

## Globalisation and Its Impact on Siliguri

Minakshee Kumari<sup>1</sup>

### ABSTRACT:

*Globalisation is considered an amalgam of social-cultural and economic outcomes which resulted from the opening of the Indian economy. Globalisation is conceived to be an expansion of a neoliberal market economy where market entry becomes important players. In a simple manner, globalisation has been defined as changes in the density of International and global interaction related to local or national networks. Globalisation has a huge impact on the city of Siliguri. This paper discusses the impact of globalisation on Siliguri.*

**Keywords:** Globalisation, markets, urban sprawl, commodity, consumption

### INTRODUCTION:

If we enter the city of Siliguri from the airport which is located at Bagdogra, a few kilometres from the town, after passing through a two-kilometre stretch of lush green tea gardens on both sides of NH 31A, we meet with a flyover which directs us an entry passage towards Siliguri. Here we can spot a busy market, a few glass building shops implicating some big showrooms, huge illuminating signboards on both sides of the roads announcing the coming of a new township, or a school or some hotels etc. One passes through a four-lane highway which is cautiously marked with yellow lights and barricades. The distance of 10 kilometres from the Airport to the Darjeeling-Moore sparkles the eyes of visitors because of the path is entwined with the scenic beauty of tea gardens and the distant mountain chain, which is afterwards blocked by the Campus of the University of North Bengal and the high rising buildings of Uttarayon Township.

Cities and towns are the core of the development strategy pursued by globalisation<sup>2</sup>. This growth strategy led to structural adjustment in cities and towns with particular reference to spatial organisation. The government policies are in tune with the motto of making globalisation seep to every nook and corner of towns and cities in the Country. Siliguri was not free from the dominating waves of globalisation and one can witness a lot of restructuring of the spatial organisation within the city and outside the city. Siliguri turned out to be a perfect example of the by-product of local processes that was shaped by interplay of local regional, national as well as international forces.

---

<sup>1</sup>The author is working as an Assistant Professor in the Department of History, Pragati College of Education, Darjeeling and is also Research Scholar at Centre for Himalayan studies, University of North Bengal

## **GLOBALISATION AND THE RESTRUCTURING OF SPATIAL ORGANISATION**

The town of Siliguri began to develop from the locality called Khalpara and Naya Bazar area as these two areas were in close proximity to the town railway station. The beginning saw the construction of godown and warehouses for wholesale trade. Due to the lack of any big industrial projects the town began to serve as a wholesale trade point by supplying goods to the whole of Northeast India. Owing to its geographical uniqueness, it stood as a major hub for wholesale trade. The growth of warehouses was followed by the establishment of retail shops and consumer goods industries for local consumption. Subhashpalli one of the oldest settlements of the city located near the town railway station bears testimony to the fact that still today one can witness large warehouses flooded with packed consumer goods for supply to North East and other areas of India

The war of 1962<sup>3</sup> awakened the Government of India to look into the connectivity issues in Siliguri and nearby areas and special care was devoted to the improvement of the roads and transport system. New bridges were built and special reference may be made to the second Mahananda Bridge which gave the scope for the growth of the city in the North-Western direction of the river Mahananda. The making of the third Mahananda bridge linked the city with the western part and it also opened in a new avenue for the expansion of the city in the Western direction. The original town which comprised the areas known as Hakim Para started to expand in all the four directions but the growth of the Siliguri Town reached its momentum only after the Government of India adopted the New Economic Policy of Liberalisation in the 1990s<sup>4</sup>.

The liberalization of the Indian economy had a huge impact on Siliguri and the Spatial Organisation of Siliguri was restructured. The first step in spatial reorganisation was the declaration of Siliguri municipality to Siliguri Municipal Corporation in 1994. From Nagarpalika the status was raised to Mahanagarpalika. Siliguri municipality which had 30 wards, new 17 wards when added to its jurisdiction and a huge area of 41.9 square kilometres came under the governance of Mahanagar Nigam. The major impact of this spatial reorganisation was that it gave impetus to the growth of Peri-urban areas in and around the municipal corporation. Another organisational restructuring was seen in revamping the SiliguriJalpaiguri Development Authority (SJDA) as a nodal agency for the development of the area. SJDA was established under the West Bengal Town and Country Planning and Development Act 1979. This establishment came into full-fledged action only after 1994 when Siliguri municipality was declared a corporation. SJDA and Siliguri Municipal Corporation came forward with a “new approach paper” for Urban Development of Siliguri. The SiliguriJalpaiguri planning area includes 6 police stations of Siliguri, Matigara, Naxalbari, Bhaktinagar, and Jalpaiguri and Rajganj. The whole area is divided into five different Community Development Blocks like MatigaraNaxalbari and Phansidewa along with Jalpaiguri and Rajganj in Jalpaiguri District. The two important urban areas which are included within SiliguriJalpaiguri Planning Area

are Siliguri Municipal Corporation and Jalpaiguri municipality along with this there are two Non-Municipal urban areas Bairatisal and Uttar Bagdogra. We also have approximately 290 rural Mouza included in SiliguriJalpaiguri planning Area. Though the planning and development activities of SJDA included Siliguri, Jalpaiguri, Phansidewa and Naksalbari however the focal point was always Siliguri due to its unique geographical location.

Post-1991, when liberalisation, privatisation and globalisation (LPG) was ushered into the Indian scenario the nation witnessed unprecedented growth in foreign direct investment<sup>5</sup>. There was also the growth of the market economy and the agendas of Liberalisation, Privatisation and Globalisation penetrated deep into the regional areas for the search of the markets. Siliguri was not aloof from the economic changes the country was witnessing and it needed an agency to carry out the infrastructure development work on a war footing. SJDA was one such agency which had to intune itself to facilitate the processes of globalisation. In the month of February 2004, SJDA came up with “perspective plan 2025”. This plan was initiated in the year 2002 and the project was funded by UNICEF. The vision of the plan was that there will be

“Improved infrastructure and services Centre for all health and hygiene along with social amenities encouraging the development of body and mind within an ecologically sustainable framework.” (SJDA, 2004, Xiii).

