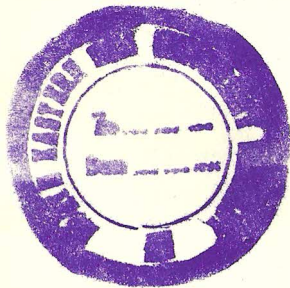


INDUSTRIAL  
LANDSCAPE  
OF  
NORTH-EAST  
INDIA

B K SARMA

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# INDUSTRIAL LANDSCAPE OF NORTH-EAST INDIA



**B. K. SARMA**

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TO  
My Parents  
*Late Gunakanta Sarma (Kaviraj)*  
&  
*Smt. Dineswari Devi*  
Whose profound love has been the source  
of my inspiration

# Contents

<i>Foreword</i>	xi
<i>Preface</i>	xiii
<i>List of Abbreviations</i>	xv
<i>List of Tables, Maps, Chart and Diagram</i>	xvii
<b>1. THE ECONOMIC AND INDUSTRIAL LANDSCAPE OF NORTHEAST INDIA</b>	<b>1</b>
1.1 The Northeast India	1
1.2 Assam: The gateway : Physical profile	3
1.3 The Economy	6
1.4 The NE Region	24
1.5 Resource Potentials	25
1.6 The Industrial Horizon	35
1.7 Some Significant Landmarks	38
1.8 Economic & Industrial Policies in India	40
1.9 The Industrial Policy of Assam	44
1.10 The Northeastern Council	50
1.11 Industrial Development in Assam	51
1.12 Vignette of Pioneer Industries	54
1.13 Existing Large and Medium Industries in Assam	67
<b>2. DEVELOPMENT OF SMALL INDUSTRIES</b>	<b>76</b>
2.1 The Background and Growth	76
2.2 Concepts and Definitions	85
2.3 Objectives of SSI Development	92
2.4 The Rationale of SSI Undertakings	92
2.5 Registration Procedure	93
2.6 The Infrastructure	96
2.7 Organisational Set-up	101
2.8 Facilities & Services	110
2.9 Contact Points at a Glance	116
2.10 Development of SSI through Industrial Estates	117
2.11 Small-Scale Industries in Assam: A Review	120

<b>3. INDUSTRIAL ESTATE</b>	<b>130</b>
3.1 Concept of Industrial Estate	130
3.2 Terminologies in Usage	133
3.3 Universal Overview	135
3.4 Lead Role of the UN	141
3.5 Objectives of Industrial Estates	144
3.6 Scope of Industrial Estates	146
3.7 Industrial Estates Programme in India	149
3.8 The Genesis	149
3.9 The Indian Objectives	151
3.10 Types of Industrial Estates	153
3.11 Historical Perspective	157
3.12 Achievements during the Plan Period	158
<b>4. INDUSTRIAL ESTATES IN ASSAM: A MACRO SURVEY</b>	<b>166</b>
4.1 Objectives of Study	166
4.2 Methodology	167
4.3 State Objectives	167
4.4 Criteria for Site Selection	168
4.5 Establishment of Industrial Estates	169
4.6 Locational Characteristics	174
4.7 Emergence and Role of DICs	181
4.8 ASIDC in SSI Development	188
4.9 ASIDC Complexes	193
4.10 Construction & Utilisation of sheds	199
4.11 Advisory Boards	205
4.12 Estates Administration	206
4.13 Admission Policy	208
4.14 Shed Rents and Guidelines	210
4.15 Facilities Available	221
4.16 SSI Units and Product Lines	224
4.17 The Overview	226
<b>5. CHARACTERISTICS OF SAMPLE UNITS: A CASE STUDY     &amp; MICRO ANALYSIS</b>	<b>228</b>
5.1 The Sampling Frame	228
5.2 Sample Estates and Units	229
5.3 Distribution of Sample Units: A Micro Analysis	235
5.3.1 According to Industry Group	235
5.3.2 According to Type of Organisation	235

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5.3.3	Registration Status	235
5.3.4	Funding Pattern	238
5.3.5	Size of Units	239
5.3.6	Background of Entrepreneurs	239
5.3.7	Sources of Technology	240
5.3.8	Sources of Raw Materials	241
5.3.9	Utilisation of Sheds	242
5.3.10	Position of Shed Rents	243
5.3.11	Capacity Utilisation	244
5.3.12	Ancillary Units	245
5.3.13	Employment Generation	245
5.3.14	Marketing of Products	246
5.3.15	Operational Problems	247
5.3.16	Management Constraints	247
5.3.17	Sickness of Units	248
5.4	Opinion Survey on Industrial Estates	249
5.5	Entrepreneurs' View Points	250
5.6	Inventory of Potential Units	253
5.6.1	Traditional & Artisan Handicrafts Sector	254
5.6.2	Recommended Ancillary Units	257
5.6.3	Other Product lines for SSI Units	259
6.	<b>SUMMARY OF FINDINGS AND RECOMMENDATIONS</b>	263
6.1	The Findings	263
6.1.1	Planning	263
6.1.2	Admission	264
6.1.3	Size & Economy	264
6.1.4	Locational Aspects	265
6.1.5	Excess Investments	265
6.1.6	Viability & Performance	265
6.1.7	Migration of Entrepreneurs	266
6.1.8	Employment & Income Prospects	266
6.1.9	Payment of Dues	267
6.1.10	Quality Control & Pricing	267
6.1.11	Rural Industrialisation	268
6.1.12	Co-ordination	269
6.1.13	Closed Units	270
6.2	Role and Prospects of Industrial Estates in Assam	270
6.3	Conclusions	274
6.4	Recommendations	276

