Chapter 4

SMALL SCALE AND COTTAGE INDUSTRIES IN ASSAM

"Today, we suffer from an almost universal idolatry of giantism. It is therefore necessary to insist on the virtues of smallness - where this applies."

- Schumacher

In the foregoing chapter an analysis has been done with a historical background, about the growth of modern industries in Assam. These industries, particularly the large scale industries, are covered in our country by terms like 'organised sector' or 'registered sector', that is, industries falling under the Industrial Statistics Act 1942 and the Census of Manufacturing Industries Rules 1945 framed under the former which were subsequently replaced\(^1\) by the Factories Act 1948 and the Collection of Statistics Act 1953. The rest of the industries, particularly industrial units supposing to employ less than 10 or 20 workers respectively using power or not using power and therefore not falling within the purview of the Factories Act 1948, are generally covered by terms like unorganised or non-registered sector. Terms like 'formal sector' and 'informal sector' are also

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gaining currency of late to cover respectively the industries belonging to the first and second groups. Industries in the unorganised/non-registered or informal sector are also covered by terms like cottage or household and small scale or small industries. The present chapter is devoted to the analysis and evaluation of the role of these industries in the state.

The position of cottage industries in ancient Assam has already been discussed in section 3 of the last chapter. Many of these industries like cotton spinning, lime burning, wood carving, working on horns, gold washing etc. had died long time back while some other industries like handloom weaving, pottery, blacksmithy, goldsmithy, brass and bell metal smithy, carpentry etc. are still surviving being passed over from one generation to the other. At the same time other industries like paddy husking in the electric motor driven machine, power oil expeller, Del and flour mills, saw mills, brick kilns etc. have appeared in modern small form some of which grow to large scale. All these and such other industries are now-a-days divided into two broad groups, viz., traditional and modern small scale industries.

1. **Small Scale Industries**

In the last chapter it has been shown (Table 3.3) that Assam had 1897 factories in 1980 registered with the

* The concepts have been discussed in Chapter 7, Section A. 
Chief Inspector of Factories under the Factories Act 1948 and their number according to the Annual Survey of Industries by the Central Statistical Organisation was 1964 (Table 3.4) in 1978-79. It may be recalled that according to the state Directorate of Industries there were only 64 'large and medium industries' in Assam up to 1962. By subtracting these 64 large and medium industrial establishments from the 1897 factories, the remaining 1833 may be called small scale. Even if the amount of investment in plant and machinery criteria which has been changed from time to time from Rs. 5 lakhs to Rs. 7.5 lakhs, then to Rs. 10 lakhs and ... to Rs. 20 lakhs,
is applied in the case of industrial establishments in Assam probably almost all the registered factories excluding the large and medium ones would fall under the small scale group.*

But there is a hiatus between theory and practice. Industries falling or not falling within the purview of the Factories Act 1948 but having an investment in plant and machinery not exceeding the ceiling limit and at the same time 'registered' with the state Directorate of Industries are called 'Small Scale Industries'. This implies that there may and actually do exist a non-registered sector of small scale industries.

*Total investment in fixed capital in 1964 factories in 1978-79 was Rs. 31446 lakhs, i.e., per factory average investment was Rs. 20.10 lakhs. Ref. Statistical Handbook, 1982, Table 9.05, p. 141

The Directory of Existing Large and Medium Industries of Assam, 1981-82 has not defined 'large' and 'medium' industries although it also contains the names of some small scale industries.
The following table shows the number of registered small scale industries up to 1980-81 in each of the old districts of the State.

**Table 4.1**

**Number of Registered Small Scale Industries, 1980-81**

<table>
<thead>
<tr>
<th>Districts</th>
<th>No. of Industries</th>
<th>Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Goalpara</td>
<td>1456</td>
<td>7944</td>
</tr>
<tr>
<td>2. Kamrup</td>
<td>3417</td>
<td>13641</td>
</tr>
<tr>
<td>3. Darrang</td>
<td>807</td>
<td>3997</td>
</tr>
<tr>
<td>4. Nowgong</td>
<td>1753</td>
<td>8484</td>
</tr>
<tr>
<td>5. Sibsagar</td>
<td>900</td>
<td>6777</td>
</tr>
<tr>
<td>6. Dibrugarh</td>
<td>1565</td>
<td>11583</td>
</tr>
<tr>
<td>7. Lakhipur</td>
<td>357</td>
<td>1771</td>
</tr>
<tr>
<td>8. Cachar</td>
<td>1450</td>
<td>5970</td>
</tr>
<tr>
<td>9. Karbi Anglong</td>
<td>213</td>
<td>992</td>
</tr>
<tr>
<td>10. North Cachar Hills</td>
<td>133</td>
<td>1188</td>
</tr>
<tr>
<td><strong>Assam Total</strong></td>
<td><strong>12056</strong></td>
<td><strong>62297</strong></td>
</tr>
</tbody>
</table>

Source: Statistical Handbook, 1982, Table 9.08, p. 145

The cumulative number of small units registered and the persons employed give no doubt a rosy picture. The number has risen from a bare 200 in 1961 to 1200 in 1980-81; but there is a gap, a wide gap, between the units registered and the units actually functioning. The difference arises due to procedural defects. Under the present procedure the name of
an establishment appears in the registration book of the Directorate of Industries (provisionally registered) after payment of the registration fee along with the submission of plans and estimates of the proposal; and the total number of the registered units increases in the cumulative way. But after registration no follow up action is taken with regards to its functioning or non-functioning till the party comes for final registration after one year and within a two year period. Therefore many of the industries registered might not and actually do not exist in the field. It is reliably learnt that many parties get their industrial proposals registered with a view to some extraneous benefits like obtaining bank loans for diverting to less risky and quick yielding channels, getting quotas of scarce materials like cement and iron rods and raw materials like paraffin wax, tallow, sugar, Atta, etc., for selling in the black (now-a-days called open) market and obtaining subsidies on fictitious capital equipments and building and on sale proceeds (for handloom etc.). The physical existence of even some of the permanently registered units are doubtful for after permanent registration some units may become sick and be closed down. For example the researcher knows from physical verification that one Milan Bakery of Bamun-Sualkuchi registered under No. 02/05/00069 in 1971 and one Matri Soap Factory of Bamundi (02/05/00229, 1971) about 10 Kms west of Sualkuchi shown in the Directory of Small Scale Industries, Assam, published in 1983 were closed down some years ago. There may be many such permanently registered industries which exist only in the registration books but not
in the actual field. The Development Commissioner, Small Scale Industries had also admitted that "a large number of small scale industrial units existed only on papers." ²

