ECONOMIC REJUVENATION OF A REGION – A CASE OF GWALIOR CITY

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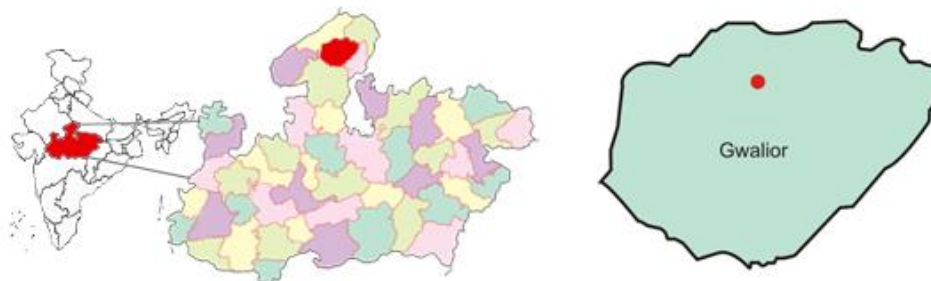
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Abstract: In India, regional imbalance has been one of the major concerns and it has been perpetuating for many years starting from pre-independence period. Regional disparities or imbalances imply wide differences in per capita income, literacy rates, availability of health and education services, levels of industrialization, etc. between different regions. The planning in independent India has also not been able to remove these disparities. The need for the removal of regional disparities was well recognized by the leaders of the independent India. Generally, India has a fairly good decadal growth rate, therefore the regions can be developed by the assistance provided by the Govt. of India and holistic development can be achieved. The study proposes to carry out such work on an identified region in Central Indian state of Madhya Pradesh which is Gwalior district with an aim of Economic Development of the Region covering objectives to understand the profile of the region, the resource base, existing economy and determination of potential of different towns and working of interventions. Economic development is the development of economic wealth of countries or regions for the well-being of their inhabitants. It usually refers to the adoption of new technologies, transition from agriculture-based to industry-based economy. It helps in the overall development and growth of the region for the people.
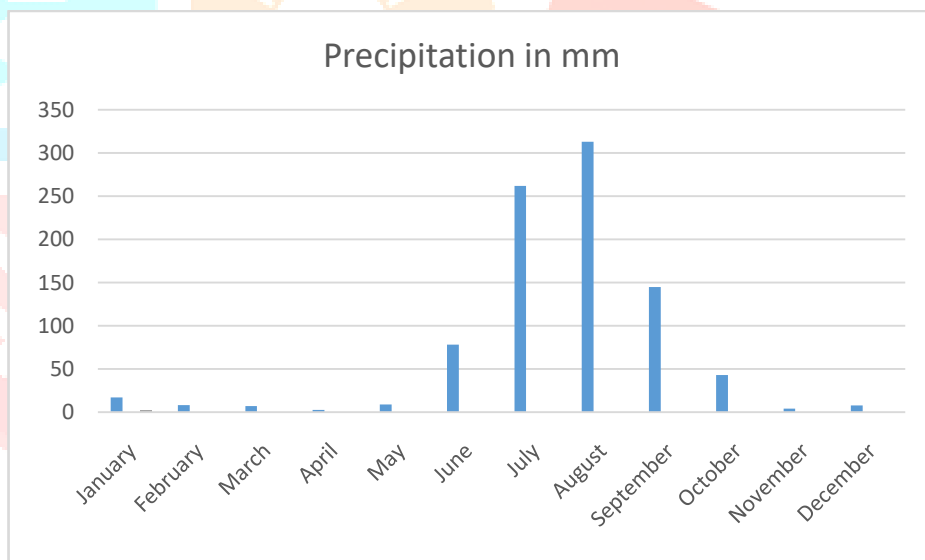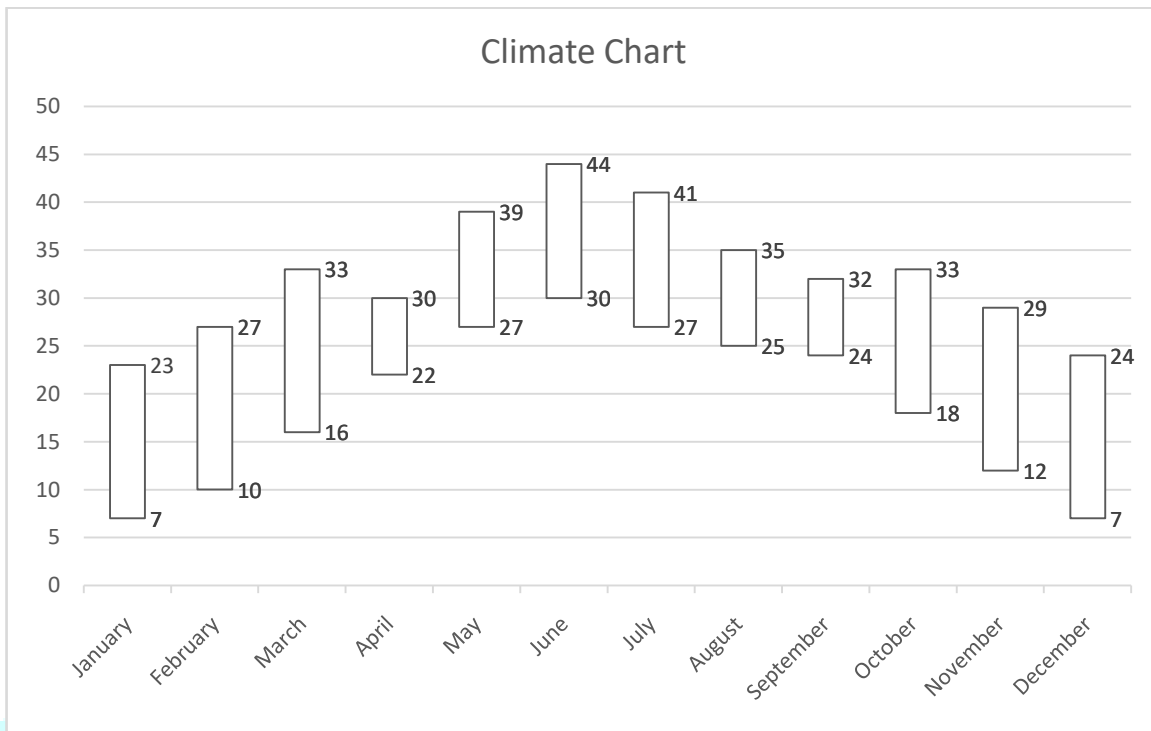
Profile of the District

