

Cluster Development Approach In Gorakhpur District: An Antidote For Employment in Industrial Cluster

Karunakar Ram Tripathi¹, Samir Kushwaha²

¹Proffessor & Ex-Head, Department Of Economics, DDU Gorakhpur University, Gorakhpur

²Research Scholar, Department Of Economics, DDU Gorakhpur University, Gorakhpur

ABSTRACT

Industrial Clusters are creating innovation and leading the main role of industrial development. Cluster is growth engine for Indian economy because it can provides like as employment opportunity, technology progress, skilled worker, research progress etc. Industrial Clusters output major share of production and employment, so it is more important for study. This paper we will analyze the role of Clusters in Gorakhpur for employment creation and economic development.

Keywords: Industrial Cluster, Economic Development, Employment creation, industrial Growth, MSME Clusters.

Introduction:

Industrial Cluster means that the group of micro and small Industries and their raw materials are interconnected. MSMEs Clusters is backbone of industrial sector. All developed countries are following the clusters ideas like as USA, Russia, Japan, France etc. Industrial Cluster phenomena are more famous in 21th century and large number of firms and Industrial Units start up in form of Clusters. MSMEs are the huge number of employment generators and at least 45 % employ of the total workforce (**FICCI, 2013**).

Clusters are geographical situating in a specific area and concentration of interconnected companies. Institutions in a particular area which includes such as entrepreneurs, suppliers, customers, manufacturers, Government and many other institutions like agencies, universities, think tank and traders (**porter1998**). A group of firms are working a specific region and their relationship among strongly close, called Cluster. These firms characterize the different but they face common challenges, opportunities and threats like a unit (**Enright, 1998**).

Cluster is a sect oral and geographical concentration of micro firms, small & medium enterprises producing a similar range of goods or services and facing similar challenges, opportunities and threats (**UNIDO, 2006**).

Clusters make a strong relationship between seller and buyers and terms or condition of trade is very easy. Clusters give an opportunity of fast development and growth. Innovation, research development, migrant attraction, and technological progress are growing up in Industrial Clusters regions (**Keshab Das, 2005**).

MSME (micro, small & medium Enterprises) play the important role of economic development and industrial growth. MSMEs provide huge number of employment with the share of 39 percent production. The Central Government promotes MSMEs Clusters and starting various Cluster Development Schemes.

Literature Review:

Jen Nihar Ranjan, (oct, 2017): The relationship between MSME manufacturing Clusters and growth of MSMEs are positive and same direction. Output of manufacturing Clusters goods is reducing the cost of production.

R.B.I. Report June 2019,(p. 40-41): MSME clusters have been effective in promoting Industrial growth all over the world. The success of these cluster is largely due to the individual small firms of the cluster closely collaborating and collectively share resources for various business processes viz., manufacturing, technology, marketing, quality control, testing, purchase, etc. Cluster development approach is being used by different countries to overcome the problem of fragment nature and sheer magnitude of large number of MSMEs.

Dr. Sana, (2018): The survey shows that terracotta work depends on various factors such as creativity, wages, training and workshop, development, work style, technique, colour scheme, profits and loss, working condition. Throughout the process, characteristics of the work, their life style, culture, tradition, environment and thinking every thinks gives a new understanding to go this craft also enriched for the reality of life and truths. This study has very carefully investigated. After the analysis, it is concluded that all the aspects are the main development sources of terracotta.

Osama Mohammad, (2015): MSMEs Clusters matured over the time and make a value chain. Clusters produce hybrid product with provide value added services. There is no doubt MSMEs Clusters play a important role in Economic Growth of Indian Economy. MSMEs have generated 60 million employment opportunities and contribute 8% to GDP of India.

Report of Uttar Pradesh Micro, Small & Medium Enterprises (www.upmsme.in):

The fundamental objective of the cluster development scheme is developing the micro small and medium unit in the form of a cluster, so that the unit may improve their capacity and product quality in an era of global competition. Micro, small and medium units play an important role in employment generation, regional development and exports in the context of national economy. This scheme is based on the objective of public private partnership so that the responsibility of development and management of cluster is under taken by the beneficiaries. In the state till now 1 cluster for soft invention and 5 clusters (**carpet cluster Bhadohi, Glass beads cluster Varanasi, Pottery cluster khurja, scissors cluster Meerut and leather cluster Chauri Chaura Gorakhpur**)

Gupta Sandeep & Gupta Sanjeev, (feb, 2014): Kanpur leather Cluster established itself well in the world map for the leather product manufacturing. The condition of production is very satisfactory after adapting the Cluster ideas and Applied the various Scheme for Industrial Cluster Development Programme.

Objective of the Study:

The objective of the study is to analyze Industrial Cluster development of Gorakhpur District. We will find out this Paper the condition of employment creation and current status of industrial development also.