Therefore the actual number of small industries existing and working cannot be ascertained from the number of either provisionally or permanently registered units. What is necessary for the purpose of evaluation of the small industries is the placement of personnel either with the Directorate of Industries or with the Directorate of Economics and Statistics for field verification and occasional surveys which are likely to throw reliable light about their role in the production of specific goods, income generation and employment creation. A system of submission of annual returns by the registered units is also likely to help preparing progress reports. The Directorate of Economics and Statistics instead of duplicating the survey of industries registered under the Factories Act of 1948 which are now-a-days surveyed by the Central Statistical Organisation may be allotted statutory duty of surveying annually the small scale sector.

Anyway, although the number of provisionally registered small scale industries stood above 12 thousand in 1980 the number of permanently registered establishments was only 3132 in the State in 1980 as against 427424 in the country, that is, 1/136th or 0.7 p.c. of the country's total units. It may also

² Development Commissioner, Report on Census of Small Scale Industrial units, vol. I & II (combined), 1977, p. iii
be recalled that Madhya Pradesh, Maharashtra, Punjab, Tamil Nadu, Uttar Pradesh and West Bengal had in that year (1980) respectively over 31, 35, 33, 30, 33 and 74 thousand units as against Assam's 3 thousand establishments.3

The Small Scale Industries Development Commission had also done a Census of 'Small Scale Industrial units' in 1973-74 with 1972 as reference year. The Census data pertaining to Assam also gives the same disheartening picture. The following data give the number of product-based establishments in 1972 in Assam and India.

Table 4.8
Product-based Small Establishments, 1972

<table>
<thead>
<tr>
<th>Name of the product</th>
<th>No. of establishments</th>
<th>Assam</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Food Products</td>
<td>158</td>
<td>6477</td>
<td></td>
</tr>
<tr>
<td>2. Beverage</td>
<td>1</td>
<td>469</td>
<td></td>
</tr>
<tr>
<td>3. Hosiery and Readymade garments</td>
<td>29</td>
<td>6718</td>
<td></td>
</tr>
<tr>
<td>4. Wood Products</td>
<td>268</td>
<td>82188</td>
<td></td>
</tr>
<tr>
<td>5. Paper and Printing</td>
<td>176</td>
<td>8332</td>
<td></td>
</tr>
<tr>
<td>6. Leather works</td>
<td>8</td>
<td>5040</td>
<td></td>
</tr>
<tr>
<td>7. Rubber and Plastic Works</td>
<td>196</td>
<td>7688</td>
<td></td>
</tr>
<tr>
<td>8. Chemical Products</td>
<td>126</td>
<td>11857</td>
<td></td>
</tr>
</tbody>
</table>

(Contd.)

Table 4.8 (Contd.)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9. Mineral Products</td>
<td>97</td>
<td>7799</td>
</tr>
<tr>
<td>10. Basic Metal and Alloy</td>
<td>37</td>
<td>3073</td>
</tr>
<tr>
<td>11. Non-Ferrous Metal Products</td>
<td>282</td>
<td>34011</td>
</tr>
<tr>
<td>12. Machinery and Parts</td>
<td>27</td>
<td>12701</td>
</tr>
<tr>
<td>13. Electrical Machinery</td>
<td>11</td>
<td>4409</td>
</tr>
<tr>
<td>14. Transport Equipments</td>
<td>10</td>
<td>6049</td>
</tr>
<tr>
<td>15. Miscellaneous Manufacturing</td>
<td>17</td>
<td>3499</td>
</tr>
<tr>
<td>16. Repairing and Servicing</td>
<td>209</td>
<td>7197</td>
</tr>
<tr>
<td>Total</td>
<td>1648</td>
<td>139577</td>
</tr>
</tbody>
</table>

Source: Report on Census of Small Scale Industrial units, vol. I & II (combined), 1977, Table 1

It may be recalled that markets in the country as a whole for packed and baked food products, hosiery and readymade garments, leather and plastic products, electrical machinery and automobile equipments and repairing and servicing of bicycle, radio, scooter, motor vehicles etc. have sizably expanded. In Assam too growth of population as well as changes in habits, tastes and fashions have expanded the markets for these products and services. But the number of units in these fields in Assam as compared with even the neighbouring state of West Bengal is very few. Assam's food product industries constitute about 1/5th of West Bengal's 543 units. Likewise Assam's 29 hosiery and readymade garment units constitute less than 1/22nd of West Bengal's 676 units. Inspite of sufficient
quantity of hides and skins available, Assam has only 8 leather product units as against 288 in West Bengal; plastic industries constitute about 1/4th, electric machinery forms 1/50th, automobile equipment manufacturing constitute about 1/3rd and repairing and servicing units forms only 1/4th of the establishment in West Bengal.

In terms of employment, the censused small industries in Assam had provided jobs to 19652 persons in 1972 as against 16,53,178 in India or about 1.16 p.c. of India's employment in the sector. The net valued added by these industries in Assam was Rs. 912 lakhs as against Rs. 641,000 lakhs in India, that is, the position in this respect is more discouraging; Assam's small industries contribute only 0.10 p.c. of the value added by this group in the country. The position, however, improves a bit when total net value added and employment created by this sector are compared with the net value added and employment created by the manufacturing sector as a whole in Assam. In Assam this sector contributes 8 p.c. as against 14.5 p.c. in India to the value added by the manufacturing sector and provides employment to 12 p.c. as against 10 p.c. in India of the total employment in the manufacturing sector. But here again it is to be recalled that Assam's registered industries constitute only 1.7 p.c. of the Indian industries, i.e., Assam's industrial base is slender and hence the role of the small

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sector appears greater although the small industries sector constitute only 1.18 p.c. of the Indian small industries.