1.1 Location

Gwalior is a historic and major city in the Indian state of Madhya Pradesh and one of the Counter-magnet cities. Located 319 kilometres (198 mi) south of Delhi the capital city of India, Gwalior occupies a strategic location in the Gird region of India. Gwalior district is one of the 51 districts of Madhya Pradesh state in central India. The historic city of Gwalior is its administrative headquarters. Gwalior Metropolitan Region is one of the major metropolitan areas in India. Other cities and towns in this district are Antari, Bhitarwar, Bilaua, Dabra, Morar, Lashkar, Morar Cantonment, Pichhore and Tekanpr.

Gwalior has 4 CD Blocks namely Morar, Pichhor, Bitarwar and Dabra. There are 5 Sub-Districts, 11 towns and 655 Villages.

Climate

Gwalior has a sub-tropical climate with hot summers from late March to early July, the humid monsoon season from late June to early October, and a cool dry winter from early November to late February. Under Köppen's climate classification the city has a humid subtropical climate. The highest recorded temperature was 48 °C and the lowest was −1 °C. Summers start in late March, are among the hottest in India and the world. Temperatures peak in May and June with daily averages being around 33–35 °C (93–95 °F), and end in late June with the onset of the monsoon. Gwalior receives 900 mm (35 in) of rain on average per year, most of which is concentrated in the monsoon months from late June to early October. August is the wettest month with about 310 mm (12 in) of rain. Winter in Gwalior starts in late October, and is generally very mild with daily temperatures averaging in the 14–16 °C (58–62 °F) range, and mostly dry and sunny conditions. January is the coldest month with average lows in the 0 °C range (32 °F) and occasional cold snaps that plummet temperatures to close to freezing.