In continuation of the process of spatial restructuring, SiliguriJalpaiguri planning area has divided the whole surroundings of Siliguri<sup>6</sup> based on two important aspects. Firstly it located the Zones where minimal or no future development could take place and basically these areas correspond to the core area of the city where the open space is only 6.78 per cent However the other peri-urban areas around the city of Siliguri has been marked as for potential economic zones. The peri-urban areas around the city of Siliguri have been divided into four different economic zones. Zone 1 is West Naxalbari settlements and this is hallmark due to the consolidation of production economics in these areas. Zone 2 is the extended Siliguri municipal corporation settlement in the western part of the city and this is mainly because of the 3rd Mahananda Bridge augmentation. The North-west extended Siliguri municipal corporation settlement is earmarked as zone 3 because of industrial settlements and tourism prospects in these areas. Lastly, zone 4 corresponds to the Sevoke workstation commercial and transhipment hub keeping in mind the Nathula trade prospects. The details of the economic contribution of these zones in the era of liberalisation and the free-market economy will be discussed later in this chapter. The questions arise why there was zoning practice in Siliguri? The spatial reorganisation of the city space was necessary and it provided the backdrop for Zoning Siliguri. This has to be analysed within the larger framework of urbanisation programmes to recreate neo-liberal globalised cities.

The population growth leading to urban sprawl could be one of the reasons but the will create these zones around the core Siliguri were dictated through the Liberalisation, Privatisation and globalisation discourses for creating ‘spaces’ where the big global real

estate players with the help of ‘local Sharks’ under the government banner of public-private partnership (PPP model) could invoke Mark’s ideas of ‘The Circuit of Money Capital’.

### **GLOBALISATION, MIGRATION AND THE URBAN SPRAWL**

There is a soft cohesion between globalisation migration and urban sprawl. The new economic policy of the Government of India was changing the economic scenario of the whole country and Siliguri couldn’t remain untouched from it. Liberalisation, Privatisation and Globalisation increased the purchasing power of the people and the new world of consumerism was introduced to the Indians. The policy of foreign direct investment and new consumerism indirectly led to the growth of new markets to fulfil the needs of the people. Migration of the people was the natural outcome in the new economic scenario in the country. These new migrations led to an unequal accumulation of people in the new land of opportunities and Siliguri is one such example which shows how it transformed into a migrant town.

Urban sprawl in simple terms can be understood as an unchecked spreading of a city and its suburbs. It involves the construction of residential as well as commercial buildings in the nearby areas of city fringes. As the outlying area becomes more and more populated the consequences impact is an outward expansion of settlement patterns. The term urban sprawl was coined by William white and he defined it as a physical pattern of low-density expansion of a large urban area under market conditions into the surrounding agricultural areas. The sprawl is due to increased population pressure. The growth rate of population in Siliguri town has been phenomenal and it would not be wrong to say that it was higher than West Bengal average between the census years. The census report of 1991 reflects that the population of Siliguri municipal corporation was 2, 16,954. However, when we compare it with the census report of 2001 a decade after India witnessed the process of liberalisation we find that the total population of the Siliguri Municipal Corporation was 4,72,374. It is amazing that the decadal growth rate was 117.3 percent and it marked the highest in the history of the area. The most important question in our mind arises why and how there was such a huge decadal growth (17.7 3%) of the population in Siliguri<sup>7</sup>.

The strategic geographical location of Siliguri along with the implementation of New Economic Policy in 1991 by the Government of India could be seen as a secondary reason for huge growth rate in population but the most important reason was the huge migration of people from nearby towns, cities and States. The strategic geographical location and the new economic scenario project Siliguri as ‘Land of opportunities’ for doing business and getting employment and this led people to migrate to Siliguri.

It is very interesting to study the pattern of migration that has been one of the most important and primary contributory factors to the growth of population in the Siliguri municipal corporation area. Migration as a phenomenon in the whole of North Bengal is attributed to the growth of the population. In fact, population surge in many cities in the world such as New York, London, Tokyo, Mumbai, Kolkata, Delhi etc. has been due to migration rather than natural increase.

Transborder migration to Siliguri Municipal area and also to the nearby areas was imminent because we have data that reflects that people who migrated from Bangladesh migrated for the reason of justified political sanctuary following the partition of India in 1947 and afterwards the Indo Pak war of 1971. The people who migrated from Nepal came here for new economic opportunities in a socio-economic survey of households conducted by Siliguri Municipal Corporation in 2004, it was revealed that approximately 60.9% of the total household in Siliguri municipal corporation area were migrants from different districts of West Bengal. Approximately 13.3% of the household came from the neighbouring state of Bihar and 7.2 % of the households came from other states. It was interesting to note that approximately 17.4% of the migrants were from Bangladesh and 1.2% migrants from other countries. The migrants within West Bengal which comprised 60 per cent were actually the resultant outcome of the shutting of the Tea industries in North Bengal after post Globalisation<sup>8</sup>.

The scenario changed after the globalisation and with the turn of the new century tea industry was undergoing a phase of deep crisis. There are examples that as many as 72 tea gardens in the Doors were marked as unproductive and hence many were closed down. The tea gardens which are still operative are struggling for its existence. According to Gupta and Bhattacharya, more than 3000 permanent workers lost their livelihood. The five recently closed tea gardens in Alipurduar accounted for as many as 15,000 workers with 45000 dependents. The Tea industry which was considered to be the backbone of the economy lost its importance. The crisis in the Tea gardens acted as a boon in disguise for Siliguri in the era of globalisation because their workers in search of jobs migrated towards Siliguri. These migrants served as daily wage labourers in the real estate sector which saw an unprecedented boom due to globalisation.

