

SOCIOLOGICAL CONSTRAINTS TO INDUSTRIAL DEVELOPMENT IN MIZORAM

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Rapid industrial growth itself is a potent dynamic factor which contributes to the process of accelerated economic growth. Further, industry tends to exercise profound influence on the other sectors of the economy including agriculture. That is why industrialisation is generally considered synonymous with economic progress and hence the developing countries give the highest priority to industrial development.

In India, by and large industrial locations have been influenced either by the availability of raw materials or political decisions. Pure economic considerations were seldom given weightage in the location of industry. The industrial development in India has remained concentrated in a few states like Maharashtra, Gujarat, West Bengal and Tamilnadu (Anuradha and Rao : 1995). The north-eastern region despite its vast natural resources is one of the industrially backward region of the country. The Working Group on the Development of the North-Eastern Region (1985) reported categorically that the location and growth of industries are largely the result of a long process of historical evolution of market forces and deliberate public policies. These coupled with lack of investment climate, absence of alert entrepreneurship and strong pressure group to lobby for various forms of Government interventions have left the resource-rich north-east region industrially backward. Further the regional industrial scene is heavily influenced by the tea and petroleum with almost absence of engineering industry. There are few paper mills, cement plants, plywood industries, rubber and plastics, spinning mills, jute mills, khandsari and sugar mills, chemical industries and other miscellaneous industries, etc. under the large and medium industries and, that too, majority of them are

located in Assam alone. Existence of very few large and medium industries in other states of the North-East and complete absence of such industries in Mizoram shows that other states of this region are at the very nascent stage of industrialisation.

The existing medium and large industries in the region operate much below the average productivity level of the industry in the country (Yogi : 1991). This points towards our attention needed to improve the productivity levels in the existing industrial units alongwith the programmes of speedier industrialisation of the North-East. The number of SSI units has increased considerably in the region. Majority of them are local resource based producing large number of products but lack diversification in the field of modern SSI units. Further, relative high incidence of sickness among these units has resulted in retarding progress in this sector.

Land-use and Population in Mizoram

Out of total geographical area of 2108 thousand hectares, the area reporting for land utilisation in Mizoram is as high as 2102 thousand hectares. About 74.6 thousand hectares is the gross cropped area with nett irrigated area of 19.2 thousand hectares. The area under fruits is 9.1 thousand hectares with production of 38.2 thousand tonnes in 1993-94. Some of the major agricultural commercial produce include chillies, ginger, oranges, banana, pineapple, and sugarcane. The prevalence of shifting cultivation on a wide scale in the hilly areas is one of the major constraint responsible for agricultural backwardness. Despite the state government efforts made under New Land-Use Policy (NLUP) and the North-Eastern Council (NEC) during the last so many years to control *jhumming*, the area operated under *jhum* rice alone is 43.2 thousand hectares producing 56.7 thousand tonnes of rice in 1993-94. Further in absence of a well knit communication system and market network it is not possible and certain that the farmers are reaping the benefits of new technology and the available inputs. The fastly growing population together with synchronising job opportunities in the government sector, growing number of educated youths entering in the job market every year make it a crying need for speeding up the industrialisation process and, that too, of medium and small scale units to absorb the future expanding labour force (Agarwal : 1988). The unorganised traditional village and small industries which include khadi and village industries, handloom, sericulture, handicrafts and coir are mostly rural and semi-urban in character. These industries sustain and create employment opportunities either partially or full employment to

the people mainly agricultural labourers and artisans. Besides, increasing the income of poor artisans, these traditional industries preserve craftsmanship and art heritage. Such SSI units enable a large number of people to earn a decent income and thus pave the way for social justice.

Government Efforts

Mizo district was one of the most industrially backward districts of Mizoram. A few industrial units found in the district were the traditional cottage and village industries like weaving (loin-loom), carpentry, etc. In 1961, 0.28 per cent of the industrial units in the district were run on electricity but there was no registered factory. Rural Industries Project (RIP) set up in 1962 was responsible for looking after industrial activities. The Directorate of Industries was created in 1972 and the RIP was made responsible to look after the centrally sponsored schemes.

The Industrial Policy of Mizoram, 1989 was declared for an all-round development and gainful employment to the local people and to create self employment opportunities in the industry and allied sectors. Priority industries in the Industrial Policy include agro and forest based industries, handloom and handicrafts, sericulture, electronic, village and cottage industries, etc. The policy *inter-alia*, lay stress on even development of all sectors by extending various types of supports including institutional, organisational, marketing, infrastructural, manpower training apart from initiation to attract prospective entrepreneurs.