Climate Chart

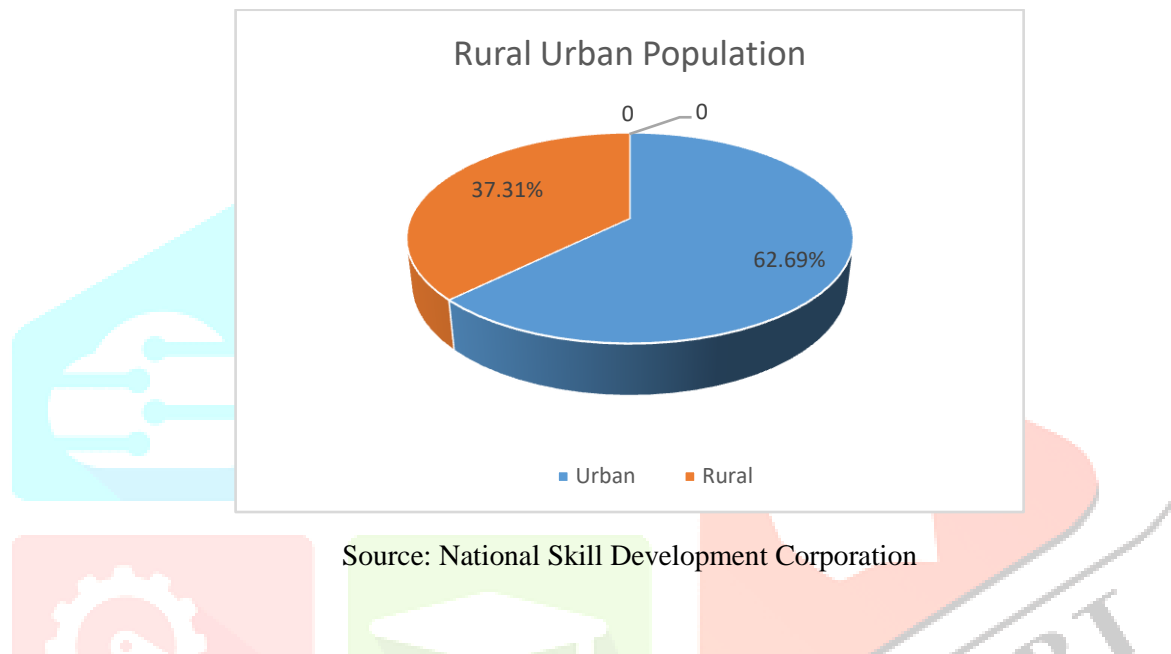**Precipitation in mm**

1.2 Demographics

Gwalior district comes under Gwalior division with its headquarters at Gwalior itself near Agra. As per Census 2011, Gwalior has a population of 20.30. The density of population is around 445 per sq.km compared to 236 of Madhya Pradesh and 382 of India. When it comes to rural population, Gwalior has a percentage of 37.3%, which is lower than the state's average. The urbanization in the district is quite high with around 62.68% of people living in the urban areas; the population density is higher than state's average. There is a huge aspiration of urbanization in the district, which is a main factor for higher population density. Madhya Pradesh as a whole has urbanization of 27.63 %. It ranks 4 when it comes to density of population compared to other districts of MP. The male population in Gwalior District is around 53.71% and sex ratio is 862 per thousand males as per Census, 2011 which is significantly lower when compared to the State value of 930.

1.3 Density

The initial provisional data released by census India 2011, shows that density of Gwalior district for 2011 is 445 people per sq. km. In 2001, Gwalior district density was at 358 people per sq. km. Gwalior district administers 4,560 square kilometers of areas.

1.4 Urban Rural Population

Source: National Skill Development Corporation

Out of the total Gwalior population for 2011 census, 62.69 percent lives in urban regions of district. In total 1,273,792 people lives in urban areas of which males are 680,978 and females are 592,814. Sex Ratio in urban region of Gwalior district is 871 as per 2011 census data. Similarly child sex ratio in Gwalior district was 837 in 2011 census. Child population (0-6) in urban region was 146,465 of which males and females were 79,744 and 66,721. The child population figure of Gwalior district is 11.71 % of total urban population. Average literacy rate in Gwalior district as per census 2011 is 83.19 % of which males and females are 89.17 % and 76.37 % literates respectively. In actual number 937,849 people are literate in urban region of which males and

females are 536,097 and 401,752 respectively.