The phenomenal rise of population led to excessive pressure on land and we observed a drastic change in the land use pattern of Siliguri municipal corporation area. The changing settlement pattern can be best understood with the use of Remote sensing and GIS techniques. Land pattern use is the product of resource utilisation by the population subsisting on it. Unprecedented growth in population leads to demand for new settlement areas which inturn is compromised with the encroachment of the nearby areas of the developing city.

The land-use statistics of Siliguri municipal corporation area of the year 1991 reflects that there was 47.9 3% of open space. This indicated that there was ample space for the accommodation of the increasing population of the Siliguri town. The reports of the year 2001 witnessed a total change scenario. The 117.7 3% decadal growth rate as reported in the Census of 2001 totally corresponded with the data that was derived from the GIS report of 2001. The GIS report of 2001 points out that the open space was reduced to area 28.0

1% from 47.9 3% of the year 1991. To make a situation worse the GIS report of 2014 says that the open space in Siliguri municipal corporation area was only 6.78%.

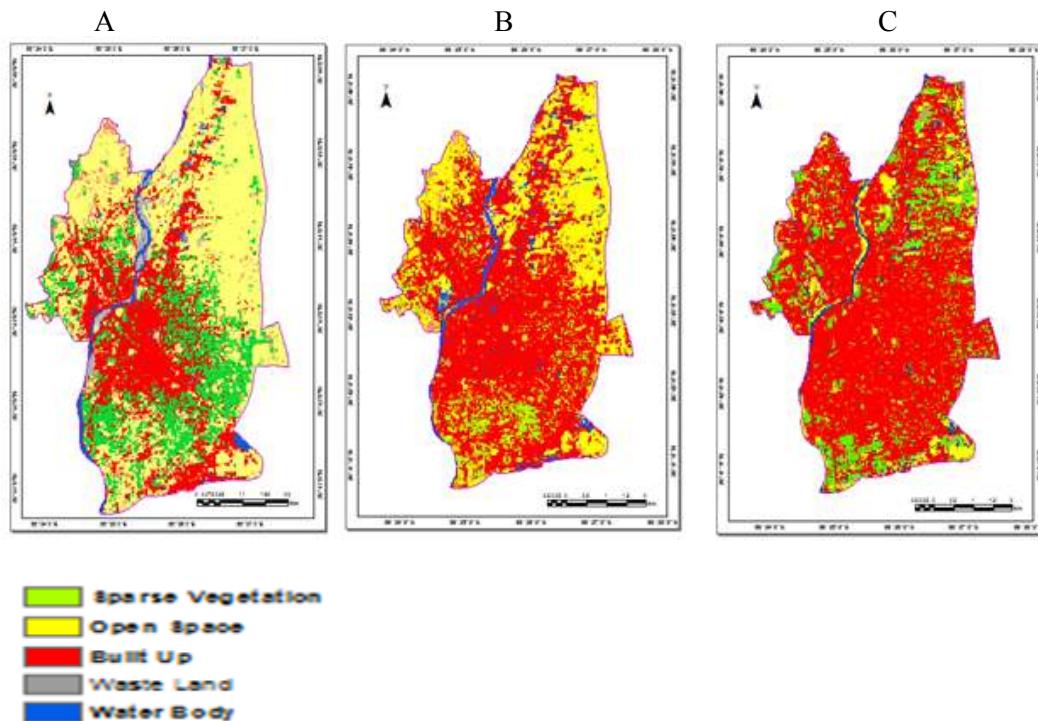


Fig. Showing Land Use GIS maps of SMC (A) 1991, (B) 2001 (C) 2017.

It is very important to understand the zoning system<sup>9</sup> which was adopted by the government of West Bengal in general and implemented by the SiliguriJalpaiguri Development Authority. From 990 the International Monetary Fund IMF induced structural adjustment programme SAP was introduced throughout India and it was one of the policies adopted by the government of India in new economic policy. The practice was one of the proponents of SAP and the Siliguri development area was divided into four zones as mentioned earlier in this chapter. The impact of Globalisation on Siliguri cannot be complete without studying these Zones because it was the globalisation that gave birth to these Zones to facilitate the processes of globalisation.

Zone 1 included the south-west corner of the Siliguri City and it corresponds to the present day Naxalbari area. If we minutely study the impact of SAP we can come to a conclusion that it was once a battleground for the Maoists and Naxalite now practices full-fledged commercial residential activities with facility centres like utility centres, trading centres, Agro service centres and small leather processing centres. The history of Naxalbari is not hidden from any scholar of Humanities and Social Sciences. Physiographically the area is located between Mechi River and Balasan River blessed with rich and fertile cultivable land

and the location of KharibariGhoshpukur four-lane bypass acts as linkages to Siliguri Municipal Corporation. The Zone 1 area shares International boundaries, in the West it shares International Thus it becomes apparent that zone 1 serves the real motto of International border trade prospect of globalisation because it is through these International passes we find the import and export of goods to Nepal, China and Bangladesh. It also provides sufficient challenge to the authorities because it is through these vulnerable points illegal cross migration and the influx of cheap Chinese products enters into India. A detailed study is made in the next chapter on the militarization of Siliguri<sup>10</sup>.