The Mizoram Khadi and Village Industries Board established in 1982 provides financial assistance to the village industrial units and create self employment opportunities to the people. Various schemes operated by the Board include carpentry works, blacksmithy, soap making, bakery, sugarcane crushing, spinning and weaving, etc. For the promotion of sericulture activities a separate Directorate started functioning since 1985. The Sericulture Training Institute, Zembawk is extending technical and various other facilities to the farmers co-operative and rural development department for the promotion of sericulture in the state. The Mizoram Handloom and Handicrafts Development Corporation Limited (ZOHANDCO) was incorporated in 1988 to promote, develop and protect the interest of the concerned handloom and handicrafts units apart from extending assistance in procurement and sale of quality raw material at reasonable rates. The Mizoram Food and Allied Industries Corporation Limited (MIFCO) was set up in 1989 with the objectives to develop promote and improve

processing and preservation of food, milk, fish, fruits, vegetables, etc. The Corporation is looking after food preservation factory at Vairengte, ginger oil and oleoresin plant at Sairang, maize milling plant at Khawzawl and food processing plant at Sairang. Other coming up projects under its supervision and control include fruit juice concentrate at Chhingchhip, mushroom cultivation, processing, pork and poultry processing plants etc. To promote electronic and allied industry in the state the Mizoram Electronics Development Corporation (ZENICS) was set up in 1991. A separate Directorate of Geology and Mining was established to take up geological investigations and mapping by seeking cooperation with the GSI and the ONGC. Shell limestone has been identified at several places to be utilised for polishing slabs and limestone industry. A cement clinker grinding unit is being set up by the Cement Corporation of India at Kolasib.

There were 2,447 small scale units in the state, 29 government sericulture farms and 909 private sericulture farms in 1993-94. The total production of cocoons is 112 quintals, mulberry 106.58 quintals and muga 21 kgs in the same year. The Zoram Industrial Development Corporation (ZIDCO) disbursed loan to the extent of Rs.149.71 lakhs to 112 SSI units in 1993-94. of which 104 units are in Aizawl district alone with sanction loan of Rs. 141.78 lakhs. This indicate the immediate need to eradicate the menace through district distribution of industrial activity so that the benefits of earning higher income can be shared by all including a rural area. For the promotion of village and small industries Industrial Estates at Kolasib, Zuangtui (Zemabawk), Luangmual, and factory sheds at Lunglei and Saiha have been set up. There are many weaver's service centres, craft training centres and raw material depot for the entrepreneur's assistance. It may be noted here that a small scale sector of traditional pattern can be favoured from view point of scarce capital, low level of technical know-how, inadequate managerial experience, and absence of huge mineral reserves. However, in the long run the small scale sector would be helpful in forging a competitive industrial structure through establishment of both functional and spatial ancillary relationship. It is high time that the nature of hard work and ambitions to raise the living standard of a common Mizo can be cashed in by providing suitable facilities for setting up new industrial units in the state.

Constraints

Mizos are passing through a phase with two extremes from socio-cultural point of view. The extremes are traditional and western. But

the latter has more influence. In dress, dance and music, festivals, the Mizos, especially the younger generation, are more fond of western culture (Hluna : 1995). However, the induction of modern components into their traditional indigenous structure has failed to expand sufficiently to a forward shift of an agriculture economy towards industrialisation.

Social System

The indigenous or native social system is characterised by low levels of techniques, precapitalists and limited markets due to limited needs and wants. Such a society is plagued by religious dogmas without any will for material progress. The people are fatalists and have no initiative to invest and take risks. They indulge more in speculative activities. Labour is unskilled and unorganised and willing to suffer or live in whatever poor conditions that exists. People in the indigenous sector are unwilling to leave their village communities. There are immobilities of resources in this sector. The indigenous social sector is almost non-commercialised. High prices do not induce them to produce more, and high wages do not make the labour to work more. With the emergence of capitalism imported from the west, another sector westernised social sector has emerged. The wants of the people in this sector are influenced by economic considerations rather than social and religious considerations. This capitalists sector is characterised by common sense, adventurism and rationality. It is more advanced, more modern and more amenable to modern development.

Primitive Techniques of Food Production and the Question of Surplus

The age-old attachment to primitive and unscientific methods of cultivation in the large indigenous rural sector may be due to some compulsions, need based like geographical location, topography and psychological fatalist attitudes of the people. Absence of capital, low level of technology do not allow some of the progressive farmers to go for improvement in land and application of scientific methods of farming. Those who are close to administration and around seat of power, have managed to grab vast area of land in the name of permanent cultivation and plantation. The limited number of such absentee landlords, emerged recently, has not influenced much to the common villagers--cultivating village common land to reap the benefits of modern and scientific method of cultivation. There is hardly any surplus available with the *jhumias* to invest in improvement of land productivity.