As per 2011 census, 37.31 % population of Gwalior districts lives in rural areas of villages. The total Gwalior district population living in rural areas is 758,244 of which males and females are 409,349 and 348,895 respectively. In rural areas of Gwalior district, sex ratio is 852 females per 1000 males. If child sex ratio data of Gwalior district is considered, figure is 844 girls per 1000 boys. Child population in the age 0-6 is 114,953 in rural areas of which males were 62,354 and females were 52,599. The child population comprises 15.23 % of total rural population of Gwalior district. Literacy rate in rural areas of Gwalior district is 65.19 % as per census data 2011. Gender wise, male and female literacy stood at 76.95 and 51.42 percent respectively. In total, 419,361 people were literate of which males and females were 267,017 and 152,344 respectively.

1.5 Literacy

Literacy rate in the district is low and is around 77.9 percent of the total population, but it is better compared to the average of 70.6 percent for Madhya Pradesh. The female literacy rate is 68.3% which is lower than the state average of 60%. The male literacy rate which is at 86.3% is also greater than the state average of 80.5%.The number of government/Non Government/ Registered Primary schools in the district is 1408 and 559 Middle schools. There are 66 high schools and 46 higher secondary schools in number. It is to be noted that as per 2001 Census, literacy rate was overall 69.4%, hence a significant improvement over last 10 years could be noticed.

District	Madhya Pradesh	Gwalior
Population (2011)	72,597,565	2,030,543
Decadal Population Growth Rate (2001-11)	20.3%	24.4%
Population Density Per Sq. km (2011)	236	445
Level of Urbanization	27.6%	62.7%
Gender Composition- Female Per 1000 Male Population (2011)	930	862
Proportion of ST Population (2011)	20.3%	3.5%
Literacy Rate (2011)	70.6%	77.9%
Male-Female Literacy Rate Gap (2011)	20.5%	18.0%
Number of Literates (2011)	43,827,193	1,384,434
Enrollments in Primary & Upper Primary Schools (2010)	15,356,399	530,101
Number of Primary & Secondary Healthcare Centers per 1000 Population (2011)	0.14	0.06
Contribution to State Economy (2008-09)	-	3.75%
Per Capita Income (2008-09)	24,709	33,886
Contribution of Primary Sector to Economy (2008-09)	31.5%	11.3%
Contribution of Secondary Sector to Economy (2008-09)	22.9%	26.8%
Contribution of Tertiary Sector to Economy (2008-09)	45.6%	61.9%

