knowhow, skill and geographical resources. Many states complained of policy bias, and preferential treatment in terms of Central Public investment. Therefore

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at the turn of the century the economy of India was highly imbalanced, with policy wise dichotomy as well as region specific factors that influenced the rising disparities amongst regions. Present studies have shown that regions having imbalanced growth give rise to socio-political instability, and India has been a witness to various insurgency and secessionist movements since independence. In the east, there have been Maoist forces around Purulia, Jharkhand, Chattisgarh and parts of Orissa which have an anti-establishment stand and the entire area is subjected to political tensions. This entire area was left underdeveloped by the different state governments which were elected in West Bengal since the federal structure was evolved. People took up arms against the state and what followed in the past few decades were negotiations, counter negotiations, failed negotiations and resuming of anti-government tactics by the use of armed forces and guerrilla warfare. It is a harsh truth that the Maoist dominated areas, though intrinsically rich in minerals and other resources have been repeatedly subjected to aggressive expansionist policies of corporate leaving very little breathing space to the local people (Nagarik Mancha, 2009). There is rampant poverty due to unemployment, takeover of land and resources, using indigenous resources for corporate use—creating a serious imbalance of growth and development in the region. The same is the case with the Northeast, which has been subjected to the apathy of the Indian government's pro development model. The Chicken Corridor separates the entire Northeast from the rest of the country. The years between 1987 and 2003 saw a number of mass killings (Uddipana Goswami, 2001), the movement for Bodoland, most of which went unreported in details (apart from news on casualties and violence). The Central Government grossly undermined the burning problems of insurgency, branding the people as militants who wanted to disrupt day to day governance. Little did they fathom that the root cause of insurgent movements during the initial phase was the result of draconian economic depression, migration induced poverty, refugee settlement and rehabilitation issues, food safety provisions and gross regional disparities that compelled the inhabitants to take up aggressive stands against the state. Added to this was historically embedded alienation, which had completely turned the Northeast as “alien space” both for the administration and the media.—“they (are) like objective enemies whose definition is created by virtue of their existence in a particular position at a historical moment in time, and that they do not fall within the self-definition of the state” (Pradip Phanjoubham 2005).

According to Hirschman (A.O Hirschman, 1959) regional inequalities are a part of growth, where areas which develop faster due to geographical reasons experience quicker development than areas which lag behind. Therefore, it is inevitable that economic development will always remain unbalanced. Prof. Gunnar Myrdal also reciprocates Hirschman when he says that the main cause of regional inequalities has been the strong backwash effects and the weak spread effects. Economic development resulted therefore in a circular causation process as a result of which the rich become richer and the poor become poorer. To Myrdal (Gunnar Myrdal, 1958) who was a classical economics theorist, understanding regional imbalance was to be understood as a juxtaposition of backwash and spread effects simultaneously, in circular and cumulative effects. These can be illustrated by many case studies from West Bengal particularly in relation to industrialisation and growth. There has been a 97% decline in industries in West Bengal since 2010 resulting in severe back was effects. Regional disparities with reference to the unwillingness of the centre to utilise funds can be reflected from the following—“The stagnation in the industrial front in the state can be assessed by the state of real estate sector in West Bengal. The state did not receive any investment, either foreign or domestic in the real estate sector in the financial year 2012-13, according to a report by ASSOCHAM. The state's adherence to the Urban land Ceiling and” Regulation Act, 1976 is one of the biggest roadblocks in acquiring large tracts of land for industrial use” (Namrata Acharya, 2013). Accounting for this anomaly, studies reveal that West Bengal does not show any evidence of “neighbours effect”, that is, a spill over effect of the states clubbed together as the richer ones, like Gujarat, Maharashtra, Punjab and Haryana and now even some of the Southern states—“ their (West Bengal's) contribution to the national GDP is minimal. Clearly, with no engine of growth, there is no economic mechanism by which these states can connect and benefit from a spill over effect” (Dr. Sanghmitra Bandopadhyay, 2012)

The Objectives of Study

This paper has focussed on a macro analysis of the disparities in industrialisation in 24 Parganas district vis a vis the other adjoining districts. The North 24 pargana has been taken into consideration, picking up case study of an industry that has suspended work because of various economic factors—namely Jessop Company India Limited situated in Dum Dum. The Jessop And Company India ltd has had a glorious past, its products having been exported worldwide. But just like other industries share a common fate—shut down, though the notice says that there is a temporary suspension of work.

