



**SOCIOLOGICAL
CONSTRAINTS TO
INDUSTRIAL
DEVELOPMENT
IN
NORTH EAST
INDIA**

**B. DATTA RAY
PRABIN BAISHYA**

ABOUT THE BOOK

North-East India is struggling with the problems of economics development. The entire North-East India is caught up in a low productivity and low income syndrome in all sectors of Economic development.

The value system of the societies of the different ethnic and cultural group of North-East India are mostly grounded to fatalism based on continuity and traditions, customs and usage. The potentialities created by modern science and technology are either not really known or not readily available or not systematically applied owing to the advice to preserve the tradition and heritage.

The population is growing, markets are expanding and consumerism has caught imagination of the expanding middle class.

There is an urgent need to identify the factors inhibiting the emergence of local entrepreneurship in different sectors among the ethnic groups of North-East India societies. Is the quantum of capital made available since 1950 for industrialisation adequate? Or are the non-economic factors like the traditional soft-life style and the attitude of the bulk of the indigenous people, their surrender to fatalism responsible for this lack of economic development of North-East India?

The papers presented to the seminar analyse the issue in a social perspective based on field data of the contemporary divergent societies in North-East India.

Sociological constraints to economic development are not insurmountable. North-east India should learn from the success and failures of industrial development especially from the developing countries.

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ABOUT THE EDITORS

Dr. B. Datta Ray a pioneer in promoting research in social science in North-east India, during the last three decades, is a Freedom Fighter and a tamropatro holder. He is a former Principal, Women's College, Shillong and has authored and edited a number of publications.

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Edited by

B. DATTA RAY
PRABIN BAISHYA

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B. DATTA RAY
PRABIN BAISHYA

INTRODUCTION

North-East India is struggling with the problems of economic development. The region depends on imports of foodgrains and other products like fish, egg etc. on large scale in spite of vast land mass remaining unutilised in the marshy areas of the plains and particularly in the hills. In the industrial field, the region has only 1.8 per cent of the registered factories and employing less than 2 per cent of the factory workers of the country. Almost every item of mass consumption and every item of conspicuous consumption is imported from the rest of the country. In spite of the region having a long heritage of weaving every metre of mill made textile and every item of hosiery product is imported what is more, most of the few medium and small industries outside the corporate sector are owned and managed by non-local entrepreneurs who had been living in the region for a very long time, and contributing much to economic development of North-East India.

Agriculture is based on traditional low technology, subject to periodic ravages of floods and droughts in the plains while in the hills terrace cultivation through crop diversification on scientific basis is yet to replace shifting cultivation which destroys rich top layer soil and green coverage on a large scale. The household industries using age old technique, failing to bring innovation are gradually decaying due to its failure to cater the new taste of modern consumers. Thus the entire North-East India is caught up in a low productivity and low income syndrome.

The value system of the societies of the different ethnic and cultural groups of North-East India are mostly grounded to fatalism based on continuity and traditions, customs and usages. The potentialities created by modern science and technology are either really known or not readily available or not systematically applied owing to the advice to preserve the tradition and heritage.

The population is growing; markets are expanding and consumerism has caught imagination of the expanding middle class. But what is lacking is work culture. There is an antipathy to undertake new ventures in grain production, animal husbandry, poultry, fishery etc. so also lack of initiative for manufacturing, trade and commerce. The new generation feel that the benefits of planning over the years have been taken away or denied by non-indigenous working people engaged in industry, trade and commerce. There is a widening gulf between the youth and the non-indigenous people engaged in soiling their hands by undertaking new ventures in every field.

The current economic policy since 1991, has left the major initiative for economic development to private sector. Even the infrastructural development responsibility now lies with private initiative. Under this circumstance the genuine growth of local entrepreneurship would very much depend on the radical change in our outlook, the culture component of the people, the sons of the soil.

