DEVELOPMENT PLANNING AND POLICY MEASURES IN ASSAM
CHAPTER VII

DEVELOPMENT PLANNING AND POLICY

MEASURES IN ASSAM

7.1 The objective of planning is to plan for the effective and balanced utilization of resources at hand. But the affair is not that simple as it appears to be because the course of resource mobilization and its effective and balanced utilization in terms of resource allocation is loaded with political overtone and the socio economic climate of the region. "Priorities in allocation of fund for urban and rural sectors, for industrialization, agriculture, health, education, etc. are dependent primarily upon the policy of the political leadership. The policy and the political leadership, on the other hand, is influenced by the nature of elite group from which the leadership emanates. [Das Gupta, P. K. (1983), P.56.]

India launched the process of development through planning since 1951. The principal objectives of India's five year plans are economic growth and social justice which includes progressive reduction in inequality in income and wealth and also in disparities in regional development. There is, no doubt, that during the period of five decades of economic planning, the country has been able to make remarkable achievements in various sectors of the economy. But most of these achievements are more or less on the macro level and when we come down to the micro level or to be specific, to the state or district level or to levels further down, much is yet to be done to achieve a meaningful economic development based on social justice. One of the glaring failures of Indian Planning is the non-fulfillment of the objective of balanced regional development. The problem has rather aggravated over the years. The widening disparity in the regional development constitutes an important factor causing poverty and deprivation for an increasingly large section of people and thus generating social tension and political unrest. Because of the
working of long term forces—historical, geographical, political, sociological and economic, some regions of the country have achieved faster and higher rates of growth, while some other regions have registered a slow and tardy growth rate. The states of North-Eastern Region are typical cases of the latter type of regions. It is not only that the whole region has remained at the stage of relative backwardness in spite of five decades of economic planning, but also there are glaring inter-state differences in economic development in the region as well as inter-district disparities in economic development within a state.

The North Eastern Council (N.E.C) emerges as an effective regional planning authority looking after the balanced development of all the constituent units of the north eastern region. But only blanket measure for all the units will not bring about economic development for all the states of the region and all the districts within a state. A package of measures specific for each area should be there so that the state as a whole might develop evenly.

In a vast agricultural country like India, there are naturally different levels of economic development which can be identified as economically backward regions, districts, sub-divisions, blocks and villages. These units can plan separately to achieve the balanced economic growth. "For large scale participation of people in planning exercise it is necessary to draft and implement the plan from below (local level). Each state plan should be divided into different district, sub-division, block and panchayat level units and each unit should be allowed to fix their target in order to achieve the desired goal". [Dutta Kartick Ch. (1983), P.142.]

A historical review of the planning process in India shows that there has been attempts in the past to draw up development plans for districts and blocks as well as production plans for villages. During the formulation of the 5th Five Year Plan also it was recognized that a more overview of problems of states or the application of generalized solutions is unlikely to lead to the desired results in areas with significantly different resource endowments,
infrastructure, settlement pattern and production relations. The Planning Commission thus accepted the principle of multilevel planning by constituting State Planning Board and District Planning Cells (sub-divisional level in Assam) to plan from below. "But for future action, it may be made clear that there can be no meaningful district planning unless there is some scope for decision making at district level. [Reddy (1979), P. 149.]

In the state, local planning for balanced development failed due to lack of commitment on the part of departmental heads and absence of local level co-ordination among the different departments. So it is necessary to set up inter-departmental development committees at district and sub-divisional level under the leadership of a senior officer of the planning department to guide, scrutinize and later finalize the plans.

The planners, both at the state and central level streamlined the investment on a national pattern, without giving rational consideration to the local needs and aspirations of the people, living under varieties of physical, ecological and social situations. The plans ought to have delivered the goods to the districts in accordance with the level of socio-economic development. The socio-economic differences are the root of the differences in the level of development. "The success of a plan does not depend upon the quantum of investment alone, but to a greater extent on the acceptance of the schemes by the people for whom it is meant and their unconditional participation. This is the area where lacuna of the present planning process lies, the ideology enshrined in the planning principle does not motivate the people in general to participate in the development process." [Barthakur M. (1983), P. 165.]

"An important development taking place in Assam is decentralization of the planning process. A two-tier Panchayati Raj system came into force under Assam Panchayati Raj Act. 1972. A three-tier system has now been provided under the Act of 1986 which consists of mahakuma parishad, anchalik panchayat and gram panchayat. The organizational set up consists basically
of sub-divisional planning and development councils in the plains districts and core groups at the district level. The core group prepares plan and puts them up before the sub divisional planning and development councils. These plans then go to the appropriate departments”. [Raman, 1991]

Although the organizational set up of the planning process seems to be very sound yet the success will depend on the sincere implementation of the programmes at various levels.

