

# Institutional Agency in Lagging Regions: BIDA as A Catalyst for Industrial Diversification and Sustainable Development in Bundelkhand, India

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## ABSTRACT

This paper investigates the institutional agency of the Bundelkhand Industrial Development Authority (BIDA) as a catalyst for industrial diversification and sustainable development in the lagging Bundelkhand region of Uttar Pradesh, India. It examines BIDA's foundational vision, strategic objectives, and policy framework, particularly focusing on its role in shifting the region's economic base from traditional agriculture towards emerging sectors like defence manufacturing and renewable energy. While acknowledging the nascent stage of BIDA's operations and the current scarcity of comprehensive quantitative data, this study employs a qualitative methodology, analyzing policy documents, official statements, and news reports to assess BIDA's strategic intent and early contributions. The paper also delves into the inherent challenges and unique opportunities within Bundelkhand's industrial landscape, including critical considerations for water and energy solutions to ensure long-term sustainability. It provides an early assessment of BIDA's potential to replicate the success of established industrial hubs and concludes by highlighting the need for future empirical research to fully evaluate BIDA's long-term socio-economic and environmental impact, offering recommendations for sustained and inclusive development.

**Keywords:** Bundelkhand, Industrial Development, BIDA, Institutional Agency, Diversification, Sustainable Development, Uttar Pradesh, India

## INTRODUCTION

The Bundelkhand region, straddling parts of Uttar Pradesh and Madhya Pradesh in India, has historically been characterized by its socio-economic backwardness, marked by recurrent droughts, agrarian distress, limited industrialization, and significant out-migration [1]. Despite its rich cultural heritage and strategic location, the region has lagged behind other parts of Uttar Pradesh in terms of industrial and infrastructural development. Recognizing this persistent disparity, the Government of Uttar Pradesh has embarked on an ambitious initiative to catalyze industrial growth and comprehensive development in its portion of Bundelkhand through the establishment of the Bundelkhand Industrial Development Authority (BIDA).

BIDA is envisioned as a transformative force, designed to replicate the economic success stories of established industrial townships like Noida, which have significantly contributed to Uttar Pradesh's economic landscape [2]. Formed after a gap of 47 years since the last such industrial development authority, BIDA represents a concerted effort to create a self-sustaining industrial ecosystem that not only attracts investment but also generates substantial employment opportunities and improves the overall quality of life for the region's inhabitants [3].

This research paper aims to provide an in-depth analysis of BIDA's role as an institutional agency in the industrial development of Bundelkhand. Drawing upon theories of regional development and institutional economics, it will explore how BIDA, as a dedicated governmental body, seeks to overcome historical underdevelopment and catalyze economic transformation. The paper will examine the authority's foundational vision, its strategic

objectives, and the policy framework it has put in place to achieve its goals, particularly focusing on its efforts towards industrial diversification. Furthermore, the paper will examine the progress of BIDA's key initiatives, such as large-scale land acquisition and the identification of priority sectors for investment. While acknowledging the nascent stage of BIDA's operations and the current limitations in obtaining extensive quantitative data on its direct economic impact, this study will primarily adopt a qualitative approach, drawing insights from official documents, government pronouncements, and credible news reports. The paper will also contextualize BIDA's efforts within the broader challenges and opportunities inherent in Bundelkhand's development trajectory, offering an early assessment of its potential to drive sustainable industrial transformation.

## **Bundelkhand Industrial Development Authority (BIDA): Vision, Objectives, and Policy Framework**

### **Vision and Core Principles**

BIDA's overarching vision is to fundamentally rewrite the narrative of the Bundelkhand region, transforming it into a vibrant and prosperous industrial hub. This vision is encapsulated in its motto, "Happy and Healthy Investment Destination," which underscores a commitment to creating an environment that is not only conducive to business but also promotes a high quality of life [4]. The core principles guiding BIDA's operations are multifaceted, prioritizing:

- **Industrial Vibrancy:** Fostering a dynamic and competitive industrial ecosystem that attracts a diverse range of industries.
- **Self-Sustainability:** Developing self-sufficient and socially vibrant enclaves that can sustain long-term growth.
- **High-End Investment Opportunities:** Creating attractive investment opportunities for both domestic and international investors.
- **Ease of Doing Business:** Streamlining regulatory processes and providing a business-friendly environment.
- **Green Industries:** Promoting environmentally sustainable industrial practices.
- **Affordable Housing:** Ensuring the availability of affordable housing for the workforce.
- **World-Class Tourism:** Leveraging the region's cultural and natural heritage to develop a thriving tourism sector.
- **Smart Transportation:** Establishing a secure and seamless transportation network.