Zone two represents the westward expansion of Siliguri Municipal Corporation. The north of this Zone includes Champasari, the East shares the boundary with Siliguri Municipal Corporation, the South includes the lower Mahananda Bridge up to South-west Mahananda link canal and in the west, it includes the Phansidewa-Matigara link highway. This zone is dominated by residential areas however on a survey we also find extended commercial zones Siliguri Municipal Corporation. This also facilitates municipal corporations with transportation nodes and commercial as well as institutional buildings with corporate establishments. This zone is very important because it serves as a link between the East and West border areas of Siliguri Municipal Corporation and also establishes northbound trade to Matigarahaat. Economically this is very important to Siliguri Municipal area because post globalisation period we find a development of Agro-Tech industries along with livestock-related production centres. We also have software parks and herb culture parks in this area.

Zone 3 is also very important for the Siliguri Municipal area because it represents Northwest expansion of Siliguri Municipal Corporation. Geographically this zone is restricted to Champasari and Chandmoni area. Commercial Institutions we also have all the important educational institutions of Siliguri in this area. To name a few Siliguri Institute of Technology, Pragati College of Education, Sri Sri Educational Institute. This area has also witnessed a huge investment in the real estate sector. Major realtor players like Mayfair, Bengal Ambuja, Shanthinikethan, Vishwakarma builders and other local builders are developing new ventures along NH-31 and Sevoke road of Siliguri region. Zone 4 acts as a transhipment area and earmarked as a special zone with Sevoke as it's the nodal point. It serves an important trade linkage to Nathula and rest of SJPA and the larger region.

Thus we see that the Zoning of the areas around Siliguri was a product of policies to boost Liberalisation, Privatisation and Globalisation. In return, these zones acted as feeder corridors in the growth and development of urbanisation in Siliguri Municipal area.

## **GLOBALISATION, MARKETS AND THE POLITICAL ECONOMY OF SILIGURI.**

Market and trade liberalisation are the cornerstones of globalisation processes. In simple terms, it reflects the density change in the interaction between the global and the local, and

the international and the national. Thus economic globalisation promotes candid and greater interaction between production, organisation of production, distribution points where markets come to centrality and also consumption because the consumption pattern determines market and production graphs. Neo-liberalism demanded loose government control and regulations of economic activity in favour of the market forces. An important aspect of understanding the structural adjustment design by the government in favour of liberalisation and privatisation can only be understood as a ‘conditionality’ of loan packages from the International Monetary fund. The world International banks like IMF and ADB plays a vital role in forcing the Governments of any country, especially the Developing and Third world countries to open their country to Liberalisation, Privatisation and Globalisation. Easterly tries to name some of these conditionalities like ‘reduced domestic credit expansion, reduced budget deficit, currency devaluation, freed controlled prices, reduced trade barriers, increased privatization and also deregulation of markets’<sup>11</sup>to name a few.

Siliguri becomes the commercial hub for the entire North Bengal, North-Eastern States and also some parts of Bihar like the areas of Kishanganj and Katihar. The traditional mainstay of business in Siliguri was based on tea, tourism and timber. However post-liberalization we find the besides strengthening the traditional mainstay business the new markets that developed in and around Siliguri after the New economic policies of the 1990s catered the economic demand of the large hinterland of Dooars, Darjeeling, the entire state of Sikkim, the Kingdom of Bhutan as well as parts of North-East India. It became the nodal point of location from where the cargos are transferred from one carrier to another. The boom in the organized retail business, hospitality industry and the real estate investment completely metamorphose the economic scenario of the city. Siliguri also developed into a city with a large number of trading centres and readymade markets for consumer goods and is thus a candid home to myriad retailers, wholesalers, dealers, distributors and small-scale entrepreneurs, transforming it into the commercial nerve centre of North Bengal.

To understand the impact of globalisation on the economy of Siliguri Municipal Corporation we have to understand the State Domestic Product as a key indicator to assess the health as well as the dynamics of the economy of a region or of a state. The data on estimated net district domestic product is not available at a level below a district. Accordingly, the data on Siliguri Municipal Corporation is deduced to make an assessment of the economic activities and their movement over time in the era of globalisation.

Under the Tertiary sector, there has been phenomenal growth in SDP between 1993-94 and 2000-01 in two sub-sectors - 272% in ‘Banking & Insurance’ and 132% in ‘Public Administration’. The widespread growth of Banking & Insurance activities has been the result of the opening of the banking and insurance business to private players in the new liberalized economic regime. The economic activity-wise data reveal that ‘Retail Trade’ is the single largest group of establishments in SJPA, accounting for 47.4% of the total number

of enterprises. Next in size is the group ‘Community, Social and Personal services’ representing 18% of the total number of enterprises in SJPA.