Methodology:

This study is based on secondary nature data collected from the various authorized institutions like as Uttar Pradesh MSMEs, ministry of MSME Government of India, Ministry of textile government of India, industrial profile of Gorakhpur, Indian Clusters (foundation for MSME clusters) etc.

Highlights of Gorakhpur Major Industrial Cluster:

Terracotta Clusters: Gorakhpur has established a different style of terracotta toys that comes in natural and soothing look. Gorakhpur, Uttar Pradesh has villages where large animal clay figures are made by local potters, and is famous for its ornate terracotta horse (See Picture 8) and elephant (See Picture 5). The potter makes the basic form of throwing isolated pieces of clay over the wheel and then assembling them. Clay craft is probably established by man in the handling of clay, thousands of clay Kulhar (clay tea cups) (See Picture 6) which aroused for tea, sweets or water. Lumps of clay were hand moulded into toys and deities that are worshipped.

The manufacture of terracotta's is another craft of potters which are of high antiquity, other than pottery. Terracotta objects and artifacts include those which were intended chiefly for domestic use and worship and household decoration, for popular religious and magical purposes and for children's toys

It is a very difficult task to maintain and preserve the terracotta items in a proper place from weather: It has been mentioned earlier that Gorakhpur Potters' Society possesses many preservation rooms of their pottery work. But this place has a need to maintenance broken walls and ceilings are not in good conditions. Many of the artisans are facing problem in the rainy season. Most of them potters have sufficient area for their residence so they keep their terracotta products keep out in the exposed porch of their houses due to the lack of suitable space. This is a very big challenge for the craftsmen to arrange adequate space for preservation. This is responsible for the reduction of production.

Old technologies are still practicing: Gorakhpur potters are not familiar with the modern forms of terracotta. They are still practicing traditional art of craft. Actually, they are not aware of the modern techniques. Suitable training and modern tools and techniques of the art is not provided to them. Craftsmen are lagging behind the financial opportunities.

Lack of raw materials: Government banned excavation of clay. Not easily provided clay to the craftsmen and rates are continuously increasing.

Fewer Payments: Only Rs.70/80 is the daily on the average income of the craftsmen. Their families do not get adequate treatment for their health problems. They are suffering from many problem of economical condition.

Leather Cluster:

Chauri Chaura is famous for leather cluster in Gorakhpur District. The major product like bags, wallets, belts, travel cases, sports goods, saddler, gloves upholstery etc. The products of this cluster are exporting all over the country. Chauri chaura Cluster is third top exporter in Uttar Pradesh after Kanpur and Agra. Chauri Chaura Cluster is facing many problems in present time. Uses old technology, lack of raw material, unskilled labor, lack of entrepreneurship knowledge.

Power loom Cluster:

Textile industry is important sector of industrial Cluster. Power loom Cluster is a big cluster in Gorakhpur area. Gorakhnath, Humanyunpur, Rasoolpur are generally located this Cluster. Dhotis,

Towels, Hankies, and other cotton cloths are major product of power loom Cluster. The highest number of workers is working in power loom Cluster of Gorakhpur District.

Gorakhpur Stationary Cluster, Readymade Garments Cluster, and Plastic Cluster are famous for own their business.

Year Wise Trends of Units registered in Gorakhpur District

S.N.	YEAR	NUMBER OF REGISTERD UNITS	EMPLOYMENT	INVESTMENT(Lakh Rs)
1.	2007-08	525	2404	2447.00
2.	2008-09	525	1843	983.00
3.	2009-10	525	2006	1608.00
4.	2010-11	544	2267	2229.20
5.	2011-12	529	2120	2080.40
6.	2012-13	416	1572	2293.74
7.	2013-14	534	2916	2693.00
8.	2014-15	600	3633	3631.00
9.	2015-16	530	3496	8736.00
10.	2016-17	665	3512	6630.32
11.	2017-18	704	3702	5662.42
12.	2018-19	816	3952	6452.11
13.	2019-20	866	4056	6896.23
14.	2020-21	893	4122	7056.85
15.	2021-22	975	4458	7066.33
16.	2022-23	1014	4635	7345.64
	Total	7916	29501	56456.9

Data Source: Directorate of Industries U.P. & Udyog Aadhar Website

Above the table to analyze the number units and Employment are increasing level. Number of units 525 in 2007-08 up to 1014 in 2022-23 is a good indication. Number of employment is increasing also over the time.

EMPLOYMENT STATUS BY THE CLUSTERS

The employment provided by the clusters and GIDA combine is nearly 15000 peoples. This figure is quite low in compare to the population of the Gorakhpur. The adjacent cities of Gorakhpur like Sant kabirnagar, Deoria and Maharajganj peoples are also come here to get the employment but due to the lack of employment and resources they are failed to get. The indirect employment is also nearly 10000 peoples who supplies, getting the employment through shops in these locations and working indirectly to get some sustenance to live.