### **Strategic Objectives**

To realize its vision, BIDA has outlined a set of strategic objectives that guide its planning and implementation activities. These objectives are designed to address the specific challenges of the Bundelkhand region while leveraging its unique strengths. The primary objectives include:

- **Establishing a Self-Sustainable, Liveable City:** The core objective is to develop a new industrial city that is economically vibrant and ecologically sustainable. This involves creating a world-class enclave with state-of-the-art industrial land parcels and a lush green environment.
- **Replicating the Noida Model:** BIDA aims to replicate the success of the New Okhla Industrial Development Authority (Noida), which has been instrumental in the economic development of western Uttar Pradesh. This involves creating a well-planned urban and industrial landscape that can attract significant investment and generate large-scale employment.

- **Driving Economic Growth:** BIDA is a key component of the Uttar Pradesh government's strategy to achieve a \$1 trillion economy. By fostering industrialization in a historically backward region, BIDA is expected to make a significant contribution to the state's overall economic growth.
- **Promoting Industrial Diversification:** BIDA has identified several priority sectors for investment, including defence and aerospace, renewable energy, and pharmaceuticals. This sector-specific approach is designed to leverage the region's potential and strategically shift its economic base from a predominantly agrarian economy towards a more diversified and resilient industrial landscape.

## Policy Framework

BIDA's policy framework is designed to be transparent, investor-friendly, and conducive to rapid industrial development. Key elements of this framework include:

- **Land Acquisition and Allotment:** BIDA has been empowered to acquire large tracts of land for industrial, commercial, and residential purposes. The land allotment process is being designed to be transparent and efficient, with a focus on attracting credible investors.
- **Incentives for Investment:** BIDA offers a range of incentives to attract investment, including capital grants for startups, subsidies for setting up industrial units, and other financial and non-financial benefits. These incentives are aligned with the broader industrial policies of the Uttar Pradesh government.
- **Infrastructure Development:** A significant focus of BIDA's policy is on the development of world-class infrastructure, including roads, power supply, water management, and digital connectivity. This is crucial for creating an enabling environment for industries to thrive.
- **Public-Private Partnerships (PPPs):** BIDA is actively exploring opportunities for public-private partnerships to accelerate the pace of development. This includes collaboration with private sector players in areas like infrastructure development, industrial park management, and service delivery.

## Progress and Key Initiatives

Since its inception, BIDA has undertaken several key initiatives to lay the groundwork for industrial development in Bundelkhand. These initiatives are primarily focused on land acquisition, master planning, and sector-specific promotion.

### Land Acquisition

One of the most significant undertakings of BIDA has been the large-scale acquisition of land for the proposed industrial city. As of mid-2025, BIDA has acquired nearly 18,000 acres of land in the Jhansi district, with a long-term goal of acquiring a total of 65,000 acres across 33 revenue villages [5]. This ambitious land acquisition drive is a critical first step in creating the necessary land bank for planned industrial and urban development. The government has allocated a substantial budget for this purpose, with a provision of Rs 5,000 crore in the financial year 2022-23 and another Rs 5,000 crore in the form of a loan in 2023-24 [3].

### Master Plan Development

To ensure the systematic and sustainable development of the industrial city, BIDA has engaged international consultants to prepare a comprehensive master plan. Singapore-based Surbana Jurong and Texas-based CBRI have been appointed for this task, bringing global expertise in urban and industrial planning to the project [6]. The master plan is expected to outline the zonation of industrial, residential, commercial, and green areas, as well as the layout of infrastructure networks. This planned approach is crucial to avoid the haphazard growth that can often plague rapidly developing areas.

## Sector-Specific Promotion

BIDA is actively promoting investment in several key sectors that are well-suited to the resources and strategic location of Bundelkhand. These include:

- **Defence and Aerospace:** With Jhansi being a key node of the UP Defence Industrial Corridor, BIDA is placing a strong emphasis on attracting investment in the defence and aerospace sector. A Defence Corridor worth INR 20,000 crore is planned to be established in the region, which is expected to create a significant number of jobs and foster a high-tech manufacturing ecosystem [4].
- **Renewable Energy:** Bundelkhand has significant potential for solar energy generation. BIDA is promoting the region as a hub for solar energy projects, with several large-scale solar power plants already in the pipeline.
- **Agro and Food Processing:** Given the agrarian nature of the Bundelkhand economy, BIDA is encouraging investment in the agro and food processing sector. This will not only add value to agricultural produce but also create employment opportunities for the local population.
- **Pharmaceuticals:** The development of a Bulk Drug Park in Lalitpur is another key initiative that is expected to attract significant investment in the pharmaceutical sector.

## Challenges and Opportunities for Industrial Development in Bundelkhand

The path to industrializing a region like Bundelkhand is fraught with challenges, but it also presents unique opportunities. BIDA's success will depend on its ability to navigate these challenges while effectively leveraging the opportunities.