7. THE LATEST DEVELOPMENTS	279
7.1 All India Census of SSI Units (1991)	279
7.2 Reconstitution of the Planning Commission (1991)	280
7.3 The General Elections (1991)	282
7.4 The Census of India (1991)	283
7.5 The Union Budgets (1991-92, 1992-93) and Economic Reforms	283
7.5.1 Reform Measures	285
7.5.2 New Trade Policy	286
7.5.3 New Monetary Policy	286
7.5.4 New Liberalised Investment Policy	287
7.6 New Industrial Policy	287
7.6.1 Industrial Policy, Govt. of India	287
7.6.2 Industrial Policy, Govt. of Assam	289
7.7 New Projects in Northeast India	291
7.7.1 Project Uni-Gauge	291
7.7.2 The Fourth Oil Refinery in Assam	292
7.7.3 Gas-Based Power Project in Tripura	293
7.7.4 Establishment of IIT and Central University	293
7.7.5 Gas Cracker Project in Assam	294
7.7.6 Kapili Hydro-electric Project	294
7.7.7 Doyang Hydro-electric Project	294
7.7.8 Ranganadi Hydro-electric Project	294
7.7.9 Gas-based Combined Cycle Power Project in Assam	294
7.7.10 Polyester Filament Yarn Project in Assam	295
7.8 Industrial Overview of NE India	296
<i>Annexure</i>	297
<i>Bibliography</i>	299
<i>Index</i>	306

## Foreword

The announcement of the Industrial Policy Resolution of 1948, and then the renovated one of 1956, was a significant landmark in the path of our national industrial evolution insofar as it laid down the directive principles of state participation in the development process of the industrial sphere. Both the Central and the State Governments were profoundly activated to play the new role, and it is indeed gratifying to note that both the authorities have since been participating rewardingly in the development process of the national industrial sector. The participative role has been played both by direct state ownership of industrial houses and by offering financial and promotional incentives to the industrial enterprises, especially in the small scale industries sector. The national objectivity of removing the regional economic imbalance and rectifying the lopsided industrial growth by promoting heavy capital goods industries in the public sector has been attained quite considerably. A good number of promotional and financial agencies both at Central and State levels have been set up to take care of the newly created industrial structure in conformity with the national aspirations reflected in the policy resolution. Undeniably, the Indian industrial transformation in the post-Independence era is quite spectacular and inspiring.

Unfortunately, however, some backward regions like the north-eastern region of our country are still lagging far behind the national progress, and have not developed in a way they ought to have, with their bountiful natural resources. The industrial sphere of the north-eastern region is yet to enter the pre-take-off stage of industrial growth process. The malady is mainly due to inadequate development of the human resource and lack of an all-pervading industrial culture in the region. There is also acute shortage of local investible funds besides hesitation of outside capitalists to invest in the vulnerable geographical location of this region. Moreover, the infrastructural facilities are conspicuously poor to inspire local entrepreneurial talents. Consequently, the burden of industrial development of the region has broadly fallen on the state Governments who are undoubtedly taking strategic

measures to provide incentives to local entrepreneurial talents, especially to start small industrial units. Of certain specific Governmental efforts made to this end, the establishment of Industrial Estates is an important major step. To make the estates the busy centres of operational excellence, is however a task that calls for much imagination, foresight and familiarity with the industrial dynamics on the part of the agencies entrusted to manage these estates.

Dr. Basanta Kumar Sarma has made a sincere effort to make an indepth academic study on the industrial landscape of the north-east India, to identify the strong and weak points, visualise the future potentiality and suggest some practical measures for better effectiveness of the state incentive schemes like the industrial estates. Dr. Sarma has indeed done a valuable socio-economic service by publishing his *Industrial Landscape of North-East India*. The charm of the book lies in its portrayal of a true picture of the landscape of this region, its realistic tone, vividness of relevant information depicted, and the fascinating way the matters have been dealt with. Dr. Sarma has greatly succeeded in making the book as much impressive and enchanting as possible in a 'dry' subject like industry. Behind every book there is an author, and behind every author there is a society. The *Industrial Landscape of North-East India* has drawn a clear picture of the socio-economic realities of the north-eastern region. His familiarity with the subject matter dealt in the book has made the book interesting and impressive. The hypotheses presumed for his enquiries have been fully established rationally and convincingly.

