

PUBLIC PRIVATE PARTNERSHIP POLICY IN INDUSTRIALIZATION OF ODISHA

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ABSTRACT

Odisha is one of the most backward and poorest states of India. Since the economic reform of 1990's, many initiatives have been taken by the government for rapid industrialization of the state, but was not successful in attracting private investment due to lack of sufficient infrastructure to cater the needs of the industrialists, widespread public protests and natural calamities. This has deprived the state of huge amount of potential returns from investors, despite its rich natural resource endowment. It can be seen from the fact that about 32.6% population lives below the poverty line in 2011-12 as per the Tendulkar Committee methodology, 83.31% people still live in villages and per capita income being only Rs 46,150 in 2011-12 in comparison to India's average Per Capita Net National Income (2004-05 base) of Rs. 60,972. In addition to this, the per capita investment in industry stood at Rs. 1,961 only as compared to national average of Rs. 2,303. Now, the government is focusing to attract private investment through PPP models for the industrialization of the state to maximize the value addition, opportunities for employment generation and revenue augmentation. It is only one of the few states which have framed Public Private Partnership (PPP) policy in India. It gives broad guidelines for initiating PPP projects to build infrastructures in industrialisation of the state. About 100 PPP projects with total cost of about Rs. 23,835 crore cutting across varied sectors such as healthcare, education, water supply, warehousing, urban management, tourism, power transmission, roads, ports, etc are under operation and many projects are under different stages of implementation. This has helped in solving the infrastructure deficit, massive poverty, rising per capita income and economic growth of the state. But, it faces problems in land acquisition, public protest, natural calamities like droughts, floods and cyclones, etc. This paper makes an analysis of the problems faced by the state, Odisha PPP policy, models adopted, projects initiated through it that has helped in the industrialization of state.

KEY WORDS: Public Private Partnership, infrastructure, industrialisation, economic growth.

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