

Indigenous Industries of Assam

RETROSPECT AND PROSPECT

Priyam Goswami



Maulana Abul Kalam Azad Institute of Asian Studies
Kolkata



The book provides a historical background of the indigenous crafts and industries of the region and discusses the prospects of sericulture, handloom, cane and bamboo, horticulture, floriculture, masks industries in national and international market. It not only analyses the causes of stagnation but also suggest probable remedies.

The book may be useful for policy makers and students of Management & Economic-History.

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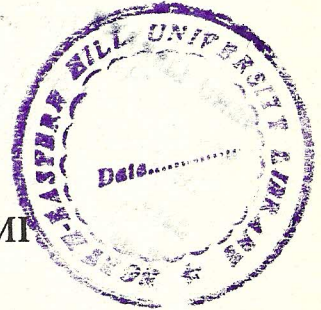
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Preface

This book is the result of my investigation which I pursued with financial assistance from Maulana Abul Kalam Azad Institute of Asian Studies, Kolkata. In course of my earlier study on colonial penetration in Assam, and thereafter, the necessity for a study of the inadequate industrial development of Assam has always been at the back of my mind. In any agricultural economy, progress in the agricultural sector must be simultaneous with industrial growth if an overall economic development is to be expected. This can be best achieved if industrialisation in a particular region is based on the full utilisation of the industrial skills of the indigenous population rather than the superimposition of an imported technology unfamiliar to them. Rural industries form the backbone of a developing country. In a state like Assam, where more than 85 per cent of the population live in villages, the promotion of this sector is of utmost importance. Moreover, in the context of large scale unemployment among youth, industrialisation is the only way through which avenues for sustainable and productive employment can be generated. But development plans for industry cannot be framed in isolation. They must be integrated with plans

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for development in all other sectors — agriculture, transport, power — in order to ensure success. While pursuing the present study, efforts were made to test these hypotheses with the help of empirical data.

This work would not have been possible had it not been for the help that I received from several quarters. I am extremely grateful to the Maulana Abul Kalam Azad Institute of Asian Studies for its generous support. Professor Mahavir Singh, the dynamic Director of the Institute has been a source of constant encouragement and I am grateful to him for his help. My thanks are also due to my friends and colleagues with whom I shared many of my ideas and whose suggestions helped me to formulate my thoughts. Finally, I would like to acknowledge with gratitude the help that I received from the numerous artisans with whom I interacted during the course of my study.

Priyam Goswami

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INTRODUCTION

Medieval Assam—Socio-economic Structure

Medieval Assam, relatively isolated from the rest of India, had a unique socio-economic structure. The simple village economy was more or less self-sustaining though not entirely self-sufficient. Apart from salt, which was imported in considerable quantities from Bengal,¹ most other requirements were available locally. Agriculture was the mainstay of the people and communal ownership of land was a basic feature of this agricultural economy. Even within the Ahom feudal framework, where one's position in society was largely determined by birth, the king, the nobility, the priests and other vassal chiefs, all had agricultural lands cultivated by *paiks*.² The *paiks* themselves were primarily peasant cultivators whose hereditary private proprietary rights existed only in the case of homesteads and gardens but not in the case of paddy lands. Each *paik* received two *puras*³ of wet paddy land as *ga mati* in lieu of which he had to render three or four months of service to the State. In addition to his ancestral homestead lands, a *paik* could obtain inferior land if he desired. Additional wet paddy lands were also allotted in certain cases, but only if surplus land (*ubar mati*) was available. The king, as the representative of the community, generally established his claim to the ownership of all communal wet paddy lands

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and waste lands. It appears that nominal taxation on additional holdings was introduced, though only during the later part of Ahom rule. The entire taxed portion of land or a portion of *ga mati* could be taken back by the Crown if necessary. Thus, the basic pattern of the land system and distribution rested on the concept of communal ownership of land and land revenue consisted in the personal labour service of the peasant *paik*.⁴