The paper will discuss the following aspects:

1. To investigate the causes of industrial decline in West Bengal and the stark disparities with other districts (in the context of development of the study area)
2. To find out the causes and emergence of imbalances of the study region vis a vis other forms of industries.
3. To analyse in details the case of Jessop Company Limited to elucidate the issue of regional imbalance.
4. To find out the socio economic backwardness of the region by way of sample survey for development planners to take measures in resolving problems.
5. Evaluation of the Context in which research has been undertaken

The surrounding economy and its subsequent growth provide benefits and costs to the region where industrialisation takes place. There is a tremendous positive impact on the adjacent localities—job, population growth, urbanisation, infrastructural growth of roads, railways, labour markets and other forms of communication, water and electricity (Sreemanta Dasgupta, 1998). At one point of time, the spread effects exceeded the adverse backwash effects of Jessop Company India Limited, but after a few decades the industrial growth along this region including North 24 Parganas, Howrah and Hooghly districts together started showing sign of depression, with diminishing returns year after year. Though culturally and topographically the North and the South 24 Parganas are different, yet the former region is chosen as the area of study to analyse district to district change in the characteristics of the imbalance, both on an individual and social plane, and then a comparison is made with the adjacent districts that are comparatively better off like Burdwan (Kunal Sen, 2009).

Research Methodology

Both primary as well as secondary data has been collected for doing this research paper. Sample survey of workers has been done in the Jessop area in Dum Dum in North 24 pgs. Interviews were taken of union leaders who knew the history of the place as well the conditions of the workers of Jessop and the subsequent lessening of the number of workers due to stagnation and lack of manufacturing work in Jessop. The entire area of Dum Dum, where the houses of the workers are situated was visited to collect data from individual families. A total of 50 workers were interviewed. Similarly, Interviews of workers assembled at the Jessop gate were taken to ascertain the conditions of the workers, the infrastructure of the place at present, the extent of migration that has taken place in the last 10 years. One very interesting fact that emerged during the interview was the socio political cultural differences in the characteristics of the workers. There was gross migration reported while conducting the research. Secondary data was collected from the different government reports published on the internet. A house journal brought out after the bicentenary celebrations of Jessop Company was particularly helpful in understanding the historical antecedents of the company. Tables and graphs are formulated on the basis of the questions.

A Brief Industrial Profile of North 24 Parganas

The district of North 24-Parganas with its administrative headquarters at Barasat comprises five Sub-divisions viz. Barasat, Barrackpore, Bongaon, Bashirhat and Bidhannagar. The district is bounded by Nadia district in the north, South 24-Parganas in the south, Bangladesh in the east and keeps the Hooghly

district, the river Hooghly and Kolkata at the west. The district of North 24-Parganas has an international border with Bangladesh in the east spreading for about 230 kms. The district with an area of 4034 has a population of 8934286 as per 2001 Census and thus shows the highest density with 2182 persons per sq. km. among all the districts in the State.

The District at a Glance

Particular	Year	Units	Statistics
(A) Population (Sex wise)	2011	Nos.	
Male	2011	Nos.	5172138
Female	2011	Nos.	4910714
Rural Population	2011	Nos.	4275724
(B) Railways (Length of rail Line)	2010-11	Kms	
(C) Roads	2010-11	Kms	
National Highway	2010-11	Kms	147
State highway	2010-11	Kms	557
Rural Roads	2010-11	Kms.	1259
District Highways	2010-11	Kms.	547
(C) Communication	2010-11	Nos.	
Telephone Communication	2010-11	Nos.	—
Post Office	2010-11	Nos.	626
Telephone Centre	210-11	Nos.	53
(D) Public Health	2010-11	Nos.	
Allopathic Hospitals	2011	Nos.	35
Beds in Hospitals	2011	Nos.	1977
Private Hospitals	2011	Nos.	98
(E) Banking	2011	Nos.	
Commercial Banks	2010-11	Nos.	569
Rural Banks	2010-11	Nos.	3
Cooperatives	2010-11	Nos.	8
PLDB Branches	2010-11	Nos.	3
(F) Education	2010-11	Nos.	
Primary Schools	2010-11	Nos.	3706
Middle Schools	2010-11	Nos.	69
Secondary and senior Secondary Schools	2010-11	Nos.	970
Colleges			42
Technical Universities			3
Telephone centre	210-11	Nos.	53