7.2 Agricultural Policy Measures:

The economy of Assam is mainly dependent on agriculture. About 70 per cent of the total population of the state are getting their means of livelihood from agricultural sector. As per 1991 census, 64 per cent of the total workforce in Assam are agricultural workers.

Since the Third Five Year Plan onwards, Green Revolution or New Agricultural strategy was adopted in India in a restricted manner. It is only since eighties that Assam started to experience the adoption of new agricultural strategy with the growing use of HYV seeds, chemical fertilizers, modern implements etc. to a limited extent only. The following are some of the impacts of Green Revolution on the agriculture of Assam.

7.2.1 Area Under HYV Paddy:

In rice (HYV) the replacement rate is kept low in the initial years because the farmers generally keep seed from the best part of their plots and harvest the desired variety which is stored after proper drying. Although late, but due to adoption of new agricultural policy, the area under HYV paddy in Assam gradually increased from 2.87 lakh hectares in 1975-76 to 11.44 lakh hectares in 1993-94 and further to 12.47 lakh hectares in 1997-98 which
amounts to 45 per cent of net sown area of the state.

7.2.2 Consumption of Chemical Fertilizer:

With the adoption of new agricultural strategy, the consumption of fertilizer by the agricultural sector of the state is gradually on increasing trend. Total consumption of fertilizer in Assam has thus gradually increased from a mere 3.48 thousand tonnes in 1975-76 to 43.17 thousand tonnes in 1993-94. In 1997-98, total consumption of fertilizer is 71.25 thousand tonnes (for both Ravi and Kharif crops) which accounts for consumption of almost 18 kg per hectare. Some new statistics reveals that during 1998-99 it was 21.1 kg per hectare against the target of 35 kg per hectare whereas consumption during 1999-2000 was 29.3 against the target of 40 kg per hectare. With a view to achieve the target of 45 kg per hectare during 2000-2001, the Govt. has laid emphasis up on availability of fertilizer at any point of time. All the manufacturers are requested to stock pile of fertilizer at their different buffer points so that no district / sub-division suffer from scarcity of fertilizer in the peak season of crop cultivation. Moreover all the District Agriculture Officers (DAO) are instructed to gear up the extension machineries to keep strict vigil on availability of fertilizer at different whole sellers / retailers.

Assam State Agricultural Marketing Board (ASAMB) has been permitted by the Govt. to deal in fertilizer business in the state in addition to the state agencies like STATFED and Assam Agro-Industries Development Corporation Ltd. The ASAMB will handle fertilizer business through their various regulated market committees. [Seminar Papers on green revolution in Assam, 2000].

7.2.3 Yield Rate:

With the introduction of new agricultural strategy to a limited range along with the adoption of hybrid seeds, chemical fertilizers and expansion of irrigation facilities, the average yield per hectare of some principal crops
started to show some positive results. The average yield per hectare of winter rice has increased from 1046 kgs in 1960-61 to 1472 kgs in 1994-95. The average yield of wheat per hectare in Assam has also increased from 824 kgs. In 1960-61 to 1290 kgs in 1994-95 and further to 1332 kgs. in 1996-97. The average yield per hectare of potato has increased from 4784 kgs. in 1960-61 to 7854 kgs in 1994-95. Other important crops which recorded rise in productivity includes jute, sugarcane and rape and mustard.

7.2.4 Increase in Production:

With the adoption of the new strategy, total production of foodgrain in the state of Assam gradually increased from 16.79 lakh tonns in 1960-61 to 34.90 lakh tonns in 1994-95 and 35.77 lakh tonns in 1997-98. During 1997-98 the production of foodgrains shows a very marginal increase of 1.3 per cent over the previous year.

7.2.5 Multiple Cropping System:

With the adoption of the new strategy, the farmers in the state started to adopt multiple cropping system in agricultural operations. This has resulted increase in agricultural production and has also enlarged the employment opportunities for the farm labourers. With the expansion of irrigation facilities within the state, more and more areas can be brought under the multiple cropping system, which would go a long way to benefit the farmers of the state.

7.2.6 Irrigation:

Investment to large scale irrigation system over the years in the state have not shown much contributing results. Given the increasing difficulty and time needed to raise rice yields, a major thrust for cost effective expansion of irrigated area and generating technology for higher rice yields has been given during the current plan period. The target set is 10.00 lakh hectares of assured irrigation by installation of quick maturing irrigation project with
coverage of 2 to 2.2 hectares per unit of Shallow Tube wells (STW) and LLP. In order to achieve the target, assured irrigation facilities need to be increased from the present level of 2.24 lakh hectares by an additional area of 7.76 lakh hectares so as to reach the targeted total of 10 lakh hectares by the end of 9th plan.