I earnestly hope that the book will be widely read by academicians, planners and managers alike. I further desire that the findings of the book will inspire the relevant managing authorities to evolve innovative means to make infrastructural, promotional and training facilities currently pursued in the region more fruitful and attractive. I conclude with a hearty congratulation to Dr. B.K. Sarma for presenting such a valuable and thought-provoking piece of work to our readers. I also offer my thanks to Messrs Mittal Publications, New Delhi for having agreed to publish this book, the value of which is indeed immense in the contemporary socio-economic and industrial scenario of our country.

A. K. SARMA

## Preface

The book *Industrial Landscape of Northeast India* is the outcome of a research study on the industrial development of the seven sister states of north-east India which are lagging behind in respect of industrialisation mainly because of locational disadvantage and infrastructural deficiency. The work is based on my doctoral thesis entitled "Role of Industrial Estates in the promotion of small industrial undertakings in Assam" which also presents a macro view of the industrial economy of the region with particular focus on the industrial estates programme initiated by the Government of India during the first five-year plan as a nucleus to create industrial awareness through productive demonstration. The programme gradually spread over the states with specific objectives set by respective state Government with the purview of the broad objectives and guidelines of the Government of India. The genesis of the programme with its original philosophy, the global outline of its implementation including the lead-role of the UNO, the functioning of the pioneer industrial estates in Assam and their tenant units – all these have been presented along with critical micro analysis of the various aspects for drawing necessary conclusions. The endeavour naturally demanded meticulous scrutiny of a mass of source materials which generated an honest desire for the present undertaking.

While there are some books on the economy/economic development of Assam which also flash some references to the neighbouring states, the present work attempts to take the case of mutually inter-linked areas of north-east India and the issues common to them. To focus such common affinities the present attempt seeks to unfold a wider spectrum of relevant materials from the early British days till the present time, landscaping the gradual move of the north-eastern states in the industrial horizon. Since most of the sister states in the N.E. Region actually issued out of Assam, the observations concerning industrialisation of Assam are essentially relevant for the other states as well. The book

mainly features the small-scale industry sector that occupies an important place in the economy of the region, and precisely for that reason, the industrial estates which are meant to support this sector in prominent way, have been highlighted with relevant details.

Since the original work already referred to, covers materials upto March 31, 1990, (end of the 7th 5-year plan period), the subsequent developments and changes from April 1st, 1990 to 31st July, 1992 have been incorporated in the last chapter including the latest industrial overview of the N.E. Region. This addition, I believe, would make the book upto-date and informative in the relevant sphere. I conclude with the hope that the present endeavour would help the cause of industrialising north-east India in a truly effective way.

I owe a word of gratitude to my revered Professor Dr. A. K. Sarma (former Dean of Commerce, Gauhati University) for having kindly written the Foreword, to Prof. H. N. Dutta (Deptt. of English, Gauhati University) for his inspiring gesture for publication of this book, and also to my wife Mrs. Aroti Sarma, sons Utpal and Bhaskar for moral support.

I am thankful to Messrs. Mittal Publications, New Delhi for their keen interest in publishing the book.

B. K. SARMA

## Abbreviations

AFC	Assam Financial Corporation
AIDC	Assam Industrial Development Corporation
ASIDC	Assam Small Industries Development Corporation
AHSIDC	Assam Hills Small Industries Development Corpn.
AIHB	All India Handicrafts Board
CCIF	Chief Controller of Imports and Exports
CSIR	Council for Scientific and Industrial Research
CSO	Central Statistical Organisation
DI	Directorate of Industries
DIC	District Industries Centre
DEP	Directorate of Export Promotion
DGS & D	Director General of Supplies and Disposal
DGTD	Director General of Technical Development
EDP	Entrepreneurship Development Programme
EPC	Export Promotion Council
EASI	Export Aid to Small Industry
FIC	Foreign Letter of Credit
ILC	Inland Letter of Credit
IIFT	Indian Institute of Foreign Trade
ICICI	Industrial Credit and Investment Corporation of India
IDBI	Industrial Development Bank of India
IFCI	Industrial Finance Corporation of India
IRCI	Industrial Reconstruction Corporation of India
ISI	Indian Standard Institution
KVIC	Khadi and Village Industries Commission
MMTC	Minerals and Metal Trading Corporation of India

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MTPA	Million Tonnes per annum
NABARD	National Bank for Agricultural and Rural Devpt.
NER	National Equity Fund
NERAMAC	Northeastern Regional Agricultural Marketing Corpn.
NIRD	National Institute of Rural Development
NEITCO	Northeastern Industrial and Technical Consultancy Orgn.
NIESBUD	National Institute of Entrepreneurship and Small Business Development
NEIBM	Northeastern Institute of Bank Management
NSIC	National Small Industries Corporation
NPC	National Productivity Council
NISIET	National Institute of Small Industries Extension Training
NEHHDC	Northeastern Handloom and Handicraft Development Corporation
OGL	Open General Licence
PTC	Polytechnology Transfer Centre
SBI	State Bank of India
SISI	Small Industries Service Institute
SSI	Small Scale Industry
SIDO	Small Industries Development Organisation
SIDF	Small Industries Development Fund
SAIA	State Aid to Industries Act
SSIB	Small Scale Industries Board
STC	State Trading Corporation
Tpa	Tonnes per annum
Tpd	Tonnes per day