Data on the non-registered small scale industries are not available. However, the Directorate of Economics and Statistics had conducted, under an All India scheme, a survey of the 'unorganised sector' of 'small scale industrial units' in the urban areas of the State in 1969-70. This survey is supposed to be a comprehensive one since listing of the industrial units and employment therein was done "through a complete census operation by house to house visit". According to this survey there were 1051 small industrial units employing 5 or more persons each and they had provided employment to 6352 persons in 45 urban areas of present Assam. Besides these, there were other 6146 establishments employing less than 5 persons and the total employment in these was 13028. In other words, the total number of small industrial establishments in the urban areas of the State in 1969-70 was 7197 covering 31 industrial groups like textiles, knitting, canning and preservation of fruits, bakery, saw milling etc., and the total number of employment provided by them was 21380.

5. Department of Economics and Statistics, Report on Survey of Small Scale Industrial Units in the Urban areas of Assam 1969-70, Shillong 1972, pp. 2, 11, 12, 13; Tables 1.1, 1.2 and 5.1. Data on United Khasi and Jaintia Hills, Garo Hills and Nino districts have been excluded by us for showing the data on present Assam.

Interestingly the Directory contains many traditional handloom, bell metal etc. units. Ref. pp. 31-80, 94-96
2. **Cottage Industries**

Besides the small scale sector, there also exists a traditional sector of what is known as household or cottage industries. Paucity of secondary data of these industries poses the most formidable problem in evaluating their role in the economy. Census reports do not provide break-up data on all these industries. In the 1951 Census industries 'such as cottage or Home Industries, Small workshops etc. ... and small mines' in the unorganised sector were grouped as 'small scale'. According to this census there were 350,657 establishments in the Assam plains division and including United Mikir and North Cachar Hills (that is, the present districts of Assam), their number was 356,245. Out of these establishments 11,497 (3.33 per cent) were non-textile and 344,748 were textile units. Employment in the non-textile and textile groups were respectively 26,563 (5.09 per cent) and 491,812 or a total of 518,375 in the Assam plains (break-up data for the United Mikir and North Cachar Hills are not available, but there was no non-textile unit there and textile units were only 5608 and therefore employment in them may be presumed to be at least 5608). 6

The 1961 Census Report, however, shows processed data for 'household industry' and 'manufacturing other than household industries' both of the 1951 and 1961 censuses. According to

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this Report 309,505 and 383,987 persons were engaged in all manufacturing activities excluding mining, quarrying etc., respectively in 1951 and 1961. It may be noted that the number of persons engaged in 1951 in all manufacturing activities as shown in the 1961 Census Report is less than the number of persons engaged in the small industries in the Assam plains division alone as shown in the 1951 Census Report. The discrepancy in the employment data in the two Reports is subject to thorough scrutiny and might be due to transposing the employment data on mining, quarrying, plantations etc. Anyway, manufacturing industries other than household industries had engaged 103,634 persons in 1961 and by subtracting this number from 383,987 persons engaged in all manufacturing activities other than those engaged in mining, quarrying etc., the number of persons engaged in household industries comes to 280,353. With the help of these data the Census Report had commented that household industries in Assam had engaged only 2.4 p.c. of the population of the State as against 2.7 p.c. in India and "these figures do not fail to show that household industries are gradually dying out in Assam." 7


As for the present districts of Assam the total number of persons engaged in household industries was 269,995 as against 98,472 in manufacturing other than household industries. Processed from Table B-1, Economic Tables, Census of India, 1961, vol. III, Part II-B(1), pp. 3, 15
A survey of household industries 'having less than 5 workers' was also done with the help of Industries Extension Officers of the Development Blocks in the then 24 development blocks (there were 150 Development Blocks in 1982) in Assam as a part of the 1961 Census. But tabulation of data has been done in such a cumbersome way that it is difficult to find out the total number of persons engaged in the industries. However, we have processed the data on 15 important industries (out of 57) prevailing in the present districts of the State as shown in tabular form below.

### Table 4.3
Persons engaged in some Household Industries in the Development Blocks, 1961

<table>
<thead>
<tr>
<th>Names of Industries</th>
<th>Persons engaged</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Handloom weaving</td>
<td>452</td>
</tr>
<tr>
<td>2. Pottery</td>
<td>326</td>
</tr>
<tr>
<td>3. Blacksmithy</td>
<td>1198</td>
</tr>
<tr>
<td>4. Gold smithy</td>
<td>800</td>
</tr>
<tr>
<td>5. Bell metal and Brass smithy</td>
<td>291</td>
</tr>
<tr>
<td>6. Tin smithy</td>
<td>33</td>
</tr>
<tr>
<td>7. Bamboo and cane works</td>
<td>17</td>
</tr>
<tr>
<td>8. Carpentry</td>
<td>858</td>
</tr>
<tr>
<td>9. Cart wheel making</td>
<td>36</td>
</tr>
<tr>
<td>10. Musical instruments and articles making</td>
<td>114</td>
</tr>
<tr>
<td>11. Shoe repairing and leather works</td>
<td>186</td>
</tr>
<tr>
<td>12. Umbrella repairing and making</td>
<td>8</td>
</tr>
<tr>
<td>13. Oil seed pressing</td>
<td>47</td>
</tr>
<tr>
<td>14. Agarbati (Incense) making</td>
<td>52</td>
</tr>
<tr>
<td>15. Tailoring</td>
<td>700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5118</strong></td>
</tr>
</tbody>
</table>

The employment data on some of these industries are of doubtful validity, for the total number of persons engaged in handloom units with less than 5 persons has been shown to be only 452. Anyway, out of the total 5118 artisans in the 15 industries listed above, about 59 p.c. were in rural areas and 41 p.c. in the urban areas.