The period spanning between independence till 1995-96 records an incipient number of 61,428 of STW installed throughout the state. The year after i.e. 1996-97 marked the watershed in the history of STW in the state when a thrust was given to sinking STW in a large scale as a mean of providing assured irrigation to the farming community. Financial assistance was availed of from the World Bank and NABARD with the result that an additional number of 62,250 STW were installed till March, 2000. Another 70,000 STW under NABARD are expected to be installed by May 2000 and 15,000 under World Bank by March 2001 during which time a total number of 1,47,250 STW would have been installed providing assured irrigation to 2,94,500 hectares. The irrigation network so provided is vital for growing Rabi crops, specially Summer Rice and will pave the way for increased rice production in the state.

7.2.7 Intra-State Imbalance:

"The adoption of the new strategy of green revolution has been widening the agricultural disparities between different district of the state of Assam. The districts like Marigaon, Nagaon, Barpeta, Nalbari and Darrang have been progressing at a quicker pace in respect of modernization as compared to other districts like Dhemaji, N. C. Hills, Cachar, Lakhimpur etc. leading to alarming disparities between different districts of the state." [Dhar, P. K. (1998), P.129.]

Adoption of modern technology or method is known as modernization of agriculture or transfer of technology in agriculture. Transfer of technology in agriculture in the state is progressing at a very slow pace. Adoption of the
strategy of green revolution could not make much headway in Assam even at this later stage. There are certain major obstacles responsible for the slow pace of technology transfer in agriculture in the state. Some of them are – absence of sufficient assured irrigation, small size of agricultural holdings, limited use of HYV seeds, scanty use of chemical fertilizer, lack of adequate finance, natural problems like flood, lack of agricultural research and last but not the least – lack of motivation on the part of farmers and educated youths.

7.2.8 Land Reform in Assam:

Land is one of the basic inputs for production in agriculture and allied activities. Thus to remodel the existing agrarian structure, reform of the present land system is an important step. The economy of Assam is totally dependent on agriculture. The land tenure system in Assam was not at all satisfactory. The system of land holding stood in a way of agricultural development of the state. Thus the Government of Assam introduced various land reform measures in the state during different years since independence. The main purpose of such land reforms would be to alter the pattern of land ownership and bring about such a structural change in the rural society as to ensure the fruits of production are equitably enjoyed by those who toil in the agricultural land. Some of these measures include – Abolition of intermediary tenures, Protection to Adhiars, Preparation of Tenants' and Adhiars' Records of Rights, Protection to tribal people, Consolidation of holdings and Land ceiling etc. But due to faults in legislation, lack of political will, bureaucratic hurdles and lack of people's co-operation the response from land reform programme in Assam which was started with good spirit and enthusiasm was lost in the mid-stream.

Globalization of the economy and economic reforms introduced in the country have also widened the scope of development of agriculture sector along with the development of industry and trade. Assam being an agricultural state can reap the maximum benefit exporting various agricultural, horticultural and floricultural products to different countries. For this some
modifications of land reform in view of ongoing economic reform are the urgent need of the hour.

7.2.9 Programmes for increasing agricultural production and productivity: (1995-96)

The department of agriculture have taken up 48 state plan schemes, 20 Central Sector Schemes and 7 Centrally Sponsored Schemes providing thrust on -

a) Irrigation and water management,
b) Machanisation,
c) Quality Input supply,
d) Training and transfer of technology.

Centrally sponsored schemes:
1. National pulse development programme,
2. Spl. Jute development programme (100%),
3. Oil seed production programme (75% 25%),
4. Integrated cereal development programme (75% 25%),
5. NWDPRA (100%),
6. Control of pest and diseases (50% 50%),
7. I. P. M. (100%).

Central Sector Schemes:
1. Minikit demonstration of wheat,
2. Minikit demonstration of Maize,
3. Promotion of Agril. Mechanisation,
4. Integrated programme for development of spices,
5. Development of horticulture in temperate region,
6. Development of Arecanut,
7. Establishment of nutritional garden,
8. Integrated development of tropical and arid zones fruits,
9. Mushroom cultivation,
10. Transfer of technology through fruits and vegetable growers,
11. Betelvine cultivation,
12. Production and supply of vegetable seeds,
13. Root and tuber crops,
14. Commercial floriculture,
15. Use of plastic in agriculture,
16. Fertilizer subsidy to small and marginal farmers,
17. Assistance to fertilizer promotion,
18. Strengthening of quality control laboratory,
19. Balance and integrated use of fertilizer,

7.2.10 MAJOR SCHEMES AT A GLANCE

1. Integrated Cereals Development Programme in Rice Based Cropping System Areas (ICDP-Rice):

   In order to boost up production of rice, a centrally sponsored ICDP — Rice scheme is in implementation in 75 Nos. of Dev. Blocks in the state. The programme during 1995-96 is proposed to be taken up with the following components —

   I. Field demonstration on cropping system approach with assistance limited to Rs. 2,000.00 per acre.
   II. Demonstration on IPM approach with assistance limited to Rs. 6,000.00 per demonstration or 40 hectares.
   III. Technology transfer through training of farmers including women
   IV. Varietal replacement and propagation of new germplasm incentive at Rs. 200.00 per Qtls of HYV paddy seeds.
   V. Awards to GPs for maximum productivity
   VI. Incentive on improved Bullock drawn and hand operated farm implements at 50% limited to Rs. 1500.00 per implement per farmer