The employment situation in Gorakhpur can be examined by looking at various economic clusters, such as food processing, textiles, and handloom industries. The Gorakhpur district Skill Development Plan highlights the importance of tertiary sector activities, like business, transportation, and finance, in the local economy. The village and cottage industries include mostly the handicrafts handed down from

generation to generation. Cotton textiles, pottery, edible and non-edible oils, metal ware, carpentry pieces, footwear, baskets etc, are the goods falling under this group of industries, which are manned and owned by particular section of the village community. Textiles provide employment to the largest number of workers (as compared to other handicraft)

In Handloom Industries Dhotis, bed cover, tablecloths towels etc, are produced in 6,600 units using fly-shuttle loom. The trade is mainly located at Gorakhpur, Piprauli, Barhalganj and Rigauli Bazar. Efforts are being made to introduce power-loom and about half of the number of units in the industry have been organized as co-operative societies.

Conclusion:

Gorakhpur is the hub of industrial Cluster of Purvanchal region. Deoria, Maharajganj, Kushinagar, and Santkabar Nagar are neighbor district direct attach of Gorakhpur. Gorakhpur Cluster Products are selling these districts. The reference of Gorakhpur district Industrial Cluster is most important of economic growth because huge population depend on its industries Product. Employment creation is also probable huge level in industrial clusters.

State Government has started Clusters Development Scheme to improve the Industrial Development. Innovation, Reasearch & Developmet, and technological Progress should need the improvement for development. Therefore Industrial Cluster is the Play important role for economic Development and employment generation.

REFERENCES

1. Anderson, G. (1994), Industry Clustering for Economic Development, *Economic Development Review*, 12(2), pp.26-32.
2. Baptista, R. and Swann, P., (1996), The Dynamics of Growth and Entry in Industrial Clusters: A Comparative Study of the USA and UK Computer Industries, Working Paper: 65, Centre for Business Strategy, London Business School.
3. Baptista, R. and Swann, P. (1998), Do firms in clusters innovate more?, *Research Policy*, 27, pp. 525-540.
4. Baum, J. and Mezias, S. (1992), Localized Competition and Organizational Failure in Manhattan Hotel Industry 1898-1990, *Administrative Science Quarterly*, 37, pp.580-604.
5. Porter, M. E. 1998. Clusters and the new economics of competition. *Harvard Business Review*, NovemberDecember;77-90
6. Martin R, Sunley P, 2003, "Deconstructing clusters: chaotic concept or policy panacea?" *Journal of Economic Geography* 3 5-35
7. Krugman, Paul R.1991a. "Increasing returns and economic geography". *Journal of Political Economy*, Vol 99, No.3 (June):pp 483-489.
8. Glaeser, E. L., & Gottlieb, J. D. (2009). The wealth of cities: Agglomeration economies and spatial equilibrium in the United States (No. w14806). National Bureau of Economic Research.
9. Marshall, A. (1890). *Principles of Political Economy*. Maxmillan, New York.
10. Saxenian, A. (1994). Regional networks: industrial adaptation in Silicon Valley and route
11. Hill, E. W., & Brennan, J. F. (2000). A methodology for identifying the drivers of industrial clusters: the foundation of regional competitive advantage. *Economic Development Quarterly*, 14(1), 65-96.
12. Rosenfeld, S. A. (1995). *Industrial Strength Strategies*. Aspen Institute.

13. Brenner, T. (2004). Local industrial clusters: existence, emergence and evolution. Routledge.
14. Rosenthal, S. S., & Strange, W. C. (2004). Evidence on the nature and sources of agglomeration economies. Handbook of regional and urban economics, 4, 2119-2171.
15. Hanson, G. H. (2001). Scale economies and the geographic concentration of industry. Journal of Economic Geography, 1(3), 255-276.
16. Isard, W., & Schooler, E. W. (1959). Industrial complex analysis, agglomeration economies, and regional development. Journal of Regional Science, 1(2), 19-33.
17. clusterobservatory.in/pub/cii.pdf. Accessed on 20/03/2021
18. www.dcmsme.gov.in/mse-cdprog.htm Accessed on 10/2/2021
19. <https://gorakhpur.nic.in/about-district/> Accessed on 15/3/2021
20. <https://gidagkp.in/Home/AboutGida> Accessed on 15/03/2021
21. Prajapati, D. K. (2014, July 15 Monday).
22. Terracotta Work of Gorakhpur. Prajapati, J. P. (2014, July 15 Monday).
23. Terracotta Work of Gorakhpur. Terracotta: The Legendary Craft. Retrieved from <http://newsonair.nic.in/Terracotta-TheLegendary-Craft.asp>
24. Terracotta Handicraft Gorakhpur. Retrieved from www.terracottagorakhpur.org/about_terra.php
25. Directorate of Industries and Udyog Adhar of Gorakhpur (industrial Profile, 2024)