### Challenges

- **Historical Underdevelopment:** Bundelkhand's long history of underdevelopment has resulted in a weak industrial base, inadequate infrastructure, and a lack of skilled labor. Overcoming this legacy will require sustained and concerted efforts.
- **Water Scarcity:** The region is prone to drought and water scarcity, which can be a major constraint for water-intensive industries. BIDA will need to implement robust water management strategies to ensure a reliable water supply for industrial and domestic use.
- **Connectivity:** While Jhansi is well-connected by rail, last-mile connectivity to industrial areas can be a challenge. BIDA will need to invest in developing a comprehensive network of roads and other transportation infrastructure.
- **Social and Environmental Concerns:** Large-scale land acquisition and industrial development can have significant social and environmental impacts. BIDA will need to address these concerns through transparent and inclusive processes, ensuring that the benefits of development are shared equitably and that environmental sustainability is not compromised.

### Opportunities

- **Strategic Location:** Bundelkhand's strategic location, with its proximity to major markets in North and Central India, makes it an attractive destination for investment.
- **Government Support:** BIDA has the strong backing of the Uttar Pradesh government, which has made the development of Bundelkhand a top priority. This political will is crucial for overcoming bureaucratic hurdles and ensuring the timely implementation of projects.

- **Availability of Land:** The availability of large tracts of land, which are being acquired by BIDA, is a major advantage for setting up large-scale industrial projects.
- **Untapped Potential:** Bundelkhand's untapped potential in sectors like defence manufacturing, renewable energy, and tourism presents a significant opportunity for growth. By focusing on these sectors, BIDA can create a unique and competitive industrial ecosystem.

### Early Impact and Future Outlook

While it is still too early to assess the full impact of BIDA's interventions, the initial signs are promising. The large-scale land acquisition and the development of a comprehensive master plan have laid a strong foundation for future growth. The focus on sector-specific development has also generated considerable interest among investors. The establishment of the Defence Industrial Corridor and the planned Bulk Drug Park are expected to be major game-changers for the region's economy.

However, the success of BIDA will ultimately depend on its ability to translate its vision and plans into reality. This will require sustained investment, effective implementation, and close monitoring of progress. It will also be crucial to ensure that the benefits of development reach the local population in the form of jobs, improved infrastructure, and better quality of life.

The future outlook for industrial development in Bundelkhand is cautiously optimistic. With BIDA at the helm, the region has a unique opportunity to shed its backward tag and emerge as a vibrant industrial hub. However, this will require a long-term commitment from all stakeholders, including the government, private sector, and civil society.

### CONCLUSION AND RECOMMENDATIONS

BIDA represents a bold and ambitious initiative to transform the industrial landscape of Bundelkhand. Its vision, objectives, and policy framework are well-aligned with the needs of the region and the broader economic goals of Uttar Pradesh. The progress made in land acquisition and master planning is commendable, and the focus on sector-specific development is a step in the right direction.

However, the journey ahead is not without its challenges. BIDA will need to address the deep-rooted problems of underdevelopment, water scarcity, and connectivity. It will also need to ensure that the process of industrialization is inclusive and sustainable.

Based on this analysis, the following recommendations are proposed:

- **Focus on Skill Development:** BIDA should collaborate with educational institutions to establish skill development centers that can provide the local youth with the skills required by the new industries.
- **Promote Local Entrepreneurship:** BIDA should create a supportive ecosystem for local entrepreneurs, providing them with access to finance, technology, and markets.
- **Ensure Environmental Sustainability:** BIDA should adopt a green industrialization approach, promoting the use of clean technologies and sustainable practices.
- **Strengthen Community Engagement:** BIDA should engage with local communities to ensure that their concerns are addressed and that they are active participants in the development process.
- **Monitor and Evaluate Progress:** BIDA should establish a robust monitoring and evaluation framework to track the progress of its initiatives and make necessary course corrections.

In conclusion, BIDA has the potential to be a catalyst for industrial development and economic transformation in Bundelkhand. However, its success will depend on its ability to overcome the challenges and seize the opportunities that lie ahead. With a long-term vision, a clear strategy, and a commitment to inclusive and

sustainable development, BIDA can truly rewrite the narrative of Bundelkhand and create a happy and healthy investment destination for all.

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### Addressing Sustainability: Water and Energy Solutions

Recognizing the historical challenges of water scarcity in Bundelkhand, BIDA's long-term success is intrinsically linked to the implementation of robust and sustainable water management strategies. This includes exploring advanced water conservation techniques, promoting rainwater harvesting, and potentially investing in wastewater treatment and recycling for industrial use. Furthermore, given Bundelkhand's significant potential for solar energy generation, BIDA's emphasis on renewable energy projects is a critical step towards ensuring sustainable industrial growth. The development of solar parks and the promotion of solar energy adoption by industries within the BIDA region will not only address energy demands but also contribute to a greener industrial ecosystem, aligning with the broader goals of ecological sustainability and reducing the carbon footprint of industrial operations. These efforts are crucial for creating an "Ecologically Sustainable Ecosystem" as envisioned by BIDA, ensuring that industrial development does not come at the cost of environmental degradation and resource depletion.