   GOI share : Rs. 147.21 lakhs (1995-96
   State share : Rs. 28.47 lakhs
   Total : Rs. 175.68 lakhs
2. **Oil seed production programme:**

   This is a centrally sponsored scheme implementing presently in 19 districts. In the state, rape and mustard occupies on an average 92 per cent of total oil seeds areas followed by linseed 3 per cent and sesame 5 per cent. In order to boost up oil seeds production, greater efforts are laid on groundnut and sunflower during Rabi / Pre-Kharif and Nizer in the Rabi season. The major components are as follows-

   I. Subsidy on seeds @ 300.00 per qtl.
   II. Free distribution of input kit for rape and mustard, groundnut, sunflower.
   III. Opening of new retail outlet @ Rs. 5000.00 each
   IV. Large size demonstration on rape & mustard and sesame cultivation
   V. Distribution of micronutrients @ Rs. 100.00 per hectare
   VI. Farmers training

   Total scheme - Rs. 325.25 lakhs (1995-96)
   GOI Share - Rs. 243.94 lakhs
   State Share - Rs. 81.31 lakhs

3. **National Pulse Development programme:**

   This is a central sector scheme and implementing solely to narrow the gap of production and requirement. The major components are as below.

   I. Subsidy on certified seeds @ 300.00 per qtl.
   II. Assistance for production and purchase of breeder seeds and foundation seeds @ Rs. 400.00 per qtl.
   III. Free minikit seed distribution – summer green gram and rajmah.
   IV. Organization of demonstration (10 hactare) 100% subsidy. (pea, rajmah, black gram etc.)

   Total Scheme - Rs. 27.00 lakhs (1995-96)
   GOI - Rs. 20.00 lakhs
   State seeds - Rs. 7.00 lakhs
4. **Special Jute Development programme:**

Jute is an important fibre crop in Assam. Considering the potentiality, Govt. of India introduced a special Jute Development Programme with 100 percent subsidy. The components are given below:

I. Seed Subsidy @ 600.00 per Qtl
II. Implements subsidy
III. Katcha retting tank – 80 nos.
IV. Fungal culture Pkt – 40,000 nos.
V. demonstration

**Ramie:**

Along with Jute crop, Govt. of India also introduced a programme for the extensive cultivation of Ramie crop and accordingly components are fixed as follows:

I. Rhizome subsidy – 80 Qtls
II. Demonstration – 20 ha
III. Minikit distribution
IV. Decorticator – 20 nos.
V. Deguming unit – 1 nos.

Total Scheme - Jute: Rs. 45,73,000.00
(1995-96) Ramie: Rs. 39,81,000.00
Total - Rs. 85,54,000.00

5. **Promotion of Agricultural Mechanisation:**

The state agricultural department also implemented a Central Sector Scheme on Promotion of Agricultural Mechanisation and provided subsidy to the farmers to the maximum of Rs. 30,000.00 for the purchase of tractors below 18 HP and their matching implements.

6. **Farm Machinery Training programme:**

In view of making available trained manpower for operation, maintenance and management of agricultural machinery, the state
department of agriculture have 18 nos. Farm Machinery Training Centres where regular training is imparted.

7. **Horticulture Development:**

Horticulture crops presently occupy around 5 lakh hectares or 13% of the gross cropped area in order of 23% fruit crops, 16% nut crops, 31% vegetables, 15% tuber crops and 15% spices crops. The departments of agriculture has already undertaken promotional activities to boost up production of fruits, vegetables and spices.

**Promotional steps proposed are:**

a) assistance to growers and entrepreneurs, for quality materials,
b) assistance for market development and promotion,
c) assistance to promote quality,
d) training facilities for upgradation for technical skills,
e) information for improvement of post harvest handling.

Besides State plan Schemes, the department is implementing 11 Nos. Central sector scheme and providing assistance to growers and entrepreneurs to boost-up horticultural production.

8. **Floriculture:**

Assam is the treasure house of various flowers, ornamental plants, orchids etc. Flowers like gladiolus, rose, marigold, ornamental plants and orchids have great potential and market demand.

Emphasis has been given and identified some pockets for production of flowers commercially. It is proposed to provide assistance for planting materials and other inputs. More stress has been given on training for production technology. The department is implementing a Central Sector Scheme “Commercial Floriculture” for development of floriculture in the state.
9. **Medicinal Plants:**

The state has abundant rich varieties of medicinal plants and herbs. Efforts have been under way to identify selected pockets for extensive cultivation of medicinal plants and herbs. Assistance and incentives are proposed to help development of entrepreneurs.