The publication, Selected Handicrafts of Assam, brought out as Part VII-A of the 1961 Census is an attempt at a detailed description about 6 industries, viz., (1) handloom weaving, (2) sericulture, (3) pottery, (4) blacksmith, (5) wood works and carpentry, and (6) bamboo and cane works. But here also employment data of the industries are not provided in a way as expected from a report. It says that the handloom 'provides total and partial employment to nearly 12 lakhs of people' and the number of weavers in the co-operative fold was 1852 while 'full-time weavers' outside the co-operative fold in the plains districts of Assam was 7487 giving a total of 36317 persons. It does not provide employment data on sericulture.

In pottery too the statistical statement shows only 499 workers in the co-operative fold and no all Assam data are provided.

In blacksmithy 'according to the 1961 Census there were 4815 persons engaged ... as full time workers in the state of Assam.'
'According to the 1961 Census the number of persons engaged in carpentry, joining and pattern making (wood) was 20102.

'The total number of bamboo and cane workers in the plains districts of Assam comes to 7922.'

On the basis of data and the conditions of the industries described in the Survey Report, the Census Superintendent concludes in the Preface in the following words: "it may also be noted that although there has been a lot of fanfare about cottage industries in Assam, the fact is that even those industries which used to flourish in the past are now slowly decaying away." 8

The 1971 Census shows only 169,283 persons engaged in manufacturing industries excluding mining and quarrying which engaged 14,621 persons. Out of them 112,598 were engaged in manufacturing other than household industries and only 56,685 were engaged in household industries constituting respectively 2.75 p.c. and 1.39 p.c. of the total workers (4,088,493) in the State. The rural-urban breakups of the 56,685 persons in household industries were respectively 42,774 and 13,911 or 75 and 25 per cent. The rural-urban break-up figures show that every village had on the average only 1.94 persons engaged in household industries in 21,995 inhabited villages.

of the state as against an average of 201.6 persons in each of
the 69 urban areas. The 1971 Census records also, therefore,
shows the same trend, as observed in the 1961 Census report,
of fast declining role of the household industries, particularly
in the rural areas of the State.

The Directorate of Economics and Statistics, Assam,
had also conducted a sample survey of 'Cottage Industries' in Assam in 1954-55 with a 'diagnostic' rather than 'estimating'
purpose in 18 urban and 39 rural areas of Assam plains (and
4 urban and 18 rural areas in the hills). This survey had
listed 72 different types of industries like handloom weaving,
silk rearing and reeling, blacksmithy, brass smithy, bell metal
smithy, oil pressing, furniture making, bamboo and cane works,
pottery, tailoring, chemical works like soap, candle, perfumes,
ink etc. and had found a total number of 27,759 establishments
which employed 62,953 persons. Out of the total establishments
99 p.c. were family units and co-operative or partnership units
constituted only 1 p.c. Among the family units again 64.4 p.c.
had provided subsidiary occupation and only 35.6 p.c. had
provided principal occupation to the families. Likewise 56.5
p.c. of the workers were engaged part time and whole time
workers constituted only 43.5 p.c. of the total workers.
However, the percentage of family workers was very high, viz.,
82.8 as against 17.2 p.c. hired workers.

(Table X.2), p. 110; (Table X.9) and p. 111 (Table X.10)
Among the industries, handloom weaving and silk rearing had preponderance over other industries with 12,000 establishments. Out of 10,191 handloom weaving establishments, 79.2% had provided subsidiary occupation and 79.2% of the handloom workers were employed part-time. This indicates that handloom weaving is mostly domestic and not commercial. It may be noted that the National Sample Survey Organization had also recorded the preponderance of the handloom industry in Assam but it observed that the "gross value of annual production in these establishments are rather low. However, the number of handlooms which was 416,052 in 1951 had increased to 684,076 in 1975-76 according to a survey by the Directorate of Sericulture and Weaving and to about 7 lakhs in 1983 according to a tentative estimate by the Directorate of Handloom and Textiles.

The metallic industries group, viz., blacksmithy, brass and bell metal smithy, goldsmithy etc., had 2965 establishments in 1953-54 according to the Cottage Industries Survey followed by 2228 units of the food group; pottery having 1879 establishments and tailoring with 1797 units. These

* According to the Report of the Textile Enquiry Committee (Kanu Committee), 1954, Assam had 4.5 lakhs handlooms, but all the handlooms except in Salkuchi, Karimganj and Siligiri were domestic and not commercial. Ref. Report, Bengali translation, All India Handloom Board, 1954, pp. 18, 17

10. NSSO, Household Small Scale Manufacturing Establishments, 9th round, 1955, No. 21, 1959, p. 11

industries had provided employment respectively to 3387, 4679, 4487 and 2745 persons.¹²

Besides these there are a host of other industries like cart wheel making, boat making, production of handloom accessories, fishing net making, umbrella making, bedding requisites making etc.

The Assam Khadi and Village Industries Board has also been sponsoring some of the 'Khadi and village industries or cottage/household industries in some urban and mostly in the rural areas. Employment created and income generated by these industries throw some light on their role. The following table gives employment data.

Table 4.4

Employment in some Industries under the Khadi and Village Industries Board

<table>
<thead>
<tr>
<th>Name of Industries</th>
<th>1964-65</th>
<th>1974-75</th>
<th>1980-81</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Khadi programme</td>
<td>3,879</td>
<td>13,659</td>
<td>22,298</td>
</tr>
<tr>
<td>2. Handpounding of Rice and other cereals</td>
<td>7,412</td>
<td>1,769</td>
<td>405</td>
</tr>
<tr>
<td>3. Village oil pressing</td>
<td>394</td>
<td>560</td>
<td>48%</td>
</tr>
<tr>
<td>4. Village pottery</td>
<td>1,288</td>
<td>6,195</td>
<td>14,363</td>
</tr>
</tbody>
</table>

The list of industries above is, however, not exhaustive, for employment data of some industries is not shown in the Reports and at the same time while the Board has undertaken some new industries like dyeing and printing, it has also dropped certain other industries. Also while the 1980-81 Report shows separately programmes for the Hill Areas, earlier Reports do not give such break-up data. Anyway, employment in the industries is not regular, there are some whole time workers and some part time workers on wage basis and since the programmes are employment oriented mostly in the rural areas artisans are not subject to any type of

