

Chapter I

Profile, Inter-State Position and Future Potential of Pondicherry

The vibrant Union Territory of Pondicherry symbolizes Mini-South India with its four regions of Pondicherry, Karaikal (Tamilnadu), Mahe (Kerala) and Yanam (Andhra Pradesh) geographically dispersed in South Indian Peninsula but culturally bonded together. Pandit Jawaharlal Nehru, the first Prime Minister of India described it as “Window of the French Culture”.

Geographically, the main region Pondicherry, 162 kms south of Chennai, is in the Basin of Gingee River. This main region consists of 12 scattered areas interspersed with enclaves of South Arcot District of Tamil Nadu. Karaikal region, about 150 kms south of Pondicherry, is cradled by the canals of River Kaveri and surrounded by Thanjavur District of Tamilnadu. Yanam region is 840 kms northeast of Pondicherry on the banks of River Godavari near Kakinada in Andhra Pradesh. Mahe region is in the west coast on the mouth of River Mahe near Tellicherry in Kerala about 650 kms from Pondicherry.

The main coastal town Pondicherry’s fame can be traced back to 100 B.C. when Arikamedu was a flourishing port, much before the arrival of the French. Historically it was known to be the seat of Vedic culture since ancient times(once called Vedapuri) and also the home of the great Hindu Sage Agastya.

With the advent of Sri Aurobindo Ashram, the city’s mystic spirit was rekindled during the beginning of last century. The Auroville, with its multinational, multilingual and multicultural population, represents a universal society living in complete harmony owing its inspiration to Sri Aurobindo and the Mother. In the recent past, Auroville Services Complex has also ushered in appropriate technology in the fields of renewable energy and indigenous computer hardware. During the freedom struggle period, Pondicherry nursed the metaphysical aspects of poetry on MahaKavi Subramania Bharathi.

Pondicherry with an area of 492 sq. kms on attaining statehood will be the smallest one. But in terms of population (9.74 lakhs as per 2001 census) it will be ahead of Sikkim (5.40 lakhs) and Mizoram (8.913 lakhs) and quite close to Arunachal Pradesh (10.91 lakhs). Among States and UTs, by virtue of its high density of population (2029 per sq.km) ranks 3rd next only to UTs of Delhi(9294 per sq.km) and Chandigarh .Within Pondicherry territory, Mahe Region (4091 per sq. km.) leads on this population density score . If it obtains statehood, it will have the second highest density of population after Delhi(assuming Delhi also attains fullfledged statehood) among the states. With literacy

level of 81.5% (2001 census) it ranks 7th among all states and UTs, with Kerala on top (90.92%). Its level of urbanization was 64% in 1991 and 66.6% in 2001 and on this score stands third next only to U.T.'s of Delhi and Chandigarh. Further its urbanisation is highly concentrated in the Pondicherry region, representing 78% of the total urban population of this Union Territory. As per 1991 census, only 33% of population constitutes its labour force. Significantly about 41% of the Labour Force are gainfully engaged in tertiary service sector, edging out the primary agricultural sector (39%), with the rest 20% in secondary manufacturing and allied sectors.

In respect of gender ratio of females per thousand males (1001) it stands next only to Kerala (1058). In terms of decadal population growth (20.56%) between 1991 and 2001, it stands 21st among all States and UTs. As per provisional estimates its Net State Domestic Product at current prices (New Series) is round Rs.2718 crores during 1998-1999 with per capita NSDP of Rs. 29,206 at current prices. On Gross basis its GSDP and Per Capita GSDP during 1998-99 are Rs.3021 Crores and Rs.32,462 respectively.