In analysing the impact of Liberalisation of the primary sector of Siliguri we find that the impact was very disastrous. The data compiled shows that between 1993-94 and 2001-02 i.e. approximately over the last eight years, the contribution of the Primary sector to SDP has fallen from 42.2% in 1993-94 to 31.3% in 2001-02 for the districts and it corresponds to the Siliguri municipal area<sup>12</sup>. The fall has been considerable in Agriculture – the sub-sector that accounts for the lion’s share of State Domestic Product in the Primary sector. Agriculture production is almost nil in the SMC area because when we compare the GIS data of the year 1991 and 2001 we find that the decreased open space in the SMC. These open spaces one served as land for growing vegetables and dairy activities but with the passage of the shrinking open space, the city mainly depends on its surrounding villages for vegetables and dairy activities. However, forest industries have flourished in recent decades. Siliguri has revealed a tremendous potential for wood as well as timber-based industries because the region is rich in these natural resources. It has a number of West Bengal Forest Development Corporation Ltd. (WBFDC) joinery and carpentry units that supply high-quality furniture and joinery items to the public at competitive prices. Besides, sawn timber is sold to buyers and dealers in bulk from Government sawmills in Siliguri. WBFDC is responsible for selling sawn timber like sal, teak, dhupi and jarul at fixed prices to the public through its retail sales centres in West Bengal including in Siliguri. A lot of economic activities are based on forest resources in and around the Siliguri municipal area. Baikunthapur forest is one of the important forest ranges within SiliguriJalpaiguri planning area and it provides economic livelihood to many people. Despite being a protected forest, in this era of globalisation Baikunthapur forest had been subjected to tremendous pressure for fuel, house posts, hatch and other forest produce and thereby to uncontrolled destruction of forest resources. There is another important Reserve forest, namely, Apalchand Range, a little away from SJPA and a good deal of economic activities based on the produce of the forest takes place in SJPA. Siliguri is the main market for the major forest produce. A part of Sal and miscellaneous logs extracted by West Bengal Forest Development Corporation (WBFDC) is given to government sawmills under WBFDC and the remaining sold on auction. The wood available in the region has given a boost to veneer and plywood making units in SJPA. Nevertheless, Sal timber is the most important and the highest revenue earning produce of the region. With an increase in demand for timber like Sal and Teak and consequent rise in prices, inferior varieties of timber such as Champ, Panisaj, Gamar, Jarul are finding ready markets. There is a great demand for House posts or Sal poles from the local population, tea industries and also the West Bengal State Electricity Board. Thus we see that globalisation led to the ever-increasing demand of sal and timber products which are supplied and marketed throughout North India<sup>13</sup>.

A considerable number of small-scale and cottage industries (grill factory, atta mills and steel furniture) are spread over the municipal area, predominantly in the wards of the Sevoke Road area and Burdwan Road. The formal service sector also contributes significantly to the local economy within the municipal corporation. It encompasses academic institutes (schools, colleges and other academic institutions), automobile repair centres, banks and post offices, health institutions, hotels, retail outlets and trading centres which are located along transportation corridors like Burdwan Road, Sevoke Road, and other major local roads. These outlets of the service sector are served by local people. As per data collected from SMC, till the year 2014, there are 31,981 commercial establishments in the city which includes Fish, meat Poultry shops 384 in number, Fruits and vegetable shops 5,341, Groceries and provisions shops 356, Eating Places 4,314, Pan and Cigarettes shops 3,500, Textile and Clothing shops 2,500, Medical shops 2,000, Computer and Electronics shops 136, Electrical Hardware and building materials outlets 1,211, Household merchandise shops 331, Furniture and Interior decoration shops 157, Jewelry shops 953, Optics and watches shops 478, Footwear outlets 1231, Recreation centres 17, Transport points 500, Service Outlets 5000 and other miscellaneous 533.

Post Liberalisation the share of the secondary sector has risen marginally. It is interesting to look at the trends of industrial growth of Siliguri<sup>14</sup>. The problem is that there is no data separately for SJPA that is readily available. To look into the impact of globalisation on the industrial sector we have to make a comparative study of the set of data collected under the Annual Survey of Industries covering both Census and Non-Census sectors. The data reveals that the number of factories in Siliguri Municipal corporation, registered a fall between 1980-81 and 1990-91, there was very passive and mundane growth in fixed capital, invested capital and productive capital during this period leading to absolute decline. As for the ‘number of workers’ and ‘number of employees’, registered between 1980-81 and 1990-91 showed prosperity. This means that one hand industries, investment, and production capital were declining but there was an increase in the number of people who were ready to sell their labour.

In the period following 1990-91, spectacular growth in not only the number of factories but also in ‘fixed capital’, ‘invested capital’, ‘productive capital’, ‘number of workers’ and ‘number of employees’ had taken place in Siliguri municipal area and the new zonal areas around Siliguri. The ‘number of factories’ recorded more than two and a half times increase, the shares in ‘fixed capital’, ‘invested capital’ and ‘productive capital’ had shown more than ten times rise. This is perhaps due to more capital-intensive methods being adopted among the newer factories being set up in the area. Another interesting observation that the data reveals is that although the average capital base of a factory is much smaller for the two districts than the same for West Bengal, the rates of growth in ‘average fixed capital per factory’, ‘average invested capital per factory’ and ‘average productive capital per factory’ had been much larger in the districts of Darjeeling in general and Siliguri in particular. On

the contrary, while the ‘average number of workers per factory’ has registered an increase in the SJPA between 1990-91 and 1997-98, the same for West Bengal has fallen. This implies that despite the rapid expansion of the capital base of industries in SJPA, capital intensities of industries in other industrialized districts of the state are much higher. Another notable feature of industrial growth is that the average wage per worker is far lower in the SJPA than the same for West Bengal. This can be explained partly by the lower cost of living in the two districts and partly by the lower incidence of highly skilled workers coupled with a higher incidence of migrant workers.

These phenomena are indicative of the fact that the SJPA experienced a very fast growth of factories engaged primarily in manufacturing activities in the years following 1990-91. In fact, this is the period when a new liberalized economic regime had been initiated in the country, including the abolition of the ‘licensing regime’ which was the main reasons for the growth<sup>15</sup>.