Table A.4 (Contd)

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td>Bee Keeping</td>
<td>4,639</td>
<td>19,400</td>
<td>N.A.</td>
</tr>
<tr>
<td>6.</td>
<td>Gur and Khandasari</td>
<td>1,818</td>
<td>8,117</td>
<td>7,550</td>
</tr>
<tr>
<td>7.</td>
<td>Hand Made Paper</td>
<td>16</td>
<td>61</td>
<td>28</td>
</tr>
<tr>
<td>8.</td>
<td>Cottage Match</td>
<td>119</td>
<td>73</td>
<td>43</td>
</tr>
<tr>
<td>9.</td>
<td>Village Leather</td>
<td>8</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>10.</td>
<td>Palm Gur</td>
<td>60</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>11.</td>
<td>Soap Making</td>
<td>3</td>
<td>9</td>
<td>46</td>
</tr>
<tr>
<td>12.</td>
<td>Blacksmithy and Carpentry</td>
<td>N.A.</td>
<td>97</td>
<td>75</td>
</tr>
<tr>
<td>13.</td>
<td>Dyeing and Printing</td>
<td>N.A.</td>
<td>N.A.</td>
<td>16</td>
</tr>
<tr>
<td>14.</td>
<td>Cane and Bamboo</td>
<td>N.A.</td>
<td>168</td>
<td>394</td>
</tr>
</tbody>
</table>

Source: Processed from Annual Reports, Assam Khadi and Village Industries Board, 1964-65, 1974-75 and 1980-81;
N.A. = Not available
industrial regulation nor do they get any benefit other than the amount of wages. Employment under all the programmes of the Board, although has increased from 48,000 in 1974-75 to 62,032 in 1980-81 including the part time workers, in certain industries like handpounding of rice and other cereals it is gradually declining due mainly to "increasing number of hullers/rice mills" as seen in the table. As regards income generated among the artisans, the Reports do not provide break-up data on whole time and part time workers in all the industries. 10,675 spinners received Rs. 782,267 in 1980-81 which worked out, comes to an annual average of about Rs. 72. Likewise Rs. 505,340 were paid as wages among 2861 weavers in the same year, i.e., an average of about Rs. 177 per annum. The income of pottery is also quite negligible, about Rs. 87 per annum. It may be supposed, however, that the income of the whole time artisans and in certain industries is somewhat better. For example, in the Ghani industry the monthly income of a whole time artisan works out at about Rs. 286 (Rs. 810,302 were paid as wages to 274 whole time artisans) while that of the part time artisans come to about Rs. 125 per month (210 part time artisans received Rs. 3,15,380) while in hand made paper industry monthly income of the whole time workers is about Rs. 64 (Rs. 21,556 for 28 workers) in the same year.13 The income data show that rural artisan's income is very meagre, this income may supplement family income, but by itself

it cannot support even the artisan himself, leave aside the family for a decent living. This is of course the case of the wage artisans under the Board and it does not reflect the income of the independent artisans or other wage workers under other employers which we shall explain in our case studies.

3. The Rural Scene

There are many industries, as shown by the 'Cottage Industries' survey, at the cottage level in the rural areas in Assam. The 1971 Census shows that household industries in the rural areas had provided employment to 42774 persons or 1.17% of the rural workers as against 3.55% (19911 persons) of the urban workers. For analysing their role we have done some case studies which will be explained in detail in the subsequent chapters. Here in this section we shall simply refer to them. But before this we may also utilise the findings of some other case studies in recent years.

The Agro-Economic Research Centre for North East India, Jorhat, had conducted several village surveys and resurveys in Assam. These surveys reveal the gradually declining importance of village and cottage industries as a source of either employment or income generation for the rural population. For example, Dispur, a village in the outskirts of Guwahati (now extinct owing to the establishment of the

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14. Goswami, P.C., Dispur, A Study in Rural Change in Assam, AERC, Jorhat, 1967, pp. 4-5, 85, 86
temporary capital of Assam) had only throw shuttle handlooms as domestic industry which engaged the tribal women folk in their spare time. These women artisans had woven their domestic clothes but "the return per family is very insignificant" and was declining over time; it contributed only 1.31 p.c. to family income in 1955 and decreased to 0.89 p.c. in 1961.

In the Mikir society in the Karbi Anglong and North Cachar Hills districts, the only village industry in 1960 was the most labour intensive traditional handloom "without the mechanism of shuttles". The Mikir women weave traditional clothes in their spare time. However, during the second survey of the village Kanther Terrang in 1965 cotton and Kri spinning and weaving at home, although meagre in quantity were found to be increasingly popular. But one of the notable features of the changes that was taking place in the village between the two time point surveys was that villagers were "much more inclined towards will made clothes." 15

In the Khomajan 16 village in the Lakhimpur district, out of 70 families consisting of Nepalis, ex-tea garden labourers, immigrant Hindus and Muslims and indigenous Assamese, there were only five handlooms in five Assamese families and they were also used for domestic purpose alone. Contribution by


these handlooms to family income was quite negligible, e.g.,
0.07 p.c. in 1963.

There was found no cottage industry at all in village
Chaliha gaon17 in the Sibsagar district near Jorhat in the year
1964 when the village was surveyed.

The plain tribal population of the Nam Deuri village18
near Jorhat had in 1979-80 only one household industry of
importance, viz., handloom and that too for domestic purpose
and "carpentry works and silk rearing" although done by some
family members "are not of much importance".

Among the Mishing Tribal community of the Namoni
Bor pomus19 in Majuli, the largest river island, weaving in the
throw shuttle loom and Eri silk rearing were found to be
subsidiary and spare time occupation of the housewives. Income
contributed by these household industries to the family income
had slightly increased over time from 5.37 p.c. in 1975 to
5.60 p.c. in 1982.