Source-Report published by Micro, Small and Medium Enterprises, MSME Development Institute, Govt. of India

Industries at a Glance in North 24 Pgs District

Sr. No.	Head	Unit	Particulars
1	Registered in Units	Nos.	6876
2	Employees in Large and Medium Units	Nos.	416545
3	No. of Industrial Areas	Nos.	7

(Source: District Statistical Handbook of BAES & Economic Review, 2011-12, Govt. of W.B)

This overview of North 24 Pgs District sets the prelude to the spread effects and backwash effects of industrialisation that took place in this area since the last few decades. The research paper will narrow down to the emergence and gradual decline of Industries in this region. A brief history along with the statistical data on the district (as given in the table above) will help to elucidate how once a hub of industries, the area under study had spread its fruits of development to far areas like Hooghly and Howrah districts, which not only supplied raw materials to the hub but also became a source of various ancillary industries (Amiya Bagchi, 1998). In this respect, particularly the case of Jessop Company India has been selected due to its historical importance, the priority it received being nearly a monopoly in exporting Heavy Metal Industry. However, with global competition as well as some policy wise discrimination by the Government, Jessop Company India that had a glorious past entered into a declining phase with regular workers agitation, political interference, delay in the recognition of Jessop as a faltering industry by the State Government and failure of the Ruia group to strategically regenerate this industry to its former glory. The Jessop Company is a perfect example of how spread effects and backwash effects takes place in the context of a developing economy in a span of half a decade, and how this imbalance creates migration and other agitations in the socio-cultural milieu.

Causes of Industrial Decline since the Last Decade in this Area

The period of liberalization that set off during the 1990s is also said to have shoot off the growth of manufacturing industries. Rates of growth surged in Andhra Pradesh and Gujarat which grew more than 10% per annum. Comparatively, West Bengal, Assam, Orissa, Madhya Pradesh grew at 3 %. In spite of economic convergence policies since the early 1990s (Kohli, 2004), the economic output of the states have been rather lopsided, particularly in the manufacturing sector since the 2000s (Sen, 2009). The divergences in policy performance suggest differential levels of policy implementation. However, the success of policy implementation does not depend only on the political will of the state. The structure of the economy determined by the existing institutions often turns out to be crucial in deciding levels of implementation of a new policy (Munro, 1995, Rodrich et al, 2003). These institutions are, in turn, determined by the specific historical processes of a particular economy. Studies have revealed that the government has often been accused of misallocation and miss-utilisation of funds, showing a bias towards certain regions that do not fare well in terms of vote bank. Not only has this been reflected between regions, but is intra-regional as well. Hence we see a part of Howrah well industrialised whereas another part left void of any amenities. In the last decade the state of West Bengal has seen two governments—the Left Front and the TMC. Unlike other states, the transition from a leftist orientation to the rightist one was not an easy one marked with sporadic violence. The changes in industrial policy at the centre since the 1990s were proposed by a change of industrial policies at the state (Partha Chatterjee, 2009). But the fate of manufacturing industries, such as Jessop and Company limited in North 24 pgs as well as Durgapur was left in the lurch. The last half of 1990s and the beginning of the 2000s saw a sharp decline in the organized manufacturing sector in West Bengal. In the year 2004-05 WB stands at the 7th position in terms of manufacturing output considering all states in India.

The significant decline in the absolute number of employment over the last few decades, particularly in the post new-industrial-policy era in the factory sector of manufacturing can surely be taken as one of the sources from where employees enter the unorganized domain as casuals.