Source: National Skill Development Corporation
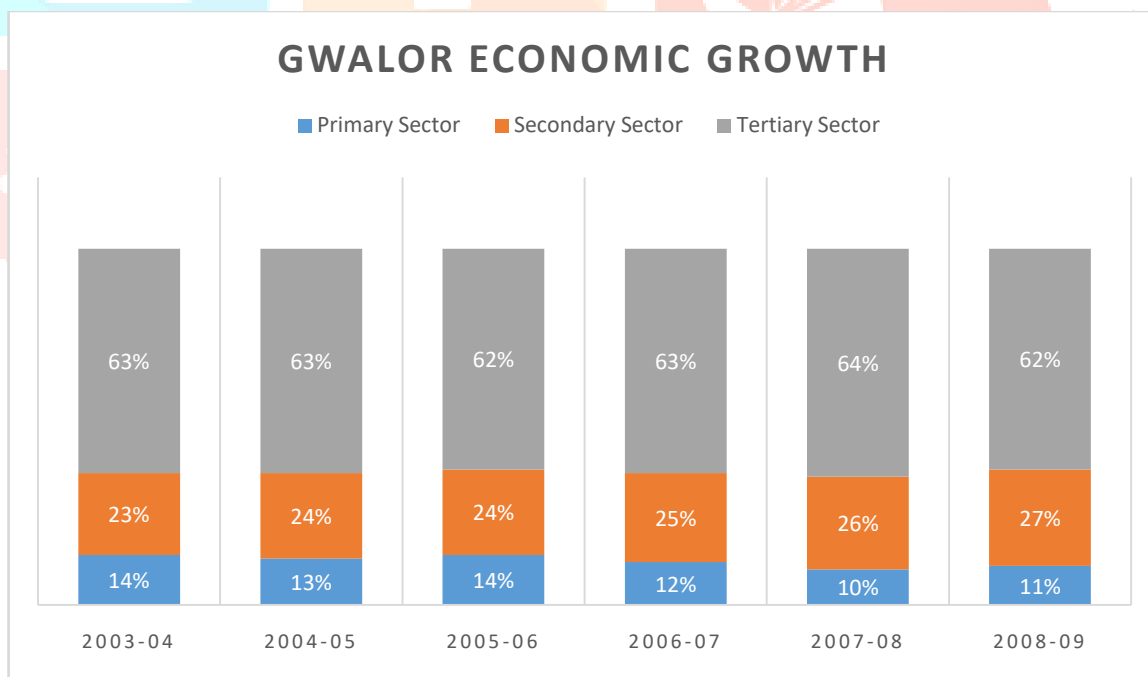
Economic Potential of the Region
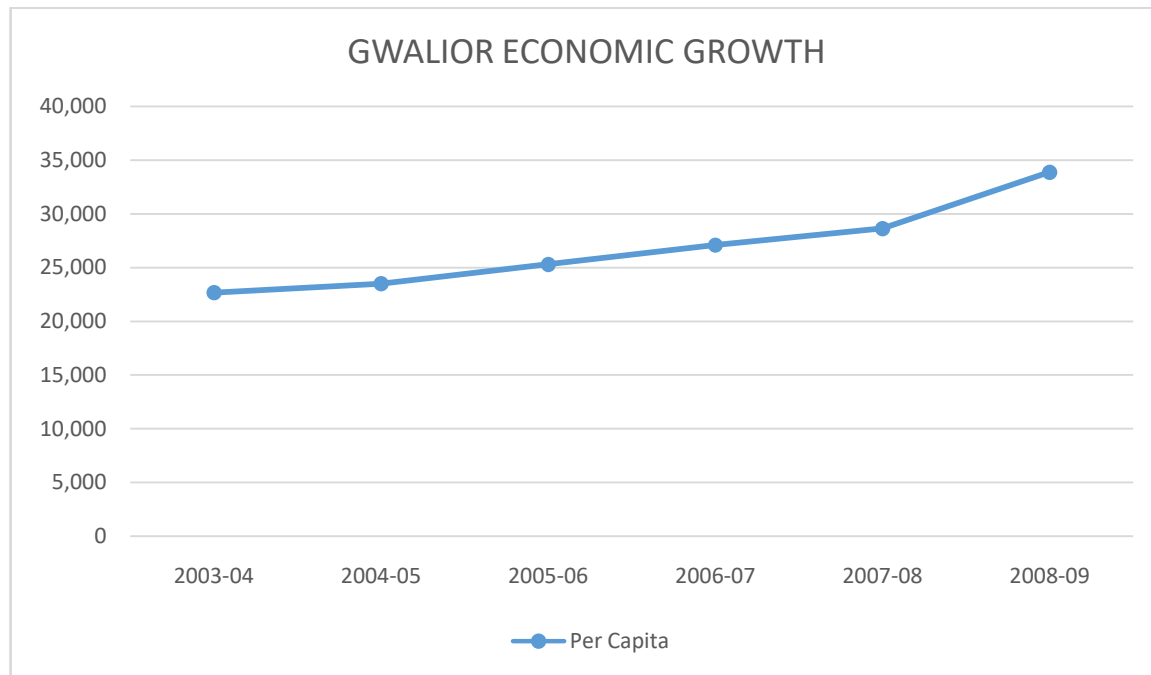
2.1 Introduction

The economy of any district can be based on primary, secondary or tertiary sector. Primary sector involves activities related to agriculture, secondary sector includes industries based on agricultural produce and tertiary sector mainly includes service based industries.

2.2 Sector of Economy Generation

The City of Gwalior in Madhya Pradesh is designated as Counter magnet city in the National Capital Region (NCR) plan - 1989. It is one at the counter magnet cities which are to play a role in reducing pressure on the growth of the Capital Region and the City of Delhi. Key economic activities in Gwalior district are mainly trade and commerce and Gwalior acts as the principal collection and distribution centre of the region. It is predominantly Trade, Hotels, and Restaurants along with focus on manufacturing, construction, Real ownership activities, agriculture etc, that act as the main source of occupation. Gwalior has predominantly been a service economy and hence has its highest share from the tertiary sector. The tertiary sector has been stable with a percentage share of around 62% over years.