The ex-tea garden labour community consisting of
about 15 lakh persons constituting about 10.2 p.c. of the
state's population in 1971 was conspicuous by the absence of

artisan group among them. A case study showed that 52.3 p.c. of the population were self-employed in agriculture and allied activities while 47.3 p.c. were wage earning workers and only 0.3 p.c. were in salaried jobs.

The case of Chotahaibor, an immigrant village near Nowgong, however, stands on a different footing. The two time point surveys of the village showed that the contribution of art and crafts to total family income had increased from 9.87 p.c. in 1956 to 12.47 p.c. in 1962. This increase in income from cottage industries was due to the expansion of Chittaranjan looms among the Hindu immigrant families from 18 to 83 during the 7 year period. It is interesting to note that while the immigrants had expanded their Chittaranjan looms, the indigenous Assamese had clung to the out moded throw and fly shuttle handlooms which increased from 15 to only 18, that is, practical demonstration also could have little impact on changing the technique of production among the indigenous population. However, other artisans in the village were only a few; there were only 6 goldsmiths and one blacksmith among 277 families.

The Planning and Development Department of the Government of Assam had also done some micro-level studies in


Gaon Panchayat areas with a view to drawing up plans and programmes and setting strategies for rural development. According to 5 Gaon Panchayat studies, the only industry of importance found in the areas was household handloom, followed by pottery, bamboo and cane works, carpentry and tailoring. But all these industries except carpentry and tailoring had provided only subsidiary occupation and the total number of persons engaged in all these industries was less than 2 p.c. of the working population. What is more, most of the household industries barring 7 Chittaranjan looms run on commercial basis by the immigrants in Naobaiche Gaon Panchayat in the Lakhimpur district were "found not remunerative".

Our own case studies give two different pictures for two different sets of localities. Sualkuchi, Hajo and Sarthebari are semi-urban areas with industrial concentration. Ramdia has also concentration of certain industries. In Sualkuchi 15 different industries were found and among them silk weaving in the fly shuttle handloom had preponderance over all other industries. Hajo and Sarthebari had specialisation respectively in Brass and Bell metal smithy. The number of other industries was 16 in Hajo and 10 in

22. Planning and Development Department, Government of Assam,
   (1) Pub-Tamulpur Gaon Panchayat, Kamrup, 1978, pp.30,43
   (iii) Bogdung G.P., Dibrugarh, 1978, pp. 18-19
   (v) Naobaiche G.P., Lakhimpur, 1978, pp. 11, 43
Sarthebari. Ramdia had 12 different industries. In these areas handleon (in Sualkuch alone), brass smithy, bell metal smithy, blacksmithy, goldsmithy, tailoring and pottery of the traditional group had provided whole time occupation to the artisans.

But, while the number of handlooms in Sualkuch, the silk production centre in Assam, had sizably increased the number of goldsmithy and pottery units had decreased. The total number of establishments of all the industries had, however, increased from 1453 in 1970 to 1773 in 1980.

In Sarthebari the number of units of the one time famous bell metal industry had fallen from 65 in 1971 to 49 in 1981. But the total number of establishments of all the 11 industries had expanded from 107 to 130 during the period.

The case study of Hajo also shows the decline of the once famous brass metal industry from 83 units in 1971 to 59 units in 1981 although the total units of 19 industries had risen from 164 to 183 during the period.

In Ramdia too although the total establishments had increased from 140 in 1971 to 729 in 1981, the number of establishments of the traditional industries like Ghani, blacksmithy and goldsmithy had decreased.

But the rural scene in 5 other villages under the Hajo Development Block becomes quite different from the above mentioned cases. In these villages the only industry commonly found is the domestic handloom. The number of commercial
handlooms supplementing domestic income had of course, increased slightly in three villages due to their nearness either to Smalkushi, the handloom centre in the state or to the establishment of production centres by the Khadi and Village Industries Board in the neighbouring area. But here also the importance of the traditional pottery industry found in one village shows a decline and the male workers formerly engaged in the pottery trade have turned to daily wage workers. On the whole, industries providing whole time occupation and/or main source of income are non-existent in these villages.

Handloom and pottery provide subsidiary occupation to a section of the women folk. Cotton spinning was not found in any of the villages during the first visit (in 1971), but during our second visit (in 1981) cotton spinning in the Ambar Char, by a few female workers was found in the Khadi production centre at Mejo. Although cotton spinning is a forgotten profession now in the villages, sericulture is still providing a source of income in 6910 villages in Assam. According to the Directorate of Sericulture and Weaving, 58943 families were engaged in Eri/Endi, 5995 in Huga and 19420 in Pat rearing, reeling and spinning in 1980-81. This also shows a decline of the activities from 8669 villages and 161,152 families engaged in 1975-76 as per a survey by the same Directorate.

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It follows from all the case studies that cottage industries, or to be more specific, domestic industries which were subsidiaries to agriculture in the past till the turn of the present century with a few exceptions of pottery, goldsmithy, brass and bell metal smithy and blacksmithy where division of labour by vocation existed, are losing their ground, gradually decaying and dying. The case studies show that the only cottage industry of importance in the rural areas is handloom which also provide subsidiary occupation to some family members. Next in importance are pottery, goldsmithy and black smithy. These industries are also decaying, for they do not provide a remunerative income besides being sweating. In the face of this dismal picture of cottage industries in rural Assam, the only encouraging aspects is that in recent times modern small scale industries like rice, huller, Atta chaki (small flour mills), power driven oil expellers, printing presses for job works, pedal and Chittaranjan looms, repairing and servicing units like bicycle, radio, wrist watches, bakery and soap making units etc. are percolating to the rural areas. Still, however, employment avenues for the rural population in the secondary and tertiary sectors are not expanding in proportion to the increase in rural population on the one side and decay of traditional industries on the other.
4. Non-Agricultural Establishments

The findings of the Economic Census of the non-agricultural establishments with one or more hired workers (excluding own-account establishments run by family labour) done in 1977 by the State Directorate of Economics and Statistics under the auspices of the Central Statistical Organization also show (Tables 4.5(A) and 4.6(B) below) the same trend of poor number of establishments in the rural areas in comparison with rural population.