Data on Industrial Entrepreneur's Memoranda (IEM) suggest that the number of industrialists showing interest in the state is significantly low not only compared to some of the industrially advanced states but also a few relatively new ones. Disturbingly, the proposed investments are also notably smaller in dimension. Is this attributable to poor policy implementation? Or is it a deeper problem like lack of political will? However, it needs to be noted here that a number of institutional changes were initiated in order to facilitate new investment, such as the single window facility called Shilpa Bandhu. Some new large investments also did flow in from the Mitsubishi, Jai Balaji and Jindal Groups. This probably explains the increase, though marginal, in the rate of growth of organized manufacturing in the state in the post 1994-95 periods. The level of labour productivity remained the lowest in the organized manufacturing sector of WB compared to the industrially-more-advanced states of Maharashtra, Gujarat and Tamil Nadu over the last three decades, according to a study by Roychoudhury. The labour-productivity levels were quite close for all the four states till the mid-1980s. In fact, the real divergence came only in the early 1990s placing Maharashtra and Gujarat much ahead of WB and also TN. This is most probably because of the better utilization of liberalization policies by the states of Maharashtra and Gujarat. However we find that workers in WB's organized manufacturing are getting relatively better wage rates compared to others except in Maharashtra.

Even well-known business associations feel that physical infrastructure, especially Electricity and Ports, must improve significantly to ensure long-term sustainable industrial growth. The greatest constraint still is infrastructure alongside a poor work culture. Despite the general perception that WB is a power-surplus state, the quality of power needs to improve, alongside significant augmentation in power-supply capacity and massive improvements in transmission and distribution systems. Business organizations also focus the need for a greener and cleaner state capital- Kolkata.

Case Study: The Jessop that was vs. the Jessop that is: Explaining Industrial decline in West Bengal History of Jessop

The years from 1830 to 1890 may be regarded as a period of transition in the industrial scene, a period in which the horizon of engineering and other industrial activities changed drastically in Britain. However, in India though these technologies had very little impact. Thanks to the pioneering efforts of Jessop and Company, some technology was imported and successfully implemented in India by 1830. And the fruits of his technology were first lapped up in West Bengal. Being an engineering company, its interest in iron and steel and the coal industry was natural. In 1830, G.A Princep described a steam engine of 8 horse power as "the engine is now in the yard of Messrs. Jessop and Company, who propose to put it up in their collieries in Burdwan"(Princep 1830). The changed context of the new demand for engineering industry has to be carefully understood especially in reference to Kolkata and its adjoining areas. The advent of Jessop changed the skyline of Kolkata, then Calcutta. As Professor. Sunil Kumar Sen states "it seems that the public expenditure on the developing work created new opportunities for engineering industries. There was generated a large and growing demand for a variety of engineering goods as the railways and roads, bridges and irrigation works, telegraphs, public buildings and military works were being constructed. Private demand also began to grow. The Port Trusts took considerable expenditure for the development of port and docks. The Corporations and Municipalities began to grapple with the problems of urban sanitation and water supply, and a large demand for iron castings, cast iron pipes and sanitation appliances were created" (See Sunil Kumar Sen in, 1994).

New Laurels in the Pre-war and War Years

Two major changes happened before the First World War (1914-18) to greatly influence the company's activities. One was the Stores Rules issued by the Government of India in 1909, and secondly, prolonged experiments in the Iron and Steel Industry got a major break-through in the TISCO. Jessop started seeking orders for TISCO for their services in fabricating and erecting a great portion of TISCO in Sakchi and Jamshedpur, for which many thousands of castings, some of an extremely intricate nature and some weighing many tons were furnished to Sakchi by the Howrah Foundry of Jessop. In 1917, the difficulties arising from the war, with the consequent restriction of transport and insistent demand for

output led to the adoption of a bold course and Jessop and Co. was invited to lay down and equip a constructional Works at Sakchi with a capacity of 1000 tons of fabricated steel work per month to take care of the enormous extensions to this Indian edition of Pittsburgh.