Programme Components of TSP and SCCP schemes (1995-96)

<table>
<thead>
<tr>
<th>Scheme</th>
<th>T.S.P</th>
<th>S.C.C.P</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Multiple cropping</td>
<td>a) Seed, fertilizer, pesticides etc. at 100% subsidy for multiple cropping</td>
<td>Do</td>
</tr>
<tr>
<td></td>
<td>b) Plant protections sprayer at 95% subsidy</td>
<td>Do</td>
</tr>
<tr>
<td></td>
<td>c) Seed bin at 100% subsidy</td>
<td>Do</td>
</tr>
<tr>
<td>2. 50% subsidy sale of fertilizer</td>
<td>Distribution of fertilizer at 50% subsidy to the maximum benefit Rs. 154 per beneficiary for 3 bigha land</td>
<td>Nil</td>
</tr>
<tr>
<td>3. Integrated Horticulture Development</td>
<td>Distribution of inputs for Horticultural crop and maintenance of progeny orchard</td>
<td>Distribution of inputs for horticultural crop to the beneficiary</td>
</tr>
<tr>
<td>4. Agril marketing</td>
<td>a) distribution of paddle thresher at 95% subsidy</td>
<td>Do (948 beneficiary)</td>
</tr>
<tr>
<td></td>
<td>b) Thella/ boat with Rs. 1400/- subsidy each (1299 beneficiary))</td>
<td>Do (948 beneficiary)</td>
</tr>
<tr>
<td></td>
<td>c) Sale counter of fertilizer to provide inputs for an amount of Rs 5424/- per beneficiary (1299 beneficiary).</td>
<td>Do (948 beneficiary)</td>
</tr>
<tr>
<td>5.</td>
<td><strong>Integrated agril engineering Div.</strong></td>
<td>a) Distribution of 524 sets of Paddle Thresher, Paddy Weeder, M. B. Plough at 75% subsidy,</td>
</tr>
<tr>
<td>b) Tractorisation of farmers, land at 50% subsidy hiring rate,</td>
<td>Do</td>
<td></td>
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<tr>
<td>c) 25 Nos. Medium HP Tractor with a subsidy of Rs. 75,000/- each, 45 Nos. Power tillers with a subsidy of Rs. 30,000/- each and 5 HP Power Pump with a subsidy of Rs. 5,000/- each.</td>
<td>33 no. Medium HP Tractor with 75,000/- subsidy, 33 Nos. power tillers with 30,000/- subsidy and 187 nos. power sets with Rs. 5000/- subsidy each.</td>
<td></td>
</tr>
<tr>
<td>d) Three agril growth centres at Jonai, Goalpara &amp; Dimoria to be set up to provide customer hire service facilities to S T farmer.</td>
<td>3 nos. growth centres at Boko, Marigaon and Mangaldoi</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td><strong>Promotion of technology</strong></td>
<td>a) Training an modern method of cultivation to the ST farmer by providing stipend,</td>
</tr>
<tr>
<td>b) To conduct the outside the state tour and inside the state tour for farmer</td>
<td></td>
<td></td>
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<tr>
<td>7.</td>
<td><strong>Inputs distribution in flood prone area</strong></td>
<td>Nil</td>
</tr>
</tbody>
</table>
b) Distribution of wheat seeds with the subsidy of Rs. 250/- per Qtl.

**Employment Generation:**

Stress has been given on Self-Employment to the Educated Unemployed Youth through several Departmental Schemes so as to reduce the pressure of growing unemployment. The department has been creating employment avenues for the year 1994-95 as follows:

i) Indirect/Self Employment: 36,025 nos.

ii) Target for 1995-96 – 50,000 Nos.

**Agricultural Marketing and Quality Control:**

The state Govt. has drawn up schemes for strengthening regulation and development of rural markets by creating infrastructural facilities, grading and standardisation of agricultural commodities, setting up of cold storage and assistance for marketing of fruits and vegetables.

a) **Scheme for development of Regular Markets:**

15 nos. of principal markets and 19 nos. of sub-markets have been established to regulate marketing of about 20 (twenty) notified agriculture commodities providing facilities like godowns, auction platform etc.

b) **Scheme for marketing of fruits and vegetables**

A decentralized scheme providing subsidized transport facility to farmer groups/PPS to carry surplus produce to the terminal/consumer market to safeguard remunerative prices. The year wise achievements are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Fruits/vegetables Carried in tons</th>
<th>Growers benefited</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-92</td>
<td>1491</td>
<td>2500 Nos.</td>
</tr>
</tbody>
</table>
1992-93  
1993-94  
1994-95  

c) **Scheme for Quality Control and Agmark Grading:**

Agmark laboratories have been established in Guwahati, Tezpur, Nagaon, Jorhat, Dibrugarh, Silchar and Barpeta Road with the programme of agmarking mustard oil, spices, honey etc. The progress of four years are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Nos. trained</th>
</tr>
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<tbody>
<tr>
<td>1991-92</td>
<td>268 tonns</td>
</tr>
<tr>
<td>1991-93</td>
<td>282 tonns</td>
</tr>
<tr>
<td>1993-94</td>
<td>305 tonns</td>
</tr>
<tr>
<td>1994-95</td>
<td>418 tonns</td>
</tr>
<tr>
<td>1995-96 (target)</td>
<td>1705 tonns</td>
</tr>
</tbody>
</table>

d) **Scheme for Jute grading and bailing:**

Two months training on jute grading and bailing is imparted at Howli jute grading & bailing training Centre.