The Eleventh Finance Commission(EFC) has accorded 62.5% of weight to per capita distance factor, 7.5% for adjusted area (minimum of 2% and maximum of 10%), 10% for population (1971 census), 5% for tax effort, 7.5% for infrastructure index and 7.5% for fiscal discipline. Among the high income states' weighted average of Goa, Maharashtra and Punjab has been taken as the bench mark for the most important per capita distance factor. In respect of Pondicherry, Goa is the one small state out of the above three benchmark states appropriate for comparison. Among the special category states it is Mizoram, Nagaland and Arunachal Pradesh with comparable per capita income and population that could be considered for comparison. Since areas of Goa, Mizoram Nagaland and Pondicherry are all below 2%,all of them merit adjusted area of 2%. Together per capita income distance factor, adjusted area and population account for 80% of the weightage given by Eleventh Finance Commission

The comparative position in the above context is as under:

	Goa	Mizoram	Nagaland	Arunachal Pradesh	Pondicherry
1.Per Capita @ Income	Rs.25,076	Rs.12,378	Rs12,933.	Rs.10,705	Rs.16,439
2.Population 1971:	7.95	3.32	5.16	4.68	4.72
1991:	11.70	6.90	12.10	8.64	8.08
2001:	13.44	8.91	19.89	10.91	9.74
3.Area (sq.km.)**	3700	21,080	16580	83740	492
4.Infrastructure Index	200.57	82.13	76.14	69.71	252.3 (CMIE)
5.Tax ratio to GSDP (%)	7.77	0.56	1.30	0.66	8%

**State Area below 2% of All India Area, stands adjusted to 2% as per Finance Commission's norms

@ 11th Finance Commission has taken the average of 3 year period 1994-95 to 1996-97 per capita GSDP for the States. In respect of Pondicherry Per Capita GSDP were Rs.13, 051, Rs.15, 003 and Rs.21, 262 respectively, with 3 year average of Rs.16, 439.

Among the other special category states, Assam, J & K, Manipur, Meghalaya and Tripura have not been considered as their per capita is significantly below that of Pondicherry. Assam and J&K are also large states. HP is also a large state with four times population of Pondicherry. On the other hand, Sikkim is too small a state with merely half the population as compared to Pondicherry.

Future potential of Pondicherry revolves around:

1. Tapping its strength of highly literate population, skilled labour increasingly seeking employment in service and manufacturing sectors, enterprising SMEs, tourism and entreport potential and last but not least of being "window to appropriate technology".
2. Overcoming economic development constraints of lack of railhead, airport (tourism) and maritime port. For its secondary sector it is dependent on raw material from other states. With the advent of UFR and VAT regime not only the buoyancy in ST revenue will ebb and possibly reach a plateau it could affect cost economies of SMEs in the state adversely. Therefore Revenue Profile (Tax and Non Tax) of the State requires careful repositioning.

3. Exploiting opportunities in services (particularly ecotourism and financial services) and SMEs and also fisheries sectors (marine foods) by providing facilitating conditions for the same: SMEs need to reorient themselves as job order shops and process /ancillary units and become part of the value chain.
4. Like Karnataka taking full advantage of NABARD's expertise and schemes in setting up of SHGs for women (based on Grameen Bank of Bangladesh) based on principle of group lending for Micro units in the Informal Sector.
 - Adding depth to Producers cooperatives and market outlets particularly in Dairy and Horticultural sectors (Karnataka and TamilNadu).
 - Gradually switching to Organic farming to exploit emerging lucrative market outlets for Green agricultural produces.
5. Expeditiously mitigating the problems of poverty, unemployment and underemployment and socio-economic imbalances within the state, both in rural and urban spheres.

Comparative position of Pondicherry with the three new States of Uttaranchal(Special Category),Jharkhand and Chhattisgarh in the same order is as follows:

1.No. of Districts:	4(P);	13(U);	18(J);	16(C)
2.Area(Sq.Kms.):	492(P);	53,483(U);	79,714(J);	1,35,191(C)
3.Pop.(Lakhs):	9.74(P);	84.80(U);	26.91(J);	20.80(C)
4. Pop.Density:	2029(P);	159(U)	338(J);	154(C)
5.Literacy Rate%:	81.50(P);	72.28(U);	54.13(J);	65.18(C)
6.Pop..Decadal :	20.56(P);	19.20(U);	23.19(J);	18.06(C)
	Growth %			
7.Gender Ratio:	1001(P);	964(U);	941(J);	990(C)

In terms of Number of Districts, Area and Population, the three new states are considerably larger than Pondicherry .In terms of Population Density, Literacy Rate and Gender ratio Pondicherry is quite ahead. On Decadal Population Growth.Jharkhand alone has higher growth than Pondicherry.