Spread Effects of Jessop along North 24 Pgs and Howrah Belt during the first half

The gradual metamorphosis of Jessop and Company from a fledgling to Goliath saw the entire belt from North 24 parganas to Howrah turn into a mini industrial hub. The spread effects of the newly founded Jessop saw workers coming from the adjacent Howrah, Hooghly and even from distant Burdwan (as told by Asit Sen, General Secy, Jessop Mazdoor Union in an interview conducted for this research on 25/6/2015). 14000 employees worked during 1955 in Jessop, which had by then diversified into ship building, military tanks, EMU coaches, and its meter gauge system was exported to countries like Uganda, Vietnam, and Bangladesh. The entire cantonment area, including Dum Dum, Gorabazar, Sinthee, Baranagar, Liluah, Bally, Uttarpara ranging from 24 pgs North to Howrah had different ancillary industries that grew around the manufacturing unit of Jessop Company like APV, Wesman, HMV and other small service industries. There were banks, Life Insurance Companies, Jessops own branch of Post Office, Hospitals all centred on the industry. Roads and transportations got a fillip, as connecting roads were constructed from Dum Dum—the Jessore Road and then again the national Highway 34 leading to Howrah. Shipping got an impetus as the Ganga was adjacent to Howrah, and Dum Dum station plied trains that transported goods from Dum Dum to Durgapur. 70 acres of land was bought at Kolkata itself for industrial purposes and 123 acres in Durgapur. 1000 workers worked in the foundry workshop at Durgapur.

Jessop during the 1960s and 1970s was perhaps the only industry in North 24 parganas that had its own apprentice school. This was located at 11, Mall Road, opposite Bhutan House. Employees of Jessop migrated mostly from Bihar, Orissa, Howrah and Hooghly. In fact, the output during the initial years was so high that the districts of North 24 Pgs and Howrah rapidly showed all signs of urbanisation. There was influx of technological knowhow, and one phase of development had a cumulative effect, it led to more development. For example, the growth of more ancillary industries in the Howrah belt created more job opportunities, this led to more people migrating from other states for better wages. This cumulative increase in population demanded better infrastructure and facilities as a result of which schools, colleges and universities started being built. Therefore, an entire economy started growing around Jessop, with multiple other smaller factories and micro enterprises being built simultaneously. Economic spread is defined as a measure of a company's ability to make money on its investments (Amiya Bagchi, 1972). It is an economic effect where development in one place spreads to its suburbs and the adjoining areas. During the years from 1920-55, Jessop and Company was the most flourishing industry in the area of study, with enormous spread effects, with its emphasis mostly on the manufacture of wagons, bridge materials, cranes etc. the company's expansion, modernisation, and finally centralized establishment also took place during this period (P.Bardhan, 2006).

Around 1940-60, Jessop purchased a considerable amount of land at Dum Dum from the Government of India. The reason was that the spread effects of Jessop were so high that new lands had to be purchased to keep up with the huge demand for the goods manufactured by Jessop. In fact, Mr. Skinner of Jessop once wrote to the Controller of Inspection that congestion at the Howrah area was so high the company would probably need to build a new bridge over the Hooghly to reconcile with further developments (Sourced from "Evidence Recorded during inquiry into the Steel Industry", Vol.2, pg. 435). The Company's General Catalogue contains further information about this—"Here on the company's own land are located three separately organized and control works of for the production of Structural Works, Mechanical work and Railway Rolling Stock, as also main store yards, and a series of bungalows for the accommodation of the works' staff, the whole covering some 70 acres. These have been recently reconstructed and modernized on the most up-to-date lines" (Minutes of the Meeting of the Board of Directors of Jessop and Company Ltd. Vol.1 pg.2).

The Sample Survey

A sample survey questionnaire was prepared to understand the present conditions of the workers. Altogether 50 workers were interviewed and sampling was done. The questions were prepared keeping three things in mind.

1. The socio economic conditions of the workers.
2. The question of migration of workers to more developed places like Burdwan, Bihar, Gujarat and Kerala.
3. The backwash effect after the spread effects of the Industrial zone in Howrah and 24 pgs north.