In the era of globalization, The distribution of the number of registered factories according to NIC classification in 2000 shows that ‘manufacture of food products’ constitutes one half of the total number of registered factories. The next major group in the two districts is ‘manufacture of wood and wood products, furniture and fixtures’, accounting for nearly 19% of the total number of factories in 2000. Around 6% of factories are found in ‘repair services’, which represents heterogeneous and footloose service industries. It is observed that ‘manufacture of food products’; ‘manufacture of wood and wood products, furniture and fixtures’; ‘electricity’; ‘land transport’ and ‘education, scientific and research services’ are the ones to reckon with. There have been substantial increases in ‘fixed capital’, ‘invested capital’, ‘productive capital’ and ‘number of workers’ for the ‘manufacture of food products’ industry in 1997-98 over 1996-97. This is the industry whose ‘net value added’ works out to a relatively high figure of Rs. 300 crores during 1997-98. The relatively high concentration of units in ‘manufacture of food products’ in the region is due to the considerable growth of certain fruits and vegetables as well as tea plantations in the region. There are, however, two other industry groups, namely, ‘manufacture of cotton textiles’ and ‘manufacture of wool, silk and synthetic fibre textiles’ that have witnessed considerable growth in ‘fixed capital’, ‘invested capital’, ‘productive capital’ and ‘number of workers’ between 1996-97 and 1997-98 have little or no presence in SJPA. The abundant availability of forest resources in both districts facilitated the growth of this industry in the past. However, the growth has been considerably curbed in recent years due to a ban imposed by the Supreme Court of India on felling of trees in the forests. The incidence of ‘repair services’ units are found to be more in larger urban centres in the state of which Siliguri is one. Growth of these units can be seen without a concomitant growth of manufacturing industries. With the rise in urbanization, ‘repair services’ industry shows steady growth over the years in respect of the concerning attributes. Small-scale industries have been playing a significant role in the

industrial scene of SJPA. It not only contributes substantially to SDP of West Bengal but also provides a great deal of employment.

In the post-GATT industrial scenario, the small-scale sector has emerged as an important segment. While the WTO-led globalisation policies have opened up new opportunities for the small-scale sector, on the one hand, the sector is also confronted by stiff, often unequal competition, on the other. The share of SJPA with the exclusion of non-Siliguri part of Darjeeling in the total small-scale industrial scene of the state is not very reckonable, although the same has registered a marginal increase between 1997-98 and 2001-02. This has happened because the growth in the number of small-scale units as well as in employment in the SJPA-districts has been much higher than the same in the remaining parts of the state. One interesting phenomenon of the growth has been that of Jalpaiguri experiencing much higher growth in a number of units than that of Siliguri, on the one hand, and Siliguri's witnessing very high growth in employment as opposed to slightly negative growth in employment in Jalpaiguri, on the other.

Thus, the growth of small scale industries in Siliguri has been based on labour-intensive methods of production. One of the important sub-sectors of small scale industry is Handicrafts. The industrial estates at Dabgram in Jalpaiguri and Ektiasal near Siliguri provide organized facilities for setting up of small scale industries. The example of establishing Biswa Bangla Silpihaat at Khwakhali, Siliguri bears testimony to the above fact. Lack of growth of the small-scale sector is no unique phenomenon for the region, as, under the new WTO-led globalization regime, the small-scale industries all over the country have been subjected to stiff competition consequent to withdrawal of reservations for them on a number of scores.

Both the State Domestic Product data and Economic Census data have revealed that there has been substantial growth in economic activities under the tertiary sector during the last decade. The largest share of 25% of SDP is contributed by banking & insurance businesses, which have received a boost as a result of policies of economic liberalization being followed at the national level. With faster urbanization in the region, demands for banking and insurance services rise, especially from the trading sector. The next largest group of activity is 'trade, hotel and restaurant' accounting for 20% of SDP. Whereas hotel and restaurant businesses are related to tourism, trading is a significant economic activity in the SJPA region providing income and employment opportunities to a large number of people, particularly in the informal sector. In the trading sub-sector, wholesale trading activities play an important role in the economy of Siliguri municipal area as well its entire hinterland extending over the northeastern states and the countries of Nepal, Bhutan and Bangladesh. SJPA houses a number of large market centres –both wholesale and retail in nature. The opening of banking and insurance businesses to the private sector as a fallout of liberalized economic regime across the country provided a fillip to this sub-sector to grow rapidly in urban areas. The growth of manufacturing industries in the Siliguri areas received impetus from the various policy reforms such as dismantling of licensing regime, the abolition of freight equalization for coal and steel, incentive schemes designed by the State Government for promotion of manufacturing industries,

liberalization of imports and exports etc. The encouragement to private investment in the backdrop of various policy reforms shall result in better utilization of the region's vast resources through the establishment of manufacturing industries in the region. The basic question that would confront planners is whether Siliguri should continue to be characterized by predominant mercantile nature of its economy or should the areas be seen as a potential manufacturing industrial base, of course, maintaining a structural balance between secondary and tertiary sector activities.

In the context of fast urbanization of the SJPA region, predominance of non-agricultural activities will continue to shape the economy of the region. So far, tertiary activities including trades and commerce have witnessed pre-dominant growth. But for the economy of SJPA and more generally of North Bengal to have sustained growth, it should be imperative to encourage growth manufacturing and processing industries in the SJPA region, as apart from marketing opportunities, the region is rich in natural and agricultural resources. A considerable contribution to SDP of the region is made by 'education and related services'. As a result, the availability of educated and technically skilled personnel in the region is more than in other places. All these resource bases facilitate the prospect of industrial growth in the region. Siliguri is also fast emerging as an information technology (IT) hub, an alternative destination for Kolkata, for info-tech companies. Siliguri already has good infrastructure and modern amenities for people who work in IT parks. Some major IT companies have already set up bases in Siliguri. The West Bengal Government has set up an IT park in Siliguri recently, to provide bigger opportunities to IT/ITES companies to start their businesses in Siliguri. However, the IT firms are located outside the municipal boundaries. The working conditions in these IT firms are very poor.