It is more important when the land is not owned privately by the village farmers. The declining land : man ratio due to natural growth of population and in addition influx of immigrants from Burma and to some extent Bangladeshi has affected the carrying capacity of land in an adverse manner. The old-dated social ideas and dire poverty of the masses has compelled the rural people to live a very low standard of living with limited wants. It may be mentioned here that many big land owners prefer to go for cultivation and sale the produce for purchase of a car or gypsy--a status symbol amongst the Mizos.

Handloom and Infrastructure

It is true that in spite of the region having a long heritage in weaving, every inch of mill made modern fabric and every item of hosiery product is imported from outside the state. One possible explanation lies in the adoption of western dress by and large by the people which cannot be produced by the local handloom sector. Moreover it is not possible to install and promote modern textile mills in the hills in absence of adequate infrastructural facilities, remoteness of the market, non-availability of required number of indigenous skilled labour, hostile attitude towards the immigrant labour coming from neighbouring parts of the country, bad shape of road network and communication system. It is difficult to introduce high capital intensive methods of production due to inferiority complex and economic backwardness. It may be noted here that the attempts to apply western techniques and methodology for industrial development has met with limited success and destroyed small and village industries thereby replacing labour and increasing unemployment.

Emergence of Neo Rich Mizo Capitalists Class

Since the last 25 years or so the central government has pumped huge amount of money for a planned development of the region--including improvement in agriculture and industrial production. The income generation is an outcome of planned developmental expenditure by the government and growing consumerism due to increase in population size have resulted in market expansion for consumer goods essential for modern living. The emergence of neo-rich class--successful in cornering a major chunk of government developmental money in the form of contracts and supply against the development projects and departmental schemes, growing dependence on the government for a white collar job by the educated youth as a safest way of earning

livelihood have further added to the demand of factory made goods in the state. In absence of taxation and accountability of hoarding black money by the government officials and business class people--this neo-rich class of Mizos prefer to spend on luxury items, motor vehicles and construction of multistoreyed building for rental purposes to the government departments and offices, and residential complexes fitted with latest amenities and comforts of life and electronic goods to maintain a high standard of living in the society. They lack enthusiasm to come forward to take up new ventures risky in nature and of low profit margins.

Absence of Entrepreneurship

The entrepreneurs lack in accepting management risks involved in capital, skilled manpower, raw material supply, quality and marketing of finished products. It is obvious that once you find the ways of earning an easy and quick money either through contracts or supply and develop an antipathy to soil the hands by undertaking new ventures in grain production, manufacturing, trade and commerce, the people fail miserably in accepting the challenges of life and thereby increase dependence on government to come to their rescue always through sponsored programmes from above--which, of course, remain confined within very narrow limits.

Preference to Government Secured Jobs

High literacy coupled with essential carpentry and mechanical skill and the nature of hard work could not do much in creating industrial climate in the state. The youth even possessing requisite technical education prefer to go for government jobs and in absence of such opportunities available immediately prefer to wait for. There are many engineering graduates unemployed insisting the government to create jobs to them even as a graduate teacher, the reasons may be so many behind this proposal but it is certain that they hesitate to start new enterprise of their own. The easy going traditional life style and the desirability of earning quick and easy money has failed to break the vicious circle of non-industrialisation. The prevalent high prices of commodities in general and high profit margins charged by the traders as usual in the hills and backward remote areas have failed to generate demand for indigenously produced goods.

Though there exist a capitalist class but lack talented entrepreneurs with ability and motivation to undertake long term

productive investment. This class also prefer to go for wholesale trade, distributors of well known companies produce, medicines, etc. The poor loan recovery by the financial institutions hamper the process of sanctioning fresh loans.

The shortage of skilled labour can be overcome by providing facilities for training but this involves a time lag. The extension of essential infrastructural facilities, promotion of entrepreneurship among the talented hard working Mizos, maintenance of harmony and peace in the region are some of the preconditions for undertaking new ventures and reaping the benefits of sustained growth. Provision of adequate resources to raise productive investment can be made through mobilisation of savings of well-to-do section with emphasis on middle income group of the state. Adoption of technology suited to the local needs will be helpful in creating the necessary social and psychological climate which will make social and industrial development strategy a success.

Concluding Remarks

It has been proved that given the opportunities, powerful incentives do work in underdeveloped countries and create a desire for development. People do have shown willingness to work to satisfy new wants without compulsions. Under the present circumstances the urge for development has to come from the habitants themselves, for which a gradual approach is necessary instead of any radical approach based on the western economic theory. The available vast potential of agriculture, horticulture and forest in the state calls for adopting a vigorous approach for creating a suitable industrial climate which would ultimately bring large income to the government and the people as well.

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