Another significant feature of Assamese rural society was the fact that although primarily agriculturists, the people combined agriculture with other trades. There are many references to weavers, spinners, blacksmiths, goldsmiths, potters and workers in ivory, wood, dyes, hide and cane. Almost all the people were self-employed and manufactured their products in their own homes, generally for their own use. There was little specialisation and indigenous crafts and industries formed an integral part of every household. Spinning and weaving, for example, were a part of every woman's work irrespective of caste or status. Similarly, the extraction of mustard oil or the production of jaggery (*gur*) from sugar cane was generally carried out in the individual households. The little specialisation that did exist was in the production of such items as bell metal utensils, pottery or gold jewellery. In contrast, the production of guns and cannon balls, an industry controlled by the State, had acquired a high level of perfection.⁵ Generally each village was a self-sustaining unit and its autonomy was a significant feature of medieval Assamese society. Further, unlike in many other parts of India no worker in Assam was hereditarily attached to any particular trade in such a way as to tie him down to a particular community.⁶ Hence there was considerable

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flexibility in the social structure so far as the practice of trades was concerned.

Within this overall framework of a subsistence economy where surplus was limited, the scope for trade and commerce was naturally restricted. In the absence of a monetary economy, moreover, barter was the prevailing mode of transaction.⁷ Any discussion on the economy of Assam, however, has to take into consideration certain important factors like the geographical isolation of the region, the isolationist tendencies of her rulers and the consequent insular attitude of the people which together contributed to the unique nature of the Ahom economy. The Ahoms ruled Assam for almost six centuries. During this period they produced shrewd statesmen whose actions were determined not by sentiment but by political considerations and practical expediency. Therefore, as in their social and religious outlook, the Ahom rulers were equally adept in their commercial policy. Although basically isolationists, they encouraged trade to a limited extent⁸ so that the people of the neighbouring territories could frequent them with commodities and thereby contribute towards the maintenance of steady income from market duties and customs revenue. This trade, which was accomplished through an organised market system in the adjoining foothills and plains, passed through the *Duars* or passes in the North Eastern and North Western borders of the Brahmaputra Valley. For the Ahom Government, however, the frontier trade, which formed the basis of the plains-hills contact, meant much more than a source of revenue. It was a symbol of assertion of their power beyond the physical limits of their kingdom. Trade with Bengal was limited to bartering a single item of import, salt, for a range of assorted products from Assam.⁹

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What is of significance is the fact that apart from rice, mustard seeds and other agricultural products, important items of export from Assam were silk cloths, lac, dyes, ivory, iron hoes, bell metal vessels and cotton broadcloth—all manufactured items.¹⁰ It is thus apparent that within the limited parameters, manufactured items from Assam were in considerable demand in the neighbouring regions and formed an important component of the trade. Thus, it cannot be denied that the indigenous crafts and industries were a distinctive and integral feature of the economy of Assam. The legacy of this rich tradition is evident even today.

British Assam—Economic Potential

When the British occupied Assam after the first Anglo-Burmese War (1824-26) and the subsequent Treaty of Yandabo, they found that years of disruption and turmoil had wrought havoc in the medieval kingdom.¹¹ The administrative structure was non-existent, the economy was in shambles and the overall picture was one of loot, plunder and decay. The country was in a precariously depopulated state; important administrative and trading centers had been reduced to mere clusters of dilapidated houses, while most of the roads had been overgrown with deep and sometimes, impenetrable jungles. The general destruction was apparent. Yet in spite of such conditions the British decided to stay on. Haunted by fears of a renewed Burmese invasion, it was no doubt strategically important for them to ensure that the region did not relapse into anarchy. But there was another equally important factor which influenced their decision not to vacate the

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occupied territory immediately. More than two years of stay in the area had convinced them of the economic potential of the region. Taking into consideration the immense economic transformation that had occurred in England following the Industrial Revolution, the East India Company realised that it would indeed be foolish to ignore this fact.

Nineteenth century England had seen a changeover from the phase of merchant capitalism to industrial capitalism where emphasis shifted from revenue collection and trade to new forms of surplus appropriation. As European trade diminished, the vacuum was sought to be filled up by the trade with China, Tibet and Burma. Assam, it was hoped, would serve not only as a market and a forwarding agency, but as a rich hinterland of Calcutta as well. The East India Company quickly set about working towards this end. The expectations were more than fulfilled and within half a century, the entire Brahmaputra Valley underwent a dramatic change. The transition was swift. The changeover from the old order to the new was characterised by a complete overhauling of the administrative machinery which heralded far reaching political, social and economic changes in Assam.