There is an urgent need to identify the factors responsible for inhibiting the emergence of local entrepreneurship in different sectors among the ethnic groups of North-East India societies. Is the quantum of capital made available since 1950 for industrialisation adequate? Or are the non-economic factors like the traditional soft life-style and the attitude of the bulk of the indigenous people, their surrender to fatalism responsible for this lack of economic development of North-East India? In spite of elaborate steps taken to provide infrastructure and financial incentive, industries have not come up in any significant way. Many a time when it comes to the question of setting up of an industry at a specific location, it becomes a problem as the local people are not ready for it. There is social resistance.

North-East India Council for Social Science Research held a seminar to examine the problem of social constraints to industrial development in North-East India in July 1996.

The papers presented to the seminar analyse the issue in a social perspective based on field data of the contemporary divergent societies in North-East India. The canvas is regional with local commitment to rapid development for the society.

The J.B. Ganguli argues that the expansion of the service sector, disproportionately to the growth of the primary and the secondary sector, indicate that the development that has taken place in the North-Eastern region is largely government-sponsored. He feels that in the present economic environment, development would depend more on the cultivation of the spirit of private enterprise and initiative. He finds

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Introduction

that the culture of enterprise is already in evidence in different parts of the North-East, but it has not yet assumed the character of a widespread phenomenon.

M.N. Karna questioned the validity of looking for the constraints to development within the existing social structures in the region. He expects the force of enterprise to emerge from within the North-East societies. He does not see much problem in inculcating a national, scientific and secular outlook in the value system of the tribal societies of the North-Eastern region. Ganguli and Karna advocated a revival of the spirit of community. P. Baishya describes the tribal communities of the North-Eastern region as transitional 'Asiatic Societies'. The impact of modernity has brought in conflicts between generations in these societies. One of the fallouts of this is the growth of extremism and insurgency. He foresees the emergence of indigenous bourgeois in course of time who, he says, would join hands with the immigrant capitalists in the act of exploitation.

A.K. Maiti and S. Chakrabarti argue that in view of the small size of the domestic market, general poverty and seismicity of the region, large scale industrialisation programme would be largely unsuitable here. Analysing data for registered industries, they argue that the exploitation of industrial labour is extremely high. So, among other measures, they urge for steps to increase the share of wages in the value of output.

B.J. Deb mentions the tribal notion of exploitation and in that context attempted to explain the tribal feeling against the outside forces. It (Deb views) is one of the major constraints to industrial development in North-East India.

A. Saha states that the North-Eastern region being a closed economy bounded mostly by foreign countries stands completely isolated. This complete isolation appears to be standing on the way of industrialisation of the region. If industrialisation is to take place in North-East India, that it must be integrated with neighbouring countries to break its isolation. Saha, therefore, advocates opening up of North-East economy to the neighbouring economies of the Asian Tigers of South-East and North-East Asia. This suggestion sparks off a lot of questions. Should industrialisation be thought of only for the sake of industrialisation? If the region is open up to the Asia Tigers, will there be any guarantee that one day it might not be a hinterland of the Multinational corporations? And should we allow the region to be taken over by the Multinationals? If unplanned economic development

is allowed to operate in a big way, the question of displacement and rehabilitation of the people has also to be thought of seriously. The benefits of the local population should be given priority first, before toying with the idea of opening the North-East India to the multinational companies.

D.N. Chakravarty draws the attention to the problems of agricultural development of North-East India. He pointed out a number of detrimental causes leading to the backwardness in economic and agricultural development. He, therefore, advocated for proper analysis of the socio-cultural and economic factors, as well as also the material and cultural conditions of the people of region. Besides these, he calls for proper assessment of the psychological hold of the people, the different areas of deficiencies of the region and protection of the rights of the people. Necessary incentives to modern use of agriculture should be encouraged for the overall economic development.