As per the 2011 Census, the city has 1.88 lakh workers who account for 37% of the total city population. The Workforce Participation Rate (WPR) has increased from 33% in 2001 indicating a net increase of 29,874 workers. Main workers account for 88% of all workers, the remaining being marginal workers who are involved in employment for less than 6 months. Analysis of the sectorial share of workers shows that about 1% of the total workers in the City are engaged in primary sector activities, 3% in the secondary sector and about 96% -a phenomenal share - in the tertiary sector. As discussed above there is meagre scope for primary sector activities within the city limits. Tea processing, timber and other manufacturing units form sources of secondary sector employment. It is also observed that these industries employ regional workforce from nearby rural areas. The workforce within the city is predominantly occupied in tertiary sector activities which include trade, transport, hotels, real estate, etc. In 1991, 85.3% of the total workforce was engaged in the tertiary sector. Out of 158,058 workers in the SMC area, only 1.9% comprise cultivators and agricultural labourers. In 2001, the secondary sector accounted for 0.3% and tertiary as much as 97.9% of the total workforce. This indicates the dominance of the tertiary sector in the economy of Siliguri<sup>16</sup>.

With the increasing role of Siliguri as a regional trading centre and also a regional transport node for the entire hinterland extending over the north-eastern states and the adjoining countries of Nepal, Bhutan and Bangladesh, the transformation of the areas both within and surrounding Siliguri began to witness changes in terms of economic pursuit and land use and development. The centrifugal forces originating in Siliguri led to spread of urban areas around and given the physiographic constraints, the urban sprawl was directed towards the formation of zones, and in the process, taking away lands under agricultural use for urban uses. This was one of the reasons for the declining share of the agriculture sub-sector. Thus we see that the areas under Siliguri Municipal Corporation have been witnessing a very fast growth of non-agricultural economic activities. Siliguri MC Area is the hub of such economic activities in not only SJPA but also the entire North Bengal comprising the districts Malda, Uttar Dinajpur, Cooch Behar, Jalpaiguri and Darjeeling. The economic importance of Siliguri derives from the vast hinterland extending over not only North Bengal but also the North Eastern States and neighbouring countries of Bhutan, Nepal and Bangladesh. The growth of economic activities within SJPA is leading to not only increasing population and urbanization in SJPA but also due to the structural changes.

### **MARKETS:**

Siliguri has been growing as a distribution centre in North Bengal, Northeast India, Sikkim, Bhutan and other adjoining areas and this has led to a rapid increase in the wholesale trade markets in Siliguri. The largest wholesale market is the Siliguri Regulated Market. The distinctive features of the market are that whereas it hardly regulates prices, it handles large volumes of Merchandise composed of varied items. The items in the market come from areas both in and around Siliguri and from different corners of the country. A good quantity of agricultural produce comes to the market from Kharibari and Naxalbari areas. The items traded in the market largely flow to areas outside Siliguri and little is consumed locally. Apples and pears come from as far as Delhi and Himachal Pradesh and go to the different districts of North Bengal and the North Eastern States; mangoes come from Malda in West Bengal and Muzaffarpur in Bihar and move to local markets and Assam. A large volume of bananas come from Bihar and cater to local markets Siliguri. Sweet lemons are brought from Tamil Nadu and dispatched to both local markets and Assam. Pomegranate flows in from Nasik in Maharashtra and is sent to local markets as well as to the state of Assam and Sikkim. Among important vegetables traded are cauliflower, cabbage, carrot, tomato, potato, onion, egg, bitter gourd etc. that flow to the market from SJPA and surrounding areas. Despite the fact that the existence of large wholesale markets characterizes the economy of SJPA as a mercantile one, infrastructure in the markets is poor<sup>17</sup>.

On a survey of the Regulated market it was found that there were hardly any public utility services such as water, public convenience, telephone etc. and also there was an inadequate warehouse and cold storage facility. Interestingly, it was found that not all goods traded in

the wholesale markets are produced in Siliguri and adjoining regions but are transported from faraway places. This is why transport activities are quite booming in Siliguri. As per the report of Siliguri Municipal corporation commercial establishments in the SMC area number 45,230; of these, 33% are registered and 67% unregistered and informal in nature. About 8% of commercial establishments are wholesale shops.

Among the retail markets Bidhan Market, the chief marketing centre of Siliguri, is situated in the heart of the city, in the shape of a triangle whose vertices are HashmiChowk (or Hospital More), Sevoke More and PaniTanki More. There are three different kinds of markets within this triangle – the daily market, the New Market and the HongKong Market. Situated close to the Bidhan Market, but south of the railway line is the Mahabirsthian Market and the Khalpara wholesale market. The other major markets are the DIF Market, the shopping on Hill Cart Road, the Gate Bazaar Market on Old Matigara Road, the Champasari Daily Market, the regulated market for wholesale of perishable goods, the Ghugumali Daily Market, Phuleswari Daily Market, Station Feeder Market, Jajodia Market and the ShaheedBhagat Singh Market Complex<sup>18</sup>.

Most of the economic activities in Siliguri are found in the two streets of Sevoke Road and Hill Cart Road. Many traditional stores and hotels dot the street while Sevoke Road flaunts sophisticated stores and most of the city's banks. The most preferred item in Siliguri is Darjeeling tea; the city is also well-known for its woollen garments, Tibetan paintings and wooden handicrafts that are sold in plenty on Hill Cart Road and Sevoke Road. There is also another famous market for electronic goods, which goes by the name of Hong Kong Market. The Hong Kong Market is popular with locals as well as tourists who visit the city for cheap imported goods, usually from the Chinese market as well as from places like Nepal and Thailand. Most of the gadgets available are quite cheap and thus allure tourists. Presently there are 550 shops in Hong Kong Market; these sell foreign goods like electronic items, cosmetics and clothes and employ as many as 1,500 persons.

The Seth Dress material is famous for Stationary Dress materials for women, artwork, handcrafted products and bags, eateries, food courts and there are approximately 400 shops as per the data collected from the secretary of the Union of Seth Srilal market.