Meanwhile, England had emerged as a major industrial power and India had become the main market for British manufactured goods and an important source for a variety of raw materials. Hence all commercial activities in India were geared to the growing external trade. One particularly important outcome of this policy was that relating to the process of the deindustrialisation of Indian crafts and industries. From the outset, the British aimed at suppressing

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the local industries and replacing indigenous products with British goods. A significant method of achieving this was the discriminatory customs duties which narrowed the English market for Indian goods through prohibitions and extra-high tariffs. On the other hand, the Indian market was opened up for British manufacturers by the imposition of Free Trade in India.¹²

The general British attitude was reflected by a comment of Doyle and Parkins, two officers of the Department of Customs in India., who once wrote:¹³

“As in all semi-barbarous countries, the manufacturing industry of India will decline in proportion as its intercourse with a civilised manufacturing country increases, and the attention of the people will rather be turned to the improvement of raw produce exchangeable for the manufactured goods of England.”

British Policy and Assamese Industrial Sector

Assam also fell prey to this general British policy. The traditional Assamese crafts and industries sector, which had been sustained for centuries, suddenly found itself in a precarious position. In the face of an onslaught of cheap, machine-made imported items, the technologically backward local industries found themselves in a precarious condition. It became increasingly difficult for the people to hold on to their crafts and within a short period they completely lost the grip on most items. As a result, like in the rest of India, here also the peasants lost the subsidiary income which they had formerly earned when they were

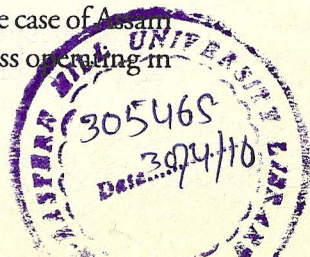
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able to combine industry with their agricultural pursuits. Consequently, the pressure on land increased.

The significant fact is the ease with which Assam capitulated without any resistance. Edward Gait ascribes this to the absence of occupational sub-castes among the Assamese. He believed that it was because of this that the imported articles could supplant the indigenous crafts so easily.¹⁴ While agreeing that this could have been an important factor, it cannot be accepted as the sole factor. In the case of Assam the additional factors which augmented the deindustrialisation process included the low level of technical skill, the internal disorders prevailing in the kingdom and the Burmese occupation which preceded British occupation. Commenting on the prevailing situation at that time, Lt. Col. Francis Jenkins wrote:¹⁵

“When we assumed charge of Assam nothing could possibly be more unpromising than the state of the country. The small remnant of the people had been so harassed and oppressed by long civil and internal wars....that they had given up cultivation, and lived on jungle roots and plants, and famine and pestilence carried off thousands that had escaped the sword and captivity.”

In such adverse circumstances, therefore, it could not be expected of the people to put up any significant resistance. In course of time, as the British consolidated their position in the region, the economy of Assam, along with the rest of India, was integrated into the world of modern capitalism though in a subordinate colonial position. The case of Assam was merely an extension of this general process operating in



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the rest of India. Yet, it is significant that in spite of such conditions, a few industries did survive. A notable example is the handloom industry which was intimately connected with the production of *mekhela chador*, the traditional attire of Assamese women. This industry survived not because it was able to compete with British industrial products, but because in this sector it did not face any competition at all. The dress of the Assamese women, which consisted of *mekhela chador*, *riha* and *khonia kapor*, was unique to the region and not initially manufactured outside the province. Moreover, silk competed very largely with cotton in supplying the wearing apparel of the people. Hence the efforts of the British in making inroads in the local handloom industry was considerably delayed. In fact, the silk handloom industry has been able to hold its own against all odds and is a flourishing industry in Assam even today.

Like the silk industry, there are several other industries which are indigenous to this region which, if promoted, can figure not only in the national but in the international market as well. Despite the availability of a wide range of economic resources and a rich tradition of indigenous crafts, the present scenario of cottage and small scale industries in Assam is not at all vibrant. Several factors have contributed to this situation resulting in economic stagnation and poverty. Inadequate infrastructure, lack of sustained Government support, absence of trained manpower and technological skill are important causes, just to name a few.