## List of Tables, Chart, Maps, Diagrams & Appendix

Table No.	Page No.	Table No.	Page No.
1.1	3	4.5	175
1.2	16	4.6	175
1.3	16	4.7	176
1.4	17	4.8	177
1.5	17	4.9	183
1.6	17	4.10	185
1.7	18	4.11	190
1.8	20	4.12	194
1.9	28	4.13	200
1.10	33	4.14	201
1.11	35	4.15	211
1.12	36	4.16	213
1.13	37	4.17	223
2.1	80	4.18	224
2.2	81	4.19	225
2.3	82	4.20	226
2.4	85	5.1	236
2.5	97	5.2	236
2.6	99	5.3	237
2.7	100	5.4	238
2.8	124	5.5	243
2.9	125	5.6	245
2.10	127	5.7	249
3.1	159	Chart 3.1	136
3.2	161	Map 1.1	2
3.3	162	1.2	8
3.4	163	4.1	178
3.5	163	Diagram 1.1	55
4.1	170	1.2	56
4.2	171	Annexure-I	297
4.3	172		
4.4	174		

## CHAPTER 6

# Summary of Findings and Recommendations

### 6.1 The Findings

The enquiry undertaken by the author enabled him to assess the role and prospects of the Industrial Estates in the promotion of SSI undertakings in Assam and to evaluate the achievements, with reference to the state objectives. The findings on various aspects of the working of the Industrial Estates and their units have already been reflected in the earlier chapter on basis of a sample case study. In this chapter, a summary of the important findings on specific viewpoints is being presented, followed by a set of recommendations for removal of the existing deficiencies and constraints, to enable the Industrial Estates to play a better role in future.

**6.1.1 Planning** – It has been observed that the planning for setting up Industrial Estates in India has been confined, by and large, at the macro level, insofar as the targets have been fixed in quantitative terms about the number of estates to be set up and sheds to be constructed during a period, and accordingly fund allocation has been made. In fact, establishment of Industrial Estates at various locations representing urban, semi-urban and rural/backward regions in accordance with priority of objectives, essentially pre-supposes proper examination of the important aspects at micro level, that calls for pre-investment techno-economic survey of alternative locations. But this was reportedly not done in a number of cases in India which resulted in faulty locations, size and composition of estates. Consequently, the SSI units of such estates are suffering from disproportion of

quality and quantity in respect of infrastructure and other facilities. In case of Assam also, proper investigation has not been made in a few cases according to reports available. It is learnt however, in course of the present investigation, that the techno-economic aspects of locations have been taken into consideration, but a few locations have been accepted by the Government for meeting certain exigencies of situation and time.

**6.1.2 Admission** – In the matter of admission/selection of industrial units, a rational policy has not been followed, as it appears from records. Initially, the demand for sheds in certain Industrial Estates was low although the same was high in urban location with relatively better facilities. Therefore, it was more important to get some units for the sheds, instead of right type of units or no unit. Even persuasion was necessary in a few cases, according to records.

When admission is thrown open without any screening, it is inconvenient to plan and organise the common services and to achieve economic advantages of grouping. In that case, the inter-unit co-operation and complementary relation are hardly possible. Therefore, admission of industrial units into Industrial Estates has to be planned and regulated to achieve these ends.

**6.1.3 Size and Economy** – The Industrial Estates in India including those in Assam have the distinction of allowing only SSI units to operate within the estate premises in the interest of SSI development. In this respect opinions have been expressed by some quarters including experts, that instead of a hard stand in the matter, there should be some flexibility for allowing a few large and medium units which may supplement the growth of the SSI units by locating external economies of agglomeration, developing sub-contracting and complementary relationship, demonstrating better technology and management. Such opinions are however not in conformity with the accepted policy and objectives of the Govt. of India for setting up Industrial Estates in the country.

For proper size and economy of Industrial Estates, the co-ordination and involvement of certain agencies like Electricity Board, Municipal body etc. are quite essential to ensure proper supply of power and water to tone up the productive efficiency

and functioning of the units. The optimum package of infrastructure facilities and services to be provided in the Industrial Estates should depend on their size and composition on basis of proper investigation which has not been done in Assam.

6.1.4 *Locational Aspects* – A major objective of the Industrial Estates programme is dispersal and balanced regional development through relocation of industries in semi-urban, rural and backward regions. It is observed that the successful estates are those located near the cities and large towns having natural as well as acquired advantages which favour industrial location. This reflects a preference of the emerging entrepreneurs for relative advantages and also an urban pull that motivates the locational decisions.

