Indian Economy · GS - III

Industrial investment beyond established economic centres can promote balanced regional development. Discuss with reference to Bihar's emerging industrial projects.

EXAM YEAR	PAPER	SUBJECT
DAILY PRACTICE 27/11/2026	GS - III	Indian Economy

MARKS	WORD LIMIT
15	~250 words

Answer Hint

Regional industrialisation, BIADA, capital investment, employment generation, MSMEs, infrastructure, agro-processing, regional disparities

Model Answer

Industrial investment in relatively less industrialised states can diversify economic activity, generate employment and reduce regional disparities. Bihar's reported investment proposals involving around ₹21,600 crore across 17 districts illustrate this development potential.

Potential contributions to regional development:

1. **Employment generation:** Projects across energy, food processing, cement and data centres are expected to create approximately 23,000 direct jobs, alongside indirect employment opportunities.

2. **Economic diversification:** Investment beyond traditional sectors can reduce dependence on agriculture and expand the state's industrial base.

3. **Local enterprise development:** Large industrial units can create demand for local suppliers, transport operators, packaging businesses and other MSMEs.

4. **Agricultural value addition:** Food-processing facilities can improve market access for farmers, reduce post-harvest losses and strengthen rural incomes.

5. **Infrastructure development:** Industrial clusters can encourage improvements in electricity, roads, logistics and digital connectivity.

Challenges requiring attention:

- Land acquisition and environmental compliance.
- Skill gaps and shortage of specialised industrial labour.
- Reliable electricity, transport and logistics infrastructure.
- Ensuring that announced investments translate into operational projects and sustained employment.
- Preventing geographical concentration of industrial benefits.

Way forward: BIADA should facilitate transparent land allocation, time-bound clearances and industrial infrastructure. Skill development must be aligned with industry requirements, while local MSMEs should be integrated into supply chains.

Conclusion: Industrialisation can become an important instrument of inclusive development in Bihar when investment announcements translate into productive capacity, local employment and equitable regional opportunities.

BECOME IAS
AI POWERED UPSC PREP