The progress of four years are as follows:

<table>
<thead>
<tr>
<th>Year</th>
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<tr>
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</tr>
<tr>
<td>1991-93</td>
<td>57</td>
</tr>
<tr>
<td>1993-94</td>
<td>23</td>
</tr>
<tr>
<td>1994-95</td>
<td>95</td>
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</tbody>
</table>
e) **India International Trade Fair at New-Delhi:**

The marketing wing of the department of agriculture participated in the IITF at New Delhi since last few years with a view to develop working of indigenous agril. products in the international market.

For the first time, 8 entrepreneurs participated in the fair with Govt. assistance. Products like Joha rice, Bora rice, Kamal rice, Ginger, Pine apple, spices etc. displayed by them received tremendous response from the visitors. Marketing linkage of mushroom, ginger, rice etc. had been established for future trading.

**7.3 Industrial Policy Measures:**

The manufacturing sector of Assam is very poor in its size and its contribution to state income is also very poor. Being industrially poor, the state’s economy cannot expect sufficient income out of this sector. Thus the per cent of income derived from manufacturing sector out of total state income remained at a poor level as the economy of the state is mainly agrarian in nature.

During the British period the industrial development in Assam was very poor. After independence, although planning started in Assam along with other states of the country, the aim of the state plan was tilted towards the development of agricultural sector neglecting the industrial sector.

During the first decade of planning the industrial sector practically remained stagnant. It was during the third plan that industrial development programmes were accelerated to provide much needed boost to this sector. A favourable climate for investment in industries had been created with expansion of infrastructural facilities. During the fourth plan, the pace of industrialization in the state was geared up with the establishment of a
number of resource-based industries mostly in the public sector located in some of the relatively backward areas of Assam. These include Assam Cooperative Jute Mill at Siligat, Assam Alkali Allied and Chemicals Ltd. at Jogighopa, Ashok Paper Mill at Jogighopa. Some existing industries of the state were also expanded during this plan period. During 19 years of planning till fourth plan the number of registered factories in Assam increased from 911 in 1951 to 1588 in 1969 and employment increased from 65.1 thousand to 79.4 thousand over the same period in such factories. During the fifth plan some important industries were commissioned which included Bokajan Cement Factory, Assam Petro-Chemicals Complex at Namrup and Cachar Sugar Mills Ltd. Bongaigaon Refinery and Petro-Chemicals Ltd. (BRPL) is among the factories registered during 1978 with highest number of 1000 employees.

The state government is not only patronizing establishment of industries in the private sector but has also, increasingly involved itself in undertaking many industrial ventures of its own. Due to these efforts, a few important resource and demand-based industries have come up in the state in the recent past and a few more are in the offing.

Industrial development till the end of the Sixth Plan in Assam were not at all satisfactory considering the degree of economic problems faced by the state. Tea and oil industries are still dominating the economy of the state. But for proper industrial and economic development of the state industrial diversification based on the basis of natural resources is the best way.

7.3.1 Industrial Policy of Assam, 1986:

In December, 1986 the new industrial policy of Assam was announced by the Govt. for serving the local interests. This policy aimed at encouraging growth and production of all industries based on local resources, local demands, local scarcity conditions and local environment. In this new policy
the state Govt. attached priority to speedy industrial development of the state as well as generation of adequate employment opportunities through self-employment in industrial sector.

7.3.2 Industrial Policy of Assam, 1991:

After the announcement of new industrial policy in July 1991 by the Rao Government at the Centre, the Govt. of Assam has also announced its new industrial policy keeping conformity with the Central Policy. While framing the new policy, although the state Govt. has followed the central policy directions, it has duly considered the local issues and problems faced by the state. The new industrial policy (1991) had set certain definite policy guidelines and objectives to meet its requirements of industrial opportunities. The new policy had been formulated with the experience of the 1986 policy and keeping in view the shortcomings of the 1986 policy which have come to notice so that the genuine aspirations of the people could be met within a time frame, through economic and industrial development of the state. The new policy aimed at encouraging growth and promotion of all industries based on local scarcity condition, local environment and to the extent possible by utilizing locally available raw materials. The first and foremost objective of this policy was to wipe-out regional disparity and ensure balanced regional development through rapid promotion of Khadi and village industry, cottage industry, tiny, small and ancillary industries throughout the state on the basis of techno-economic surveys.