The Study and Objectives

It is generally agreed that rural industries form the backbone of a developing country. In Assam, 87 per cent of her

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population live in rural areas (Census of 2001). Hence it is extremely important to mobilise this sector if we want economic progress. Economists postulate a process of development proceeding from an agricultural stage through an agricultural-industrial stage to an agricultural-industrial-commercial stage. A unique feature of the Indian economy since independence has been the rapid growth of the small industries sector which comprises of small scale industries and cottage industries. Small scale industries, generally located in the urban centres as separate establishments, produce goods with partially or wholly mechanised equipment operated by hired labour. Cottage industries, on the other hand, are normally associated with agriculture and provide subsidiary employment to rural areas. They generally involve manual operations and produce goods primarily with the help of the members of the family as a whole or part time occupation.

Assam, with its rich tradition of indigenous crafts and industries and ample economic resources, has immense scope for the growth and sustained development of the small industries sector. However, despite the fact that it can play a pivotal role in the regional economy in terms of employment and economic growth, this potential has not been fully exploited. It is in this context that the present study is being made. The major industries like tea, coal, oil, jute etc do not fall within the purview of this study which has been confined to the plains districts of the Brahmaputra Valley.

The work has been divided into three broad sections: Section I provides a historical background of the indigenous industries of Assam; Section II attempts to analyse the

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prospects of certain indigenous industries in the state in the present context; Section III is an assessment of the overall situation. The objectives of the study are:

- to provide a historical background of the indigenous crafts and industries of Assam
- to discuss the prospects of the indigenous crafts and industries of Assam in the national and international market
- to analyse the causes of the present stagnation to suggest probable remedies.

References

1. Almost 1,00,000 *maunds* of salt used to be annually imported from Bengal. R.B. Pemberton, *Report on the Eastern Frontier of British India*, p. 82.
2. A *paik* was an enrolled adult subject of the Ahom government having specific duties to render to the State for fixed periods of the year. The officers of different categories were allotted tracts of land and a specified number of *paiks* to work for them.
3. Approximately three acres.
4. Shihabuddin Talish who accompanied Mir Jumla to Assam during his expedition in 1662-63 wrote: 'It is not the custom here to take any land tax from the cultivators, but in every house one man out of three has to render service to the Raja'. Talish, *Fathiya-I-ibria*, tr. J.N. Sarkar, Journal of the Bihar and Orissa Research Society, Vol.1, p. 179.
5. Shihabuddin Talish wrote that the Ahoms "cast excellent matchlocks and bachadar artillery and show great skill in this craft'. *Fathiya-I-ibria*, J.N. Sarkar's translation cited

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in J.N. Phukan's unpublished thesis '*The Economic History of Assam Under the Ahoms*', Gauhati university, 1973, p. 122.

6. There are numerous examples in India showing that the basic requirement in most Indian cases of successful entrepreneurship has been membership of a particular caste or community, e.g., the Marwaris, the Seths, the Voras, the Komatis, the Gujrati *banias* etc.
7. Local coinage had been introduced from the sixteenth century but on a very limited scale.
8. The Ahom rulers were wary of foreign merchants and did not allow them to settle in Assam. They feared that, as secret agents of some conspiring state, they might create disruption. The foreign traders therefore had to transact their business hurriedly and return to their own countries. S.K. Bhuyan, *Anglo Assamese Relations, 1771-1826*, p. 50.
9. As a substitute for salt, most Assamese used a preparation of ash procured from the burnt barks of plantain trees.
10. R.B. Pemberton, *op. cit.*
11. Taking advantage of the chaotic political situation in Assam, the Burmese had invaded Assam in 1817 and had unleashed a virtual reign of terror. Villages were plundered and burnt; terrible atrocities were committed on the helpless people who suffered untold misery.
12. It is generally accepted that the *laissez faire* doctrine largely influenced British policy in India in the nineteenth century. D.R. Gadgil writes that the attitude of the state till World War I was one of absolute *laissez faire*. In fact even the deindustrialisation thesis rests on the theory that free trade resulted in the decline of indigenous industries and the consequent poverty in India. Although an important factor in the process, it is perhaps an over simplification of facts to label the British policy for the entire period as one of pure *laissez faire* or 'non-interventionist'. The nineteenth