Slow progress of rural estates has been due to inherent deficiencies and drawbacks of their locations, which is an all India experience, as reflected on higher mortality rate of rural estates, underutilisation of sheds and infrastructure facilities. The problem of development cost also does not justify huge investment for creating infrastructure facilities in numerous scattered villages. The cost of installation and extension of infrastructure facilities is the highest in the lowest density area. The economies of scale also do not accrue to the small estates. Slow-moving estates usually add to the social costs of Industrial Estates as they take fairly long time to attain the stage of full allotment of sheds to generate the expected social benefits because of deficiency in demand.

6.1.5 *Excess Investments* – Success of Industrial Estates depends on various factors. The location needs careful economic investigation and potential survey. Excessive expenditures on land development, construction and uneconomic investments increase the social cost far above the social benefit. Dr. P. C. Alexander therefore said, "Industrial Estates are not open sesame for industrial development and must not be monuments of wastes." The tendency of excess investments in the Industrial Estates needs to be checked.

6.1.6 *Viability and Performance* – The present investigation on the working of the sample Industrial units has made the follow-

ing exposures in respect of the economic viability and performance prospects of Industrial Estates:

- Industrial units of the urban estates are more efficient and better placed than those in semi-urban and rural estates;
- Industrial units functioning within Industrial Estates are economically more viable than those operating outside the estates;
- Industrial units of better-organised estates are capable of better productive performance and efficiency than those in ill-organised estates.

*6.1.7 Migration of Entrepreneurs* – Some entrepreneurs of the sample units came over to Assam from other parts of India and set up SSI units in Industrial Estates in Assam. They however constitute a small number representing only 1.03 per cent of the sample units, most of them having had some background and skill in industrial line. The present investigation finds the following factors for inter-state migration of such entrepreneurs:

- Lesser competition in Assam as compared to the native states of entrepreneurs who migrated to Assam;
- Relatives/friends already settled in industry/business in Assam;
- Availability of sheds in Industrial Estates in Assam.

The investigation however did not find any entrepreneur having left an enterprise in Industrial Estate in Assam and thereafter set up such enterprise or any other enterprise outside Assam, except one who joined as partner of a similar unit outside Industrial Estate, in the same town.

*6.1.8 Employment and Income Prospects* – Industrial Estates are expected to generate local employment and income in the areas of their location. The employment potential of an estate usually accounts for 4 stages namely, (i) construction of sheds and creation of infrastructure, (ii) manufacturing activity in industrial units, (iii) transportation, handling and other services connected with or arising out of manufacturing activities, and (iv) secondary and tertiary activities arising from operation of the multiplier.

The sample estates have proved to be useful instruments in generating local employment since about 57.45 per cent of the workers has been drawn from the region of location, as indicated by the present investigation. Almost in all cases, employment of the unskilled workers has been of seasonal or temporary nature. The sample also shows that the estates have helped the promotion of the SSI Sector by encouraging/supporting creation, expansion and modernisation of the sector with better product mix which have generated more income, and inspired some technically qualified and first generation entrepreneurs.

In respect of local employment, the author received rather poor opinion from experienced entrepreneurs about lower quality skill and efficiency of local candidates employed in the sample units. This aspect was also highlighted in the State level Seminar on Industrial Policy of Assam held at Guwahati on 3rd February 1990, by several industrialists who urged upon relaxation of the condition of 100% local employment, as prescribed under the Industrial Policy of Assam 1986 for availing benefits under the State Incentive Schemes, since such condition is not conducive to SSI development in Assam. While local employment is quite important and also a condition of Govt. policy, the expressed apprehension, if it is valid, should be removed by arranging inplant training, orientation, better exposure etc. for the workers for improving their competence. Further, the local employment in the sample units is mostly confined to non-skill/general category at lower level, which suggests the need for proper skill-building and acquiring better capability for the local people.

6.1.9 *Payment of Dues* – The investigation has found cases of outstanding arrears of shed rents, electricity charges due from tenant units of the sample estates as per records. The Estate Management has also admitted the fact. The tenants have a tendency to avoid/delay the payments on various pretexts according to the Estate Management. Certain tenants have some genuine constraints also. But the dues must be cleared and should not accumulate into huge amounts. However, it has been found that steps have been taken to improve the position.

6.1.10 *Quality Control and Pricing* – A very essential measure

to be taken by the industrial units is to set and maintain proper quality control on their products as well as their prices to win the confidence of the modern consumers who are conscious about these two important aspects. A survey conducted by the NISIET, Guwahati reveals unhygienic and substandard production in a particular local SSI unit. Similar practice may also be going on elsewhere. In particular, items of mass consumption such as processed food, dairy products, confectionery and bakery items, medicines, spice powder, beverages and cold drinks, ice creams etc., which involve health hazards, should satisfy the prescribed standards of manufacture. Although some of the units may have their own quality control arrangements, there should be a competent govt. machinery for regular checking of the quality control measures, arranging certification of quality of products and taking penal action for defaults.