The secondary sector has grown modestly and had a 27% share in 2008-09. There has been a steady increase in the per capita income from Rupees 22,662, in 2003-04 to 33,886 in 2008-09, which is higher than the state's average.

GWALOR ECONOMIC GROWTH

■ Primary Sector ■ Secondary Sector ■ Tertiary Sector

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Tertiary Sector	63%	63%	62%	63%	64%	62%
Secondary Sector	23%	24%	24%	25%	26%	27%
Primary Sector	14%	13%	14%	12%	10%	11%

Source: National Skill Development Corporation

Agriculture and allied sectors

Rice, wheat, maize, corn and tuar grows abundantly in and around Gwalior. Per capita agriculture production of the cereals, pulses, food grains are increasing while the production rate of soybean is decreasing. Per capita cereal production increased from 195 Kg/hectare in 1998-99 to 205 Kg/hectare in 2003-04. Similar trend was also noticed for food grains whose per capita agriculture production went up from 1939 Kg/hectare to 2104Kg/hectare. Among workers, employment share of cultivators is 27.1 % and agricultural labourers at 7.6 %.A major segment of working population is involved in agriculture. 60.5% of the rural working population is involved in cultivation and agricultural activities in the district. Approximately 2,17,278 hectares of land was available for agriculture in the year 2007-08 which has increased to 2,59,595 hectares in 2010-11. It was noted that in the year 2009-10 the total area under the production of Wheat was approximately 94,000 hectares which makes it the largest area grown under any particular crop. Out of total 1,810.23 hectares irrigated land, 1,128.48 hectares was irrigated from ground water sources. There were 14,698 tube wells and 33,048 dug wells up to the year 2006 for irrigation purpose. The net sown area to the net geographical area is 56.8 %. Wheat is the most important food grain grown in the district. Mustard is the most important oil seed grown in the district. Between 2005-06 and 2008-09, usage of tractors in the district remained constant with 8,567 tractors being registered for usage of agriculture.
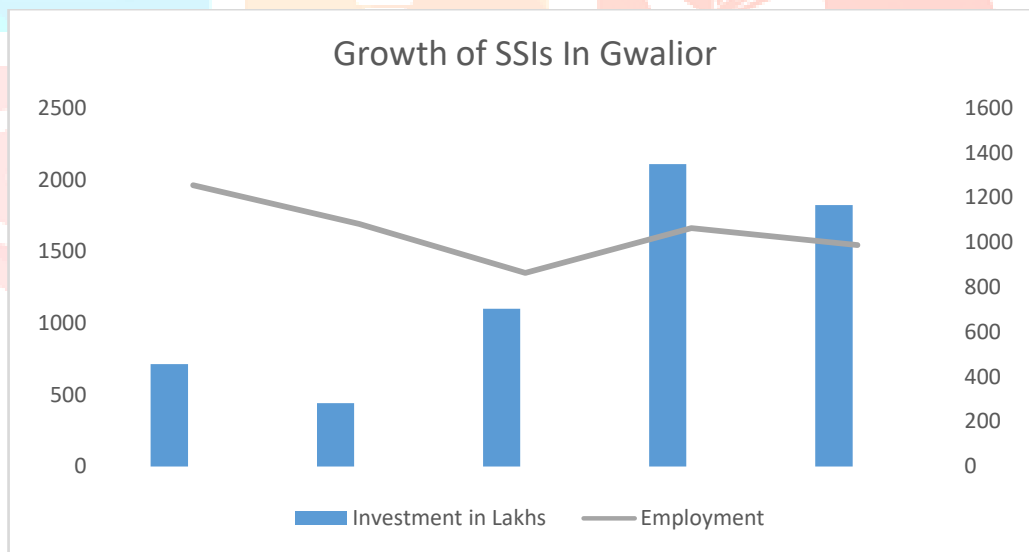
Industry

Medium-large scale working industries are operational in the Gwalior district. Amongst them, the most prominent are Taj Group of Hotels, Railway Spring factory and J.B. Bangharam foods. The industrial estates of Gwalior have all the facilities that are needed for the development of the industries of Gwalior. The total number of Manufacturing companies noted for 2008-09 were around 72,000 - which includes both registered as well as unregistered firms. There are several areas managed by DTIC for industrial development. Some of them include old Industrial area Gwalior, Industrial area Gospura, Industrial area

Biralanagar, Baraghata, Barai, Maharajpura and Biloua. Approximately 500 hectares of area fall under these Industrial blocks with the Old Industrial area Gwalior occupying more than 50% of the total area. In fact, the existing industrial areas are said to be instrumental in the development of the industries in Gwalior. Some of the industries that form an integral part of Gwalior economy are Handicraft and hand loom industry, Tanning industry, Leather industry, Food packaging industry, FMCG, Electrical & Electronics, Agrochemical industries, Flavors and fragrance industries, Pharmaceuticals and dyes industries.