7.3.3 Industrial Policy of Assam, 1997


The industrial policy 1997 has been formulated with the experience of implementation of Industrial Policies declared by Govt. of Assam in 1982, 1986 and 1991. Before formulating the policy, views and opinions of large cross section of academicians, industrialists, businessman, prominent
personalities, Industries Associations and individuals having interest in industrial development in the state were obtained through advertisement in prominent newspapers. The response was overwhelming and a number of suggestions have been considered. Besides, recommendations made in the seminar on Industrial Policy held on 30th July, 1996 and also the broad recommendation made by the Advisory Committee on industries on 5th August, 1996 have also been considered for the purpose.

**The Goal Of The Industrial Policy**

The Industrial Policy will be to provide an effective thrust to expeditious promotion and growth of all industries with a view to creating a strong industrial base and employment opportunities in various directions:

The basic thrust of the new industrial policy is to:

1. Create necessary conditions for maximum possible utilization of locally available raw materials and human resources for industrialization.
2. Offer competitive advantages to investors from both within and outside the region as well as foreign investors setting up industries within the state.
3. Ensure that advantages offered by the State and Central Government's incentives packages are reaped by every one in time.
4. Give special attention to the following areas in the process of industrialization:
   i) Development of local skill and entrepreneurial abilities.
   ii) Development of women entrepreneurs.
   iii) Creation of maximum employment opportunities for local people.
   iv) Development of food processing industry.
   v) Growth of export oriented units.
   vi) Promotion of rural non-farm sector.
   vii) Balanced regional development within the state by giving special attention to the less developed areas and the hill districts.
   viii) Revival of sick units
ix) Development and promotion of village and small scale service and business enterprises (SSSBE's)

x) Establishment of medium and large scale mother industries in public, private, joint and assisted sector to create an industrial base, offering large scale opportunities in multiple directions through backward and forward linkages.

BROAD MEASURES TO ACHIEVE THE GOAL AND OBJECTIVES OF THE INDUSTRIAL POLICY

1. Take effective steps to provide basic infrastructural facilities.

2. Provide an attractive incentive package offering competitive advantages.

3. Take up with Central Government for providing an incentive package to facilitate flow of fund from within and outside the country to the state to enable major projects to be setup as nucleus of growth without sacrificing competitiveness in national and global market.

4. Setup a responsive industrial network.

5. Maintain close interaction with those engaged in development and production of hydrocarbon resources

   i) For enhancing the resource base

   ii) For creating conditions for utilization of their end-products within the state.

6. Initiate interaction with major industrial houses within and outside the country as well as those operating within the state for taking up new industrial projects in the state.

7. Create an environment conducive to generation of investor's confidence and smooth implementation of the projects

8. Ensure a preferential treatment to local entrepreneurs under various schemes of IDBI/SIDBI/NEDFi and other financial institutions and banks.
9. Ensure all possible assistance to tea industry including small tea growers for further growth as well as for shifting of their Head Offices to meet socio-economic objectives and also to other related agencies/institutes like Guwahati Tea Auction Centre, Inland Container Depot etc. in their efforts for growth and expansion.

10. Take up with major industries like Tea, Oil, Coal, Paper for providing all required help and for taking result oriented action for setting up ancillary units relevant to these industries.

11. Take up with major United Nations Development Programme (UNDP) & National Centre for Jute Diversification (NCJD) to provide financial and technical assistance to all entrepreneurs of Assam to setup diversified jute industries in the state.

12. Take up with Central Government for intensification of exploration activities to enhance the production of hydrocarbon resources to which the industrial development of Assam is closely linked.

**APPROACH TO INDUSTRIAL DEVELOPMENT**

The Government of Assam has identified the following priorities to facilitate setting up of industries in the state.

**INFRASTRUCTURE**

Adequate infrastructure are considered to be the pre-requisite for industrial development. Lack of infrastructure in North East is one of the main reasons for poor growth of industries in the state of Assam. Therefore, Government of Assam proposes to give top most priority to development of infrastructural facilities in the state to promote setting up of industries. The state has a shortage of developed land for industrial purposes. The Assam Industrial Development Corporation Limited (AIDC) has been allotted Government land at a number of places for development as Industrial Areas. The state Government would provide adequate fund to the AIDC Ltd. for
The state Government has also a proposal for setting up of three Growth Centres within next five years. The state Government also proposes to implement the scheme Integrated Infrastructure Development (III) centres which are at different stages of clearance from the authorities. The State Government will continue its policy of construction of industrial estates and making available industrial sheds, and commercial sheds at subsidized rents to Small and Tiny sector industries. The existing industrial estates will be revived and industrial sheds etc. which are being occupied by industries already closed down will be got vacated and allotted to new entrepreneurs. The Government will also make a study on the working of the existing/ proposed industrial estates/industrial areas/ commercial estates/ growth centres of the state. A common rules and procedures will be adopted for allotment of land/sheds/fixation of rent/recovery of outstanding dues/vacation of defaulting industries to ensure proper functioning.