As regards pricing of products, there is no satisfactory pricing system followed by any particular industry group, the individual units fixing the prices of their products individually, without any scientific basis. The present investigation finds that most units do not maintain proper costing records including cost analysis, and hence the pricing is mostly improper.

*6.1.11 Rural Industrialisation* — Agricultural development being a basic issue for rural development in Assam, the latter is possible only with some agro industrial base which can help and sustain modernised agriculture. There should be agro-industrial units in selected rural locations which have proper road transport facility, electricity etc., for agro-equipment manufacturing and servicing, fertiliser and pesticide manufacturing etc. which can provide support to agricultural inputs. Likewise, agro-industrial units for food processing, edible oil manufacturing, tobacco processing etc. may provide outlets for agricultural outputs. Such agro-industrial complexes can provide better support and employment to the agriculture sector.

According to the National Committee on Agriculture, the development in agriculture by 2000 AD would leave a large majority of people who will continue to live in villages requiring an estimated 50 million additional employment opportunities to be generated outside the agricultural sector. In this respect, the Industrial Estates can play a significant role in advancing agro-

based industries. As the village artisans like blacksmiths, carpenters, potters, shoemakers, weavers etc. constitute the backbone of the rural economy, engaged in traditional agricultural technologies and cultural practices and provide the required servicing facilities for traditional forms of equipments possessed by the villages households, their role is to make the village self-sufficient. As the villages are now a days getting modern agricultural implements and farm machinery etc., the Industrial Estates can play a vital role in solving the rural agro-economic problems.

In the context of Assam's economy, development of the rural and agricultural base that has already been an essential measure long overdue, Industrial Estates in appropriate semi-urban and rural locations will be able to provide good support for rural industrialisation.

6.1.12 *Co-ordination* – The present investigation has found lack of proper co-ordination of important agencies and govt. departments whose involvement is absolutely necessary for smooth functioning of the Industrial Estates and effectively helping the productive efficiency of the units. The various promotional agencies with their extensive network, relevant schemes and programmes have not been able to contribute substantially to industrial progress in Assam, apparently because of lack of co-ordinated efforts and integrated programmes. Instead of individual programmes involving duplication of efforts, a need-based unified programme containing various requirements for SSI development in Assam should be formulated and implemented jointly under a common forum, with representatives from the deptt. of Industries and other concerned agencies.

The Single Window Service introduced by the State Government has not been able to give clearance to the entrepreneurs in respect of registration, shed allotment, raw materials, sanction of loans, hire-purchase of machinery etc. for which much time is taken by the concerned agencies. In respect of EDP and other training also, several agencies are duplicating efforts in these areas.

For effective and need-based efforts, a co-ordinated common platform in the line of the Industrial Extension Bureau (IN-DEXTB) of the Govt. of Gujarat should be created with top-level

representatives of the concerned departments/agencies for sitting together and settling the various issues in integrated manner. An Inter-Institutional Committee (IIC) with representatives of promotional agencies should assess the multi-dimensional needs of the entrepreneurs under a unified programme, with proper monitoring and follow-up measures.

**6.1.13 Closed Units** – The investigation has found that several units ((20.45%) of the sample estates have closed down operation either for sickness or other reasons, some (7.95%) having vacated the allotted sheds and some (12.5%) not having vacated. The major reasons for such closure are found to be the following:

- Financial hardship;
- Raw materials problem;
- Competition from large enterprises and marketing problem;
- Delays in getting machinery, equipments, term loans, working capital, incentives etc.

## 6.2 Role and Prospects of Industrial Estates in Assam

The philosophy of Industrial Estates has been derived from and based on the experience in England. Any measures adopted in a country or state is in accordance with the needs and stage of economic development and the contemporary environment including the mental make-up of the people which differ from country to country and state to state. Hence it is not true that when a particular measures succeeded in the state of origin, the same should also be equally successful in the state of adoption in the same way.

In fact, after implementing the programme, necessary modifications should be made according to the local needs. The fundamentals of the programme of Industrial Estates are undoubtedly sound and beneficial, the programme having already demonstrated success in a number of countries outside India. The Industrial Estates programme is neither conceived as a profit-making venture nor is to be considered as purely commercial enterprises. This has larger socio-economic values specially in foster-

ing SSI development, achieving decentralisation and dispersal of industrial locations for balanced development, generating employment opportunities, rural industrialisation, diversification of product lines, entrepreneurial motivation, utilisation of untapped resources and skills etc.

Although all the objectives of the programme have not been achieved in India including Assam, the SSI sector will continue to play a pivotal role in the industrial economy of the country which is applicable to Assam as well. For removing the various constraints of the SSI Sector, the instrument of Industrial Estates will be helpful and will also accelerate the pace of industrialisation.