Railway spring factory with an investment of over INR 50 crores is one of the biggest companies in the area. Other known industries dominant in the region are Food processing, Agro based and Chemical based. Investment of around 2,000crore is expected in an upcoming IT park, which may generate employment to the tune of 2,000 considering that there are several Engineering colleges in Gwalior.

Of the total investment that has been made in the LMI category in Gwalior, Engineering based companies have a substantial share with an investment of close to 52 crores providing employment to 450 people. The main company in this category is Hindustan Vidyut Product Private limited and Railway spring factory. Large scale Agro based industries constitute over 7.2 percent of the total investment and provide employment to over 700 people. Similarly Chemical based Industries in this segment constitute a 7 percent share, and provide employment to nearly 250 people.

It is to be noted that the Small scale industries from 2007 through 2012 have received Investments of close to 43 crores. The overall scenario has so far generated an Incremental employment of around 6,690. Engineering and Engineering based (11.5%), Food processing (19.7%), Metal (12.1%) and Agro based (13.4%) constitute over 50% of the total Investments received in the SSI segment.
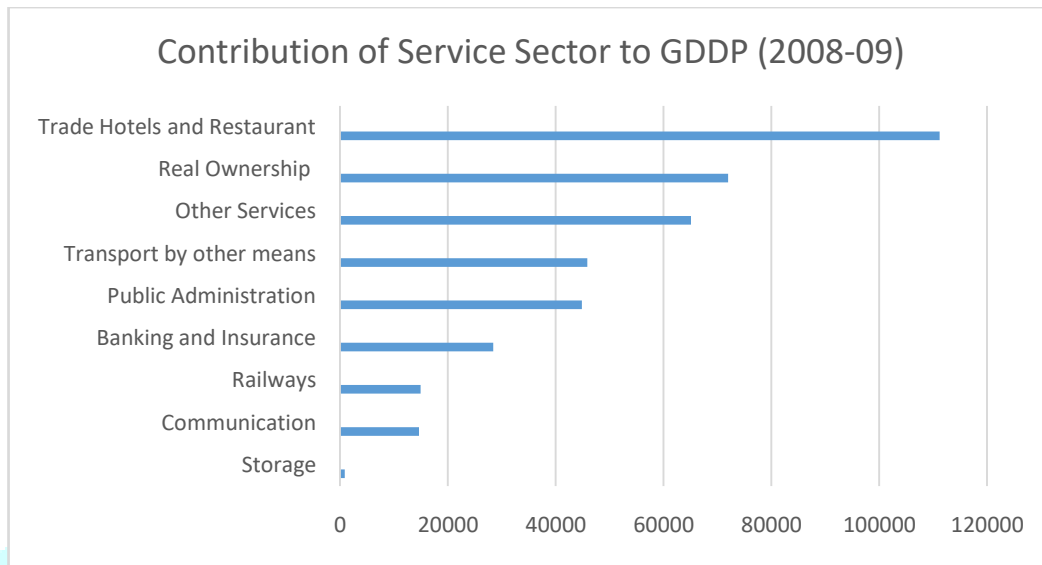

Source: National Skill Development Corporation

Services

Sector Services sector has been steadily growing in the district with a contribution of about 61 percent to GDDP. The sector grew at 16.25 percent between 2006-07 and 2008-09, driven mainly by the Hospitality Industry, Real Ownership and Transport segments besides Public Administration.

It is to be noted that the Hospitality Industry has registered a year on year CAGR of around 18.7%, showing a scope for training in this particular area. Gwalior is fast becoming a destination for Weekend

tourism, leading to the development of Hotel Industry. Places such as the Gwalior fort, Scindia museum, Rani Laxmibai museum etc, attract a significant tourist crowd.771The presence of very famous Scindia School in the district attracts crowd from all over India, with affluent parents coming to meet their kids.