S.K. Agnihotri deals with the sociological issues leading to impediments to Industrial Development in North-East India. He cites a number of impediments faced by the region like regional dimension of industrialisation, emphasis on achieving financial targets, non-availability of income generated saving and capital formation, subsistence agriculture, mislocation of industries, land and land tenure system, etc. He also cited four major deficiencies in implementation of industrial projects like absence of systems approach in decision-making, required quality, competence and motivation of administrative manpower, socio-political environment and deficiency in planning process. He therefore suggests a number of possible ways in which the society responds to such a situation.

Gurudas Das limits his paper to five limits to Economic Development of North-East Region. Within these five limits, he raised a number of questions and issues as contradictions between goals and social choices. Having discussed the limits and the constraints caused by them, he seems a light at the end of the tunnel in the form of Plantation--as the plausible leading sector. He therefore concludes by saying that 'the only commercially viable sector is the plantation for the hills of the region where large scale private investment is possible.'

T. Cajee raises many issues. Why grass-root entrepreneurship is lacking among the local people of the state of Meghalaya especially in the state capital city of Shillong? He cited the attempts made by the earlier local entrepreneurs like Babu Jeebon Roy and Rev. J.J.M. Nichols Roy. But unfortunately the noble attempts made by these two stalwarts

seemed to have been buried six feet down along with their passing away.

Anjan Thakur dwelt into the historical past of the North-East Region as well as its present multifarious problems. He contended that the region is marked by its plurality of ethnic, religious and linguistic groups who are against different levels of development. Therefore, he suggests that a model must devise policies to avoid creating more division among the people so that industrial development can take its firm root.

P.J. Goswami feels that North-East India needs to have entrepreneurial development programme. He expects to North-Eastern Council and other agencies to undertake this programme.

Mrimoyee Banerjee stresses on two broad social issues: (i) norms of the traditional society impeding the process of industrialisation, and (ii) whether rapid industrialisation will bring about undesirable cultural disorganisation. Though Meghalaya offers considerable scope of industrialisation, the state is likely to continue to be industrially backward for a long time. She, therefore, suggests that there should be sufficient motivation, personal efficiency and self-confidence.

Samir K. Das, bases his paper on three premises:

- (1) The issue of globalization and Indian economy,
- (2) Ethnisation of market economy,
- (3) Operation of globalization and ethnic assertiveness.

Ethnic assertion acquired a new legitimacy but this itself bring negative efficiency, opined the author.

Sanjib Kr. Barkakoti and joint-paper by P.C. Dutta and B.C. Pradhan dealt with the issues like inter-disciplinary approach and interchange of ideas between the social scientists and entrepreneurs as well as sufficient attention to be made for development of agriculture. V.S. Mahajan stresses on developing a common market in North-East India notwithstanding the political barriers. P.C. Dey observes that the percentage of people under poverty line is less in North-East India than outside the region, but this situation might not be permanent.

N.C. Roy and P.K. Kuri hold that the local entrepreneurs of Arunachal Pradesh shy away from business activities as the institutions of market insurance are not developed properly.

M.C. Behera and Helena Mantaw point out that growth of private sector is less than the public sector in Arunachal Pradesh. A case study

among the Khamtis showed that there was no attempt at primary accumulation of capital and the production was mainly consumption-oriented. The entrepreneurs came mainly from the rich elite families.

S.S. Devbarman's paper on Tripura refers to the demographic changes and the impacts of this change in the state. The tribal society of Tripura has reservations regarding industrialisation. The issue of rehabilitation of the displaced persons in the process of industrialisation was raised.

A. Rajmani Singh and Bibhuti B. Pradhan, dealt with sociological constraints of development in Manipur. They hold that the prevailing family system, lack of business culture and dearth of social movement are responsible for slow industrialisation in the state of Manipur.

The future of North-East India depends on planned economic development. The rapid development of infrastructure is a vital requirement. Roads, public transport communication, adequate energy development, irrigation, flood protection measures and human resource development including public health education should be undertaken on a priority basis. Sociological constraints to economic development are not insurmountable. Development cannot be imposed from above. Planning should not only be people oriented but should be decentralised within a broad frame. North-East India should learn from the success and failures of industrial development especially from the developing countries.

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