The Govt. of Assam in its Industrial Policy of 1986 has stressed on expanding the Industrial Estate programme by setting up Rural Estates, Growth Centres, Commercial Estates etc., to extend the base of industrial activities by rejuvenating the potential areas through exploitation of the untapped resources and skills, arranging spatial distribution of infrastructure facilities to develop a proper culture for industrial pursuits in the state which will tone up the economy. The State Government has also proposed to review and recast the Industrial Policy in the light of experience and requirements and make suitable modifications. It is already on record that after implementation of the Incentive Schemes of the Central and the State Governments, there has been some increase in the growth rate of industries in Assam, particularly in the SSI sector. The recent deliberations at the state level Seminars held at Guwahati (one on 3-2-90 for Industrial Policy and the other on 21-4-90 for Silver Jubilee of AIDC) also highlighted the importance and prospects of industrial development in Assam.

The Committee of Ministers for Economic Development of the North-east India which met on 5.5.90 at Guwahati, has decided to remove the infrastructural deficiencies in the N.E. Region and undertake certain important measures during the 8th Plan to restore the Central Investment Subsidy and Transport Subsidy to help the industrial growth of the region. The decisions of the Committee based on the recommendations of the Special Task Force, if implemented properly, may contain the present instability of the region and help the productive programmes for economic development.

In the light of the stress laid on speedy development of the SSI sector in Assam, the role of the Industrial Estates will be more important in future. It is rather gratifying that in spite of initial odds, the Industrial Estates in Assam have been able to create a climate through demonstration effects, for setting up industrial enterprises in the state, have inspired some entrepreneurs to set up SSI units inside and outside the Industrial Estates, a few of them being first generation entrepreneurs and pioneers in certain product lines in the state as well as in the NE Region. Over the last decade (1980-90), there has been increase in demand for industrial sheds which reflects motivation of the people for starting industrial units.

Under the Government Policy and subsequent instructions for implementation, the actual need is to regulate the growth of industries in the developed regions placed under category C, to make regulatory and promotional efforts in equal proportion in the developing regions placed under category B, and to make greater promotional efforts rather than regulating growth of industrial activities in the backward regions placed under category A. The state of Assam belongs to the category 'A' region considered as backward, and therefore eligible for special considerations and concessional benefits. It is from this angle that a number of development and promotional agencies were established in Assam. Industrial Estates and the allied complexes meant for providing infrastructure facilities for industrial development are also to be viewed from the same angle as complementary tools for promoting industrial growth.

Uptil now, only the Industrial Estate, Guwahati is managed by an Estate Manager with essential staff and has relatively better facilities. All other estates are being managed by junior officers of the Department of Industries including the ASIDC who cannot devote exclusive attention to the management of Industrial Estates which is an additional charge entrusted to them. A post of Assistant Manager in each estate for looking after the day-to-day affairs may be justified with the estates becoming full-fledged. With proper management staff of suitable level and competence, the activities of the estates including the grievances of the units can be looked after properly, with efficiency and drive. This will bring about better co-ordination with various concerned agencies that will activate the Industrial Estates and

improve their functioning. The district level agencies namely the DICs meant for promoting tiny, village and cottage industries and to provide the necessary support and services to the industrial units from a single window, the ASIDC and other promotional agencies should have a common platform and integrated/unified programme, without duplicity, for removing the existing deficiencies in the promotional package, with systematic and comprehensive approach, for accelerating the pace of industrialisation. With the shift of emphasis from towns and cities to semi-urban and rural areas for industrial dispersal, setting up of Industrial Estates in such areas is justified for—

- encouraging SSI units in semi-urban, rural and backward areas;
- developing and strengthening industrial base in small towns and rural centres;
- preventing and reducing congestion in towns and cities;
- avoiding higher cost of social overheads by encouraging decentralisation and bringing factories near workers.

Industrial dispersal through Industrial Estates can reduce the evils of centralisation of industries and overgrowth of urban centres such as housing and transportation problems, pollution, epidemics, crimes, malnutrition and poverty etc. Further, Industrial Estates have an important role to play in socialising the pattern of development and securing social and economic justice for all people by—

- opening opportunities for gainful employment to a large number of poor, unemployed people of rural and backward areas for utilising their skills/talents and also the unexploited resources in such areas through rural Industrial Estates, Commercial Estates and Growth Centres;
- Preventing growth of monopolies by diffusion of industries;
- Helping the under-employed and seasonally employed people to get absorbed in industrial units either by taking up small industrial venture or taking employment in the SSI units;

- helping the agricultural sector to get modernised through the agro-service centres, agro-industrial units etc. which can emit ripples of development in the rural areas, create a climate of industrial activities and reduce the pressure on the agricultural sector in the state.

While the Industrial Estates in Assam have deficiencies, their performance so far, is not upto the level of their counterparts in some of the advanced states in India or upto the expectation. Their role in the promotion of SSI development is nevertheless useful and they can play a better and dynamic role in future in view of the extended coverage of the base of the SSI sector to rural, semi-urban and backward regions of the state, the shift of emphasis in the objectives, the growth centre approach under implementation by the government, and the commitments of the State Govt. of Assam through the new Industrial Policy. But the Industrial Estates in Assam have miles to go on the march.