Source: National Skill Development Corporation

In the financial services space, bank branches in the district between 2007-08 and 2010-11 have increased from 131 to 146, taking the deposits from 3,460 crores to 8,476 crores, more than doubling in 5 years. It is also to be noted that private sector bank such as ICICI, HDFC and Axis have shown interest in the district by opening up their branches. These companies have also widened their portfolio by including products such as Travel and Life Insurances and Share Trading services amongst others.

Logistics and transportation sector in the district has been growing at a reasonable pace predominantly due to increase in road infrastructure beside the rail and air connectivity. It was noted that from year 2007-2008 the sector grew at a Compounded annual growth rate of 16.5%. Gwalior is well connected with other districts and within the district with pucca roads. With a stretch of 161.2 km of National Highways and 9.0km of state highways. There is 212.4 km of district main road running across the district along with 1079.3 km of pucca road and 165.7 km of kuchha road. The road length per 100 sq km is 23.9 km and rural road length per village is 1.1 km.

2.3 Workforce Distribution in the district

Current Employment Scenario in Gwalior

The worker's participation rate as per 2001 census stands at 32.5 %. Among workers, employment share of cultivators is 27.1 % and agricultural labourers at 7.6 %.A major segment of working population is involved in agriculture. 60.5% of the rural working population is involved in cultivation and agricultural activities in the district.

The dependency ratio for district is 75.3%, which is lower than state average of 84.3%.But even then, 3/4thof the dependent population are unemployed or underemployed. The percentage of marginal workers of age group 15-59 stands at 4.8% of the total population of Gwalior, and is lower than the percentage of non-workers in the district, which is at 27.1% of the population.

Inward Immigration patterns were noticed from districts such as Tikamgarh, Bhind, Morena and Datia. These migrants are usually labourers and work on farms, as Coolies and rickshaw pullers. Students from the ITI would like to stay in Gwalior and find work, and students from other districts studying in ITI Gwalior also felt likewise. Each of them expected a salary of more than INR 8,000 and aspired to work in a company such as BHEL or railways.

Sector	2012-17			2017-22		
	Skilled	Semi-Skilled	Unskilled	Skilled	Semi-Skilled	Unskilled
Agriculture & Allied	NA	NA	4893	NA	NA	4161
Pharma & Medicinal	2	26	12	2	22	10
Rubber and Plastics	53	486	520	46	422	451
Food Processing	350	1471	5170	303	1278	4488
Fabrication	39	360	372	33	313	323
Paper& Paper Products	51	459	510	44	399	443
Chemical Products	10	74	122	9	64	106
Construction Material	25	179	294	22	156	255
Auto & Auto Components	28	346	182	24	301	158
Textiles	4	16	51	3	14	44
Mfg of Electrical Products	11	132	76	10	114	67
Construction	1215	3063	20029	1082	2727	17831
IT & ITES	543	10322	NA	507	9626	NA
Healthcare	202	3845	NA	160	3037	NA
Transportation & Logistics	1181	2827	19614	1350	3232	22425
Retail	2301	5820	37900	1904	4816	31358
Hospitality	427	2148	5962	353	1777	4933
Communication	681	3833	9110	816	4109	11387
Banking & Financial Services	973	2020	16460	1020	2118	17259
Education & Training	389	7061	331	467	8435	441

Source: National Skill Development Corporation

Conclusion

The study shows that there is scope for economic development of the people of Gwalior by having employment in various sectors. Due to closing of some textile factories the unemployment rate has increased but the study shows the different sectors requirement and scope. The recommendations for skill development in the district are made considering the following points related to skill ecosystem in the district such as High employment potential in services sectors - Retail, Transportation and Logistics, Communication and Construction primarily in un-organized category. Banking and Financial Services to witness significant demand of skilled and semi-skilled manpower, specifically in financial intermediaries considering the high level of economic activity witnessed as a state's very important district and increase in lending and total deposits. Growth in commercial and industrial development in Gwalior has spurred indirect employment demand in certain unorganized sectors like security services and facilities management. Being a service driven employment generation economy demand for specific roles in sales

and marketing is expected to be high across sectors. Existing focus on training for informal sector by private skill training providers is low and public sector spending on skill training predominantly focusing on secondary and tertiary sectors.

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