A detailed questionnaire was prepared which was again subdivided into several areas. They were

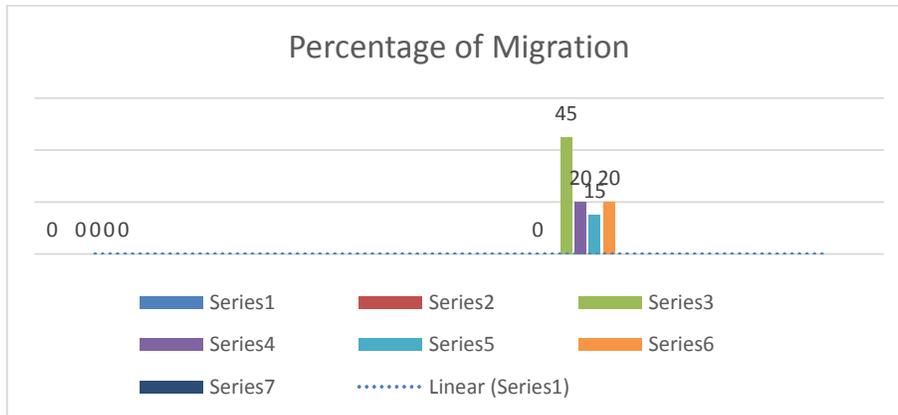
- a) Personal details, including name, address, civil status, whether wife was staying along with the worker to ascertain if the worker was working on a mere temporary basis and planned to go over to his native land after some years. Names would also suggest whether the worker was originally from Kolkata or not.
- b) Secondly, it was ascertained from the questionnaire whether the worker was working alone or if his wife was also working or his children working and earning to supplement the family income.
- c) Thirdly, to ascertain the economic status of the worker his household income, the roof material of his house, water supply and sanitation, hygiene, the number of rooms he had was surveyed. Subsequent studies have proved that there was huge backwash effects in Dum Dum and Howrah areas, where workers migrated to other states where the government policies and wage structure was better.
- d) Fourthly, the survey sought to understand the tendency of migration within the existing workers and the other workers who have already migrated. It is interesting to know that Jessop had manpower in Kolkata itself in the Dum Dum Factories exceeding 19000. Today, this has reduced to a mere 500, who are not getting their salaries for the past 10 months after the tripartite agreement with Pawan Ruia, the present owner of Jessops, the government and the workers' union. The State Government has assured that the workers will be paid the remaining amount in 24 instalments out of which only 2 instalments have been discharged.
- e) Lastly, the workers concerns about the suspension of work in Jessop was sought to understand how in 200 year, an industry having the highest of contribution in the Indian heavy metal trade gradually sunk into oblivion, creating a high spread during its heydays to severe backwash effect in the present decade. Further, it proves that economic imbalance in West Bengal is the result of the simultaneous fallacies in the Government policies to restart Jessop with more financial backup, along with economic factors.

Present Source of Sustenance of the Workers

Source	Percentage
Rickshaw puller	13
Security Guard	12
Begging	2
Joint Family earning	18
Street Night Guard	10
savings	25
Income of Spouse	20

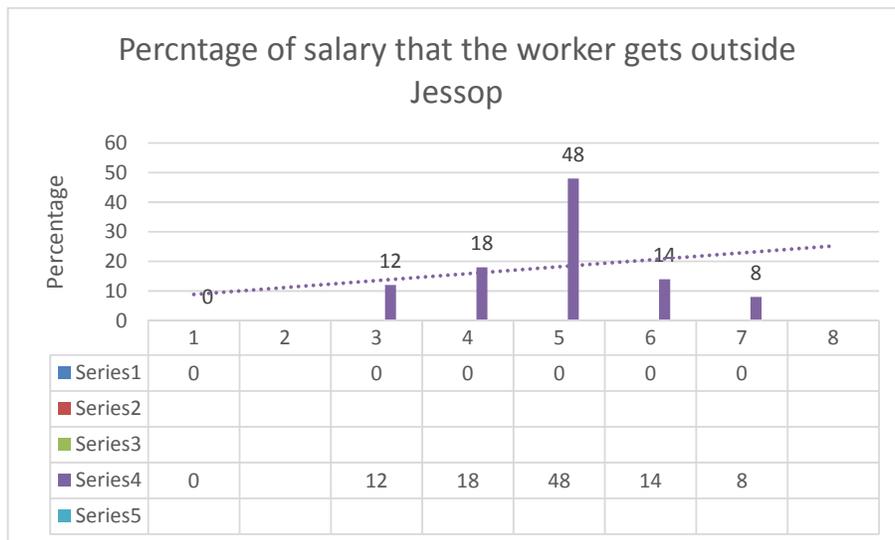
Percentage of Migration to other districts/states