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century, especially, the latter half, witnessed a considerable shift in Government policy. Whenever the interests of the British industrial and commercial classes were at stake, the Government was quick to ignore the non-interventionist policies of economic liberalism. *Laissez faire* need not necessarily refer to only the positive restraints in the establishment of industries. The active participation of the Government in providing facilities directly beneficial to the industries may also be considered an infringement of the *laissez faire* policy. For details refer P. Goswami, *Laissez faire in N.E. India in the Nineteenth Century: Myth or Reality*, Proceedings of North East India History Association, 1995.

13. N.K. Sinha, *The Economic History of Bengal, 1793-1848*, Vol 111, p. 13. Remarks on Trevelyan's Report on Inland Customs and Town Duties.
14. E. Gait, *Notes on Some Industries of Assam from 1884-95*, p. 124.
15. A.J. Moffat Mills, *Report on the Province of Assam, 1853*, Appendix B. Jenkins to Mills, 23 May, 1853.

CONCLUSION

Rural industries form the backbone of a developing economy. In a state like Assam where more than 85 per cent of the people live in villages, the promotion of this sector is of utmost importance. In fact it is an urgent necessity. In the face of large-scale unemployment among the youth, industrialisation is the only way through which avenues for sustainable and productive employment can be generated. The successive Five Year Plans and Industrial Policy Resolutions have repeatedly emphasised this aspect. Apart from offering immediate large-scale employment, rural industries ensure a more equitable distribution of national income and facilitate an effective mobilisation of resources of capital and skill that would have otherwise remained untapped. Moreover, many problems that are created by unplanned urbanisation, can be avoided with the establishment of small centres of industrial production in rural areas. It is unfortunate that Assam, with her abundant natural resources, rich tradition of indigenous craft and industries and immense storehouse of knowledge in this respect, has not been able to capitalise on it. The relationship between agricultural development and industrial development is complementary rather than competitive because one is dependent on the other. A developed agricultural sector can provide a market for the manufacturers and thereby help in the growth and

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development of industries. In Assam especially, where the society is primarily agrarian, industries that have a link with the rural economy are likely to succeed. In this context it is important to remember that every region has its own ethos and that these ethos must be respected because no development can take place by ignoring them. Industrial development based on many of Assam's indigenous crafts can be expected to succeed primarily for this reason.

Assam does not have a long tradition of industrial investment and hence an important factor hindering industrial progress in the state is the absence of local entrepreneurs. In a developing economy, the entrepreneur is required to perform several functions. He has not only to invest the money, but also has to create the infrastructure, adopt the technology, manage the business, promote the products, and above all, undertake the risks. Apart from the absence of sufficient savings for capital investment in the rural sector, the people lack a spirit of adventure and entrepreneurship and are reluctant to undertake the tremendous risks involved in starting an industry. They are so attached to their land that they cling to it even though the holdings are often small and uneconomical. It is primarily for this reason that the industrial sector in Assam has been dominated by persons from outside the state. But the lack of capital and absence of entrepreneurs are just two aspects. A third very vital aspect is the inadequate transport facilities in the region. Difficulties in bringing the produce to the customer is often a strong deterrent in setting up an industry in the rural areas of Assam. Thus, a vicious circle of the lack of capital, absence of entrepreneurs and inadequate transport facilities have contributed to the stagnation of the economy to a large extent.

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In the circumstances, we find a large exodus of skilled labour to the urban areas, where they strive to eke out a living by doing unskilled manual jobs. This trend, commonly termed as "rural skill drain", features significantly in Assam's economy today. An example in point are the several skilled workers of Samaguri Satra who, unable to make both ends meet by practising their craft in mask making, have left their homes to look for employment in the neighbouring towns.¹ Many other workers have similarly migrated to the urban areas thereby aggravating the problem of urban unemployment.

It is generally recognised that the most effective way of solving this problem is by regenerating rural industries. It is after all the small enterprises that represent the starting point and are likely to succeed in the rural sector where, in recent times, the division and sub-division of holdings have led to immense pressure on the land. The lack of capital within the economy suggests the necessity of greater reliance on labour intensive industries rather than capital intensive ones. In Assam, emphasis on agro-based industries could be a solution to the problem. At the same time attempts should be made to adopt better techniques to increase efficiency in production, lessen costs and improve quality.