**Table 4.5(A)**

<table>
<thead>
<tr>
<th>Type of establishments</th>
<th>Rural</th>
<th>Urban</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mining and Quarrying</td>
<td>118</td>
<td>68</td>
<td>186</td>
</tr>
<tr>
<td>2. Manufacturing</td>
<td>7304</td>
<td>6509</td>
<td>13813</td>
</tr>
<tr>
<td>3. Electricity, Gas and Water supply</td>
<td>180</td>
<td>119</td>
<td>299</td>
</tr>
<tr>
<td>4. Construction</td>
<td>243</td>
<td>206</td>
<td>449</td>
</tr>
<tr>
<td>5. Wholesale and Retail Trade</td>
<td>10708</td>
<td>11020</td>
<td>21728</td>
</tr>
<tr>
<td>6. Restaurants and Hotels</td>
<td>3829</td>
<td>5321</td>
<td>7150</td>
</tr>
<tr>
<td>7. Transport</td>
<td>1379</td>
<td>928</td>
<td>2307</td>
</tr>
<tr>
<td>8. Storage and Warehousing</td>
<td>96</td>
<td>132</td>
<td>228</td>
</tr>
<tr>
<td>9. Communications</td>
<td>1746</td>
<td>214</td>
<td>1960</td>
</tr>
<tr>
<td>10. Financing services like banks</td>
<td>393</td>
<td>573</td>
<td>966</td>
</tr>
<tr>
<td>11. Services, Social &amp; Personnel</td>
<td>44261</td>
<td>6324</td>
<td>50585</td>
</tr>
</tbody>
</table>

All Activities | 70857 | 29414 | 99671  
(70.49%)     (29.51%) (100%)

Source: As mentioned in the following table (Table 4.6(B))

24. Directorate of Economics and Statistics, Economic Census 1977, Assam, Provisional Results, p. 2 (date of publication not mentioned)
Table 4.6(B)
Employment in Non-Agricultural Establishments, 1977

<table>
<thead>
<tr>
<th>Types of establishments</th>
<th>Rural workers</th>
<th>Urban workers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mining and Quarrying</td>
<td>6120</td>
<td>3544</td>
<td>11664</td>
</tr>
<tr>
<td>2. Manufacturing</td>
<td>227632</td>
<td>50789</td>
<td>278421</td>
</tr>
<tr>
<td>3. Electricity, Gas &amp; Water</td>
<td>4328</td>
<td>5585</td>
<td>9913</td>
</tr>
<tr>
<td>4. Construction</td>
<td>4342</td>
<td>3127</td>
<td>7469</td>
</tr>
<tr>
<td>5. Wholesale and Retail Trade</td>
<td>35084</td>
<td>42121</td>
<td>77205</td>
</tr>
<tr>
<td>6. Restaurants and Hotels</td>
<td>13060</td>
<td>15421</td>
<td>28481</td>
</tr>
<tr>
<td>7. Transport</td>
<td>12685</td>
<td>11878</td>
<td>24503</td>
</tr>
<tr>
<td>8. Storage and Warehousing</td>
<td>699</td>
<td>1216</td>
<td>1915</td>
</tr>
<tr>
<td>9. Communications</td>
<td>4928</td>
<td>5229</td>
<td>10157</td>
</tr>
<tr>
<td>10. Financing services</td>
<td>10736</td>
<td>9821</td>
<td>20577</td>
</tr>
<tr>
<td>11. Services, Social etc.</td>
<td>195415</td>
<td>181976</td>
<td>317391</td>
</tr>
<tr>
<td>All activities</td>
<td>516969</td>
<td>870707</td>
<td>1387696</td>
</tr>
</tbody>
</table>

(Provisional Results show 101968 establishments and 813901 workers).

Table 4.5(A) shows that out of 99671 non-agricultural establishments in 1977, the secondary sector, vis., mining and quarrying, manufacturing and construction together contained only 14448 units or nearly 14.5 p.e. of the total establishments. The number of establishments of the secondary sector in the rural areas was 7665, that is, about 53.05 p.e. as against
46.95 p.c. in 69 urban areas. Considered in the context 22 thousand villages inhabited by 91 p.c. of the population, rural establishments are very far and few; there exists on an average only one establishment among 2.8 villages. The position becomes still worse when the manufacturing units alone are taken into account, that is, only one establishment is found among 3 villages.

In terms of employment, rural establishments in the secondary sector employed 240094 persons or 80.6 p.c. of the total 297354 persons engaged in this sector. The average employment in the secondary sector per village is about 11 persons as against nearly 833 persons in an urban area with a total of 57460 persons employed in 69 urban areas. No doubt, the position is found somewhat improved vis-a-vis the number of cottage establishments in the rural areas, but employment of 11 persons per village containing on the average 606 persons is not encouraging at all, it comes to less than 2 p.c. of the total population, almost equal to the percentage engaged in cottage industries.

Again out of 65823 tertiary establishments, 62592 or 73.6 p.c. were in the rural areas and they provided employment to 268239 persons or about 54.7 p.c. of the total 490142 persons engaged in this sector. This shows that every village had on the average only 2.8 tertiary units which had employed on an average about 12 persons per village as against about 327 establishments and more than 3010 employees per urban area on the average.
The rural areas had, however, 70.49 p.c. of all the non-agricultural establishments, i.e., one village on average contained 3.1 units and employed 516989 or about 65.63 p.c. of the total 787696 persons or 23.4 persons per village or 3.8 p.c. of the population. It may be noted that wholesale and retail trade, and hotels and restaurants in the rural areas numbered 14537 or more than 20.6 p.c. of the rural establishments and they had provided employment to as many as 48144 persons or 2.11 persons per village. Data regarding rural savings invested in these establishments are not available, but whatever might be the amount, this has been diverted to what economists call "zero-sum" games which do not add to aggregate resources and had this amount been diverted to some "positive-sum" games of industry, perhaps the rural scene would have improved a bit. But this is not the case in rural areas alone, in the urban areas too these establishments constitute about 48.7 p.c. of the urban establishments and urban savings have been invested in these zero-sum games besides in the purchase of land and construction of costly buildings. This shows that the rural community has entered, in conjunction with their urban counterparts, the threshold of commercial enterprise. For diverting the savings from zero-sum to positive sum games it is necessary to change the social milieu both in the rural and urban areas and this can be done

by a process of persuasion, incentive and character building
through a system of education from early life.