Stats to which migrated	Migration percentage
Uttar Pradesh	45
Bihar	20
Burdwan	15
Kerala and South India	20



Present Salaries of the Workers outside Jessop

Salary	Percentage
4000-4500	12
3500-4000	18
2500-3500	48
2000-2500	14
Below 2000	8



Research Findings

The first thing that was noticed while doing the survey was the workers still clung to the age old tradition and heritage of Jessop and were apprehensive of its closure. Most of their fathers had earlier worked in Jessop as apprentices and the workers wanted to work more than raise issues of salaries. At present the Jessop Company is owned by Pawan Ruia who also failed to revive the company. After this, the Finance Minister came to Jessop and assured them that a tripartite agreement would be formed and the pending salaries of the workers would be paid in 24 instalments. Though 2 instalments have already been dispersed, the workers have not received any payment for the last 10 months, for which they had to take recourse to other odd jobs to keep the family running. Around 500 worker force remains regular till date which has diminished from 19000. Most of the workers have already migrated to their native places to pursue their earlier job in agriculture, but a sizeable section of the workers, particularly the younger ones have migrated to states like UP, Bihar, Burdwan, and Gujarat and South India. The last decade has seen severe backwash effects in North 24 parganas, with ancillary industries centred on Jessop shift their manufacturing units to other districts/states or closing down (As Given in the Graph)

The socio economic conditions of the workers proved to be highly detrimental to society itself for 2 reasons—the skills that were earlier acquired by the workers have all gone to waste as there has been no utilisation. This is again a backwash effect of economic disparity in North 24 pgs compared to the other districts like Burdwan, as it is a setback in terms of Human resources. Secondly, the economic condition of the workers which was earlier at par with the highly industrialized regions of West Bengal was as its worst now as the workers have not received any salary for the last 10 months. Hence, to compensate for the lack of salaries, most of the workers either work as night guards in their *paras*, a Bengali word for their areas, and the more physically fit and younger people work as security guards in adjoining private companies. Those who are older work as masons, rickshaw pullers, take tuitions, have small shops, hawkers (Given in graph). One very pathetic fact came to light during the interactions with the workers. Out of acute poverty, there were some who had started begging near railway platforms. This is in stark contrast to the heritage and splendour that was earlier associated with Jessop, which not only had made a name for itself in India, but the entire Asian market as the sole exporter of cranes, wagons and EMU coaches. The last decade was the period of backwash effects in this area.

Most of the workers (around 70%) did not possess basic household items like a septic system, separate latrine, Satellite dish or cable TV, Televisions, VCRs, or gas ovens. Cooking was done in kerosene stoves. The roof material of the houses where the workers lived (colony areas of Gorabazar, Rajarhat, Hatkhola Barasat, Bally, Kankinara, Arjunpur, Kaikhali, Maslandapur Nimta, Mandalghanti, airport area) was made up of asbestos (90% of the houses), and the wall material was kuccha. There was no separate kitchen in most of the families, with the kitchen being made from an extension of the bedroom area (67% of the households). Others had a single room and a kitchen. The workers of Jessop India were not in favour of closing down of this heritage industry, and hoped that it would run on the basis of the tripartite agreement mentioned earlier) of August 8th, 2014. However, if the company authorities wanted to shut down the factory and release its workers, they should introduce a scheme for all categories of employees, like Provided Fund, ESIC benefits (source- Leaflet of Jessop Unions Viewpoint regarding Jessop and Co Ltd sent on 13/7/2015 to the management for their reckoning).

An implicit understanding is detected between entrepreneurs, organized labour and their unions. It seems that the state has also played a passive role in this regard. This particular outcome has serious implications for the perpetuating in formalization in the state. This is all the more due to easy availability of unorganized cheap labour and an old practice of farming out production to the small units in the state. Management informalize production in more than one way by employing contract workers and farming out production (Abhirup Sarkar, 2006). Trade unions also recognize the fact that to retain power in a situation of decline, in formalization to an extent is beneficial. On the one hand, they have succeeded in achieving higher wages, even in the absence of corresponding productivity gains, for a small group of insiders (permanent workers); on the other, they have been able to develop a typical patron-client relationship with the contract workers.

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