Small rural enterprises can be developed independently and not in competition with the large industries. In fact, both can co-exist quite comfortably side by side. Japan has proved this more than 50 years ago.² In Assam, almost all the industries that we have referred to above can be left to the small-industries/cottage sector without bringing them into competition with large-scale industries. The

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Government can help by creating the proper environment by removing infrastructural bottlenecks and improving transportation facilities. Government can also assist entrepreneurs at the initial stage by offering tax concessions, land at reduced rates of revenue, guaranteeing a minimum profit for a fixed period and by providing capital assistance at low rates of interest. Above all, the government should ensure peace and security in the region.

In an effort to look into these aspects, the Government has set up certain Corporations and Boards. Mention may be made of The Assam Industrial Development Corporation, Assam Small Industries Development Corporation, Assam Financial Corporation, Khadi and Village Industries Board, Assam Agro Industries Development Corporation, among others. Recently the Government has outlined a new approach to its industrial policy wherein it has identified its priorities to facilitate the industrialisation of the state. Development of infrastructure, improvement of communications, establishment of District Industries Centres (D.I.C.) and emphasis on the handloom and handicraft sector appear high on the list. Assam Industrial Development Corporation has been allotted government land for the development of industrial estates in different places. The D.I.C.s are expected to play a vital role in the development of small scale enterprises in the rural areas. The *Udyog Sahayak* Cell in each D.I.C. is expected to guide entrepreneurs in the matter of setting up industries. But however well meaning government policies might be, they are of no use unless they are implemented effectively. In Assam there are at present more than 25,000 registered small-scale industries, but over 45 per cent of these are either defunct or untraceable.

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A major component of any enterprise is the investment of capital. In Assam there are more than 1200 branches of the different nationalised banks. In addition, there are, among others, branches of the Industrial Development Bank, Small industries Development Bank (SIDBI) and Industrial Financial Corporation of India, apart from the North Eastern Financial Corporation (NEFC) which was established a few years ago solely for financing the industrial projects of the North East. It is disheartening to note that most rural entrepreneurs are unaware of the various credit facilities and promotional schemes offered by these financial institutions. Many of those that are aware, are reluctant to avail of loans because of the unavailability of timely credit facilities, the tedious process involved in getting a loan, the complicated loan application forms, too much insistence on collateral securities and unnecessary harassment by bank officials. Indeed, all very discouraging factors. The Government, in collaboration with the banks and funding agencies, should ensure that the process for obtaining credit facilities is streamlined.

Another aspect that needs to be addressed is the inadequate Research and Development in certain sectors. We have observed, for instance, how research in *Muga* and *Eri* is woefully lacking. Moreover, it is important that the actual requirement of the rural producer be kept in mind for, in a number of cases, the link between the technology user and R&D institute is very weak.

In this context, it is perhaps not inappropriate to mention that the U.G.C. has laid special emphasis on the vocationalisation of higher education. In India, only 5 per cent of the total labour has any vocational skills in comparison

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to developed countries where the rate varies between 60 per cent and 80 per cent. The growing problem of unemployment has raised serious concern and it is felt that the problem can be overcome to a large extent if many opt for a skill-based education. The importance of linking education with productivity has been a major rationale for the vocationalisation of education. In Assam, keeping her natural resources in mind, the introduction of courses in sericulture, floriculture and food processing, for instance, may be considered. It is hoped that this will create a class of educated and skilled entrepreneurs primarily in the rural areas.

The competitiveness of the products of the small industrial units, both in the national and international market, is dependent to a large extent on their productivity levels, price factor and quality. At present many of the industrial products of rural Assam are not of international quality. Moreover, productivity is so limited that they are unable to meet big orders timely. If they are to survive in today's competitive world, the present products must be improved and a regular and cost effective supply ensured.

An industrial resurgence in rural Assam is the need of the hour. But development plans for industry cannot be framed in isolation. They must be integrated with plans for development of agriculture, transport, power, and all other sectors of the economy. Only then will the state progress.

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