Apart from these many shopping malls the rising rapidly on the roads of Siliguri signalling growth of modern infrastructure facilities in the city. The national and international branded goods' shops in these malls facilitate trading and commerce. Some of the malls are: Cosmos Mall, Sevoke Road, a large and up-scale mall, City Mall, Orbit Mall, includes an INOX movie theatre, Vegas Mall also with multiplexes, City Style mall, Sun Flower mall all situated on Sevoke road. We also have City Center, Uttarayan, and Vishal Mega Mart on the Burdwan road. Renowned automobile companies are gathering at Siliguri with their numerous Showrooms. Maruti Suzuki, Honda Siel, Toyota Kirloskar, Ford, Tata, JCB, Mahindra & Mahindra, Hyundai, General Motors are examples of this. Two-wheeler showrooms also

take their position at the Economy of Siliguri. Hero Honda, Kinetic, Honda scooters, Yamaha, Tvs Suzuki, Bajaj, LML all these top-ranked companies are now present at Siliguri.

With the growing economic transactions at Siliguri some major banks namely Standard Chartered, HDFC, ICICI, Allahabad, State Bank of India, UTI, UCO, Vijaya, IDBI and UBKG bank are opened with their branches. Maharashtra, Bank of Baroda, Canara Bank, Karnataka Bank, Andhra Bank, Sonali Bank are some other quotable names of banks of Siliguri. In the era of Globalisation Siliguri has turned into the desired destination for most of the investors of India.

<sup>1</sup>See Samir Amin*Capitalism in the Age of Globalization: The Management of Contemporary Society* London, Zed Books, 1997, Richard Barnet and John Cavanagh*Global Dreams: Imperial Corporations and the New World Order* New York, Simon & Schuster, 1994

<sup>2</sup> See, Mehra, Parshotam , *An “agreed” frontier: Ladakh and India’s northernmost borders, 1846-1947*, Oxford University Press, 1992. Palit, D. K., *War in High Himalaya: The Indian Army in Crisis, 1962*, C. Hurst & Co. Publishers, 1991. Van Eekelen, Willem Frederik , *Indian Foreign Policy and the Border Dispute with China*, Springer, 2013. Warikoo, K., ed., *Himalayan Frontiers of India: Historical, Geo-Political and Strategic Perspectives*, Routledge, 2009. Lamb, Alastair (1964). *The China-India Border: The Origins of the Disputed Boundaries*, Oxford University Press, 1964.

<sup>3</sup>Bagchi, Amiya Kumar, *The Political Economy of Under Development*, Cambridge: Cambridge University Press, 1982. Bhagwati, Jagdish N., *India in Transition: Freeing the Economy*, Oxford: Clarendon Press in 1993. Brass, Paul R., *The Politics of India since Independence*, Cambridge University Press, 1990. Dasgupta, Biplob, *Globalization: India’s Adjustment Experience*, Sage, 2005, New Delhi. Dreze, Jean and Sen, Amartya Kumar, *India: Economic Development and Social Opportunity*, Oxford University Press, 1998. Guha, Ashok (ed.), *Economic Liberalization, Industrial Structure and Growth in India*, Oxford University Press, 1990. Nayar, Baldev Raj, *Globalisation and Nationalism*, Sage; 2001.

<sup>4</sup>Bouton, Lawrence and Mariusz A. Sumlinkski., Trends in Private Investment in Developing Countries: Statistics for 1970-95, *IFC Discussion Paper No. 31*, 1997, February. Chaudhuri, Sudip., ‘FERA: Appearance and Reality’, *Economic and Political Weekly*, April, 21, 1979. Dijck, Pitou von and K.S. ChalapatiRao., *India’s Export Policy and Export Performance of Industry*, Sage Publication, New Delhi, 1994. UNCTAD, *World Investment Report: Transnational Corporations, Market Structures and Competition Policy*, United Nations, 1997. Kidron, M., *Foreign Investments in India*, Oxford University Press, New Delhi. 1965.

<sup>5</sup>Smaranika, GangulyDr. Ashok, ‘AjkerSiliguriSedinChhiloRailnagori’, UttarbangUtsav, Siliguri, 2012, Purobarta, SiliguriPouro Nigam, Siliguri,2010

<sup>6</sup>census report of 1991.

<sup>7</sup>Survey of households conducted by Siliguri Municipal Corporation in 2004

<sup>8</sup>Palit A. Growth of Special Economic Zones (SEZs) in India: Issues and Perspectives. *Journal of Infrastructure Development*. 2009; 1(2):133-152. Also see "List of Operational SEZ in India-Source-SEZ India, Government of India "

<sup>9</sup><https://www.india.gov.in/information-west-bengal-special-economic-zone-policy>

<sup>10</sup>William Easterly, Ross Levine, What have we learned from a decade of empirical research on growth? It’s Not Factor Accumulation: Stylized Facts and Growth Models, *The World Bank Economic Review*, Volume 15, Issue 2, August 2001, Pages 177–219,

<sup>11</sup>Statistical Abstract, Bureau of Applied Economics & Statistics, W.B,1993-2001

<sup>12</sup>*Joint Forest Management: A Handbook*, Development Circle, Directorate of Forests, Government of West Bengal, 2016

<sup>13</sup>Report of Siliguri-Jalpaiguri Development Authority, 2010

<sup>14</sup> Kamtekar, Indivar., "*The Wartime Paternity Of India's 'Licence-Permit Raj'*". *Proceedings of the Indian History Congress.* 77, 2016, 403–409.

<sup>15</sup>2011 Census report.

<sup>16</sup>Siliguri Regulated Market Report.

<sup>17</sup>SMC report and field survey report