Anyway, it follows from the data cited above that
while all the non-agricultural establishments provide
employment to about 3.8 p.c. of the rural population, the
secondary sector as a whole employs 1.8 p.c. and the
manufacturing sector by itself provides employment to only 1.7
p.c. of the total population of 606 of an average Assam
village. The Economic Census findings also conform more or
less with the findings of the rural surveys by the Agro-
Economic Research Centre, Jorhat, the Planning and Development
Wing of the Government of Assam as well as of the present
researcher. These findings show that rural conditions in
terms of small and cottage industries have not improved over
the past rather are deteriorating.

As regards income generation by the small scale and
cottage industries, break-up data are not available. The
Directorate of Economics and Statistics, Assam has lumped
together the income generated by this sector under the heading
"small enterprises". According to this division, out of
total state income of Rs. 254.4 crores, small enterprises
contributed Rs. 15.8 crores or 6.2 p.c. in 1950-51. In 1960-61
its share in total state income was Rs. 27.9 crores or 7.7 p.c.

and Statistical Handbook, 1981, p. 311
of Rs. 365.5 crores. This shows an improvement over the past
decade by 1.5 percentage points. But in 1970-71 the position
had slid down to 5.6 p.c. with Rs. 41.8 crores out of the
state income of Rs. 751.2 crores. In 1980-81, the percentage
share had further declined to 2.7 p.c. with Rs. 66.1 crores
added by small enterprises to the state income of Rs. 2406.0
crores. Thus the percentage share of the small and cottage
industries to the state income also shows the same declining
trend over the last three decades from 1950-51.

5. Conclusions

The analysis in the last and the present chapters
shows that Assam had a very good industrial base in the
medieval and post-medieval periods. No doubt division of
labour and specialisation functions as found in modern
industrial societies had not developed till the turn of the
present century, may, even up to this period in the rural
areas. Cottage industries in the rural areas are mostly run
in conjunction with agricultural activities and they supplement
agricultural income. Yet some industries like metal smithies,
pottery, oil pressing, carpentry, tailoring etc. provide the
principal source of income to a section of the population in
both urban and rural areas. But most of the traditional
industries are declining and decaying. While household
industries had supported 2.4 p.c. of the population of the
state in 1961, their role had slid down to engage only 0.39
p.c. of the population in 1971. These data show that
traditional artisans have progressively been thrown out of employment.

The decay of certain industries by itself has little importance save some sentimental or nostalgic values. Importance of industries lies in their impact on the economic life of the people, primarily in their role in providing employment and generating income among the persons directly connected with them, and secondly in their backward and forward linkages in creating moments for generating further employment, income and economic surplus for capital formation. In this context the decay of the traditional industries in particular and the traditional sectors of the economy in general is not a matter of concern at all provided a modern sector emerges to replace the old and the section of the population thrown out of employment is shifted to the new one. In Assam modern large and small industries are, no doubt, growing side by side with the growth of the tertiary sector and provision for employment is also on the increase. But the rate of growth of employment in the modern industries sector has not kept pace with the rate at which artisans have been thrown out of employment from the traditional industries on the one side and increase in population of the state on the other (population during the last three decades has increased from 8,028,656 in 1951 to 19,896,943 in 1981, i.e., by 11,867,987

* The 1951 population has been adjusted to the present area of the state in the 1971 Census Report, Table III, p. 60
As a result pressure of population on land has been constantly increasing; the percentage of population dependent on the primary sector has risen from 73.33 in 1951 to 76.69 in 1971; the average size of an operational holding has declined from 1.47 hectares in 1970-71 to 1.37 hectares in 1976-77 in spite of expansion in gross cropped area from 27.9 lakh hectares to 33.1 lakh hectares during the period. What is perhaps more important to note, the percentage of rural population living below the poverty line has gone up from 47.67 in 1960-61 according to an estimate by Prof. Dandekar and Rath to 52.65 in 1977-78 as per an estimate by the Planning Commission as against the All India percentages of 38 and 50.82 respectively in the reference years.

In the above context a programme for amelioration of poverty in the state seems to be the utmost necessity. No doubt, eradication of poverty is primarily a question of political will to bring about a qualitative change in the socio-economic structure of the economy; but measures may be taken even within the constraints of the present social system.

27. Economic Survey, Assam, 1980-81, p. 3

28. (i) Dandekar, V.M, and Rath, Nilakantha, Poverty in India, (Part I) article in Economic and Political Weekly, January 2, 1971, Table 1.5, p. 29

(ii) Sixth Five Year Plan 1980-85, Annexure 1.12, p. 16

Urban population below poverty line were respectively 23.37 and 37.57 as against All India 30.92 and 38.19 in the years. Ibid.
Such measures consist of an integrated programme for development of agriculture, industry, infrastructures and other services combined with transfer of technology to the remotest corner of the country. Development of ancillaries and small scale industries in the countryside as transmission grids of nuclear plants needed to be set up in an industrially backward state like Assam is a vital necessity for creating avenues for gainful employment. For the traditional industries measures may be taken to upgrade the skills of the traditional artisans as well as to adapt their products through improved techniques with a view to cater to the emerging changed habits, tastes and fashions of the modern consumers. Some of the domestic industries like the domestic handloom may be activated and commercialised; the handloom artisans may also be persuaded through financial support to switch over to semi-automatic and automatic looms with a view to raising their productivity and reducing drudgery. Likewise the village potter may be encouraged to use energised potters' wheels as has been done recently in Tamil Nadu. The rural youth may be motivated and trained up for starting raw material, skill and/or demand based modern small industries by providing institutional finance combined with technical guidance. All this calls for a change in the social milieu from top to bottom.

39. How Technology Helps the Poor? Unsigned article in "Yojana, January 26, "Special Issue on Taking Technology to the Poor,"