The Govt. of India very recently announced the new Industrial Policy which aims at promotion of the SSI sector and agro-based industry. The Government has raised the investment ceiling in plant and machinery for SSI unit to Rs. 60 lakhs (from present Rs. 35 lakhs), for ancillary unit to Rs. 75 lakhs (from present Rs. 45 lakhs) and for tiny unit to Rs. 5 lakhs (from present Rs. 2 lakhs). A new scheme of Central Investment Subsidy for SSI in rural and backward areas capable of generating higher employment at lower capital cost will be implemented. The new Industrial Policy also proposes a few important changes in the light of experiences for development of industrial growth and progress. (Source : *Assam Tribune*, 1-6-90.)

### 6.3 Conclusion

On basis of the findings of the present study, as featured in the foregoing paragraphs, the following conclusions are drawn with reference to certain relevant hypotheses assumed by the author in conformity with the state objectives of the Government of Assam for establishment of Industrial Estates :

<i>Hypotheses in conformity with State objectives</i>	<i>Conclusions</i>
(1) The Industrial Estates in Assam were established within the broad framework of the national objectives with specific state objectives, and are working for fulfilment of the state objectives in particular.	Yes. This has been found to be achieved.
(2) The Industrial Estates have been able to achieve at least some of the state objectives with which these were established.	
State objectives:	
(i) Providing factory sheds at suitable sites at economic rent to SSI units with necessary facilities such as water, power, common workshop and service facility, internal roads, watch and ward, transport, canteen, post office, bank etc.	This objective has been partly achieved.
(ii) Bringing together a number of different SSI units and thereby facilitating the establishment of a common service centre.	This has not been fully attained.
(iii) Ensuring that the units have become inter-dependent and complementary to each other for their mutual advantage.	This has not been attained.
(iv) Application of modern techniques of production and providing assistance in the form of finance, raw materials and technical knowledge.	By and large, this objective has been fulfilled.

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|---|----------------------------------|
| (v) Stimulating and motivating local entrepreneurship and creating employment opportunities for local unemployed youths.  | This has been partly achieved.   |
| (3) The Industrial Estates in Assam have an important role to play in the process of industrialisation of the state, particularly in the promotion of the SSI undertakings. | This has been found to be true.  |
| (4) The Industrial Estates as well as the units have certain problems and constraints peculiar to the state of Assam, which need to be overcome.                            | This has been proved to be true. |
| (5) They can play still wider and better role in conformity with the changing technology, competition and consumer awareness about quality and price.                       | This is very true.               |
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#### 6.4 Recommendations

- (1) The Industrial Estates of Assam should be co-ordinated with broader programmes of development of the state to enhance their utility, and be considered not only as integral part of industrial development programme but also the overall economic development of the region.
- (2) The Industrial Estates should be so planned and managed as to make them focal points of healthier industrial growth to be able to provide necessary common facilities and technical guidance to the SSI units of the area, as an effective tool for industrial progress.
- (3) Uneconomic investments on land development at higher cost should be checked. There should be scope for flexibility and adjustments in construction. Instead of costly structures, functional types of sheds of improved designs

at cheaper costs for efficiency should be encouraged, the construction being completed on basis of expressed demands of the units.

- (4) Admission of SSI units should be in accordance with the recommendations of the SSI Board. Homogeneity rather than heterogeneity should get weightage for better utilisation of the common facilities and helping inter-unit co-operation and complementary relationship.
- (5) Location of Industrial Estates should be finalised on basis of techno-economic merit with reference to factors like special needs of the area, economic condition, availability of raw materials, skills and enterprise, level of development of the area etc. The planning should take into account the secondary growth effect to regulate haphazard growth of industries around the estate. For rural and backward areas, greater efforts should be made to stimulate local entrepreneurs.
- (6) Selection of products to be manufactured in the Industrial Estates should be in accordance with the development programmes like mechanisation of agriculture, utilisation of agro products, electrification, items of mass consumption etc.
- (7) Marketing of products of the Industrial Estates should be undertaken by the ASIDC and the AGMC through a chain of showrooms and emporia at selected places and also by securing supply orders from Govt. departments and public sector undertakings.
- (8) The Government should not appropriate for its own use any accommodation intended for SSI units except using minimum of essential accommodation for providing common facilities and services to the units.
- (9) Industrial Estates being the projects for industrialists and businessmen, the day-to-day problems of the estates need to be treated with speed and flexibility associated with business, with an attitude of responsive bureaucracy.
- (10) The promotional agencies such as SISI, DI/DICs, ASIDC/AHSIDC etc. concerned with SSI development in the State, should act as the catalysts for growth and develop-

ment of the SSI sector, and not merely as Infrastructure Agencies.

- (11) In view of the emphasis on modernisation and ancillary development, there should be some Functional or Special type Industrial Estates in urban areas while the general type estates may be useful in rural and backward areas.