POWER

The total power available in the state at present is around 315 MW which is less than peak demand of 375-400 MW, but the off-peak demand is around 270 MW only. Therefore there is surplus power during off-peak time. The Government, with help of Assam State Electricity Board and North Eastern Power Corporation Ltd. would take steps to increase the availability of the power during the next five years by facilitating completion of the power generation projects under implementation in the state. Such projects are Kathalguri Gas Based Power Project, Amuguri Gas based Power Project, Karbi-Anglong Hydor Electric power project and Lower Kopili Hydro Electric Power project. Once these projects are commissioned within the next few years the state of Assam as well as North Eastern Region will be a power surplus area. The Government will also take up with Assam State Electricity Board for priority connections to the industries to be set up in the state and for ensuring the supply of quality power to industries. The Industries Department of Govt. of Assam will impress upon the Government of Assam to declare a power policy for encouraging captive power generation units by the industries.
The Government in its package of incentives will also provide subsidy for the generating sets apart from subsidy on power tariffs.

COMMUNICATION

Surface Communication

The length of National Highway in the State of Assam is over 2000 km and that of State Highway is over 2100 km. The major towns in the state are connected by National Highways. During the next five years, the Government would give priority for development of the roads leading to the industrial areas. The conversion of Metre Gauge railway line from Lumding to Dibrugarh is likely to be completed soon. The third railway cum road bridge at Jogighopa, Goalpara is likely to be completed by end of 1997. The State Government has already taken up with Government of India for the conversion of existing Meter Gauge Railway line from Lumding to Badarpur and from Rangia to Murkangselek to Broad Gauge. The Government would also give top most priority to construction of the 4th bridge over river Brahmaputra at Bogibeel near Dibrugarh. To remove the transport bottleneck, the State Government has also taken up with Government of India for upgradation of existing Broad Gauge railway line up to Guwahati from single track to double tracks.

Air Communication

In view of the high priority given by Government to the export oriented units, the State Government already pursuing with Government of India to declare Guwahati Airport as an International Airport at least for giving custom clearance facilities to the industrial units at Guwahati itself.

Waterways

The matter of developing the Brahmaputra River way which has already been declared as National Waterways, will be taken up with Government of India for economic movement of the cargo through the river ways.
Tele-communication

The present tele-communication network in the state is fast growing in comparison to other parts of the country and no problems faced presently by the industries in getting telephone and other tele-communication facilities by them.

FINANCE

The regional offices of all leading financial institutions and banks in the country are located in the state and, therefore, it is expected that entrepreneurs will not face any problems in the matter of getting finance for their projects. In addition to regional offices of Industrial development Bank of India, Industrial Finance Corporation of India, Small Industries Development Bank of India which are already located in the state, recently the Government of India has setup the North Eastern Development Finance Corporation Ltd. (NEDFi) especially for financing the industrial projects in the North Eastern Region. Therefore, these institutions would be able to make the finance available to the entrepreneurs for setting up of industries. There are more than 1200 bank branches in the state in addition to the regional offices of all the leading Nationalized Banks. The Government is, however aware about the slow rate of flow of credit to the local entrepreneurs and the problems they are facing in getting term loan and working capital. To help the entrepreneurs to sort out their problems with the financial institutions and banks, services of the officers of the District Industries Centre will be made available to them to liaise on their behalf with financial institutions and banks. The industries department will take effective steps for recovery of outstanding dues payable to the banks and financial institutions by the borrowers.

STRENGTHENING DISTRICT INDUSTRIES CENTRES

There are 23 District Industries Centres (DIC) in the state and the Government recognises the vital roles to be played by the DICs for
development of SSI and Tiny sector industries. The Government would strengthen the DICs of Bongaigaon, Morigaon, Golaghat, Tinsukia, Dhemaji and Hailakandi and these will be upgraded to full fledged DIC at the earliest. Each DIC will have a Udyog Sahayak Cell to guide the entrepreneurs in the matter of setting up industries including selection of industries/entrepreneurs, preparation of project report and arrangement of finance for projects. There will also be a women cell in each DIC to give special attention to the women entrepreneurs. Steps would be taken to prepare viable project profiles for each DIC and make them available to the entrepreneurs. The data bank will also be created in each DIC for the benefit of the entrepreneurs. The District Advisory Committee is to be reconstituted for monitoring the working of the District Industries Centres.

CATEGORY OF INDUSTRIES

Small, Tiny and Ancillary Industries

Keeping in view the employment potentiality in the small scale sector, the state Government would give top most priority towards setting up of industries in the small scale sector. Additional incentives would be given for the small scale and tiny sector. The Assam Preferential Store Purchase Act, 1989 is already in force to give marketing support to these industries. The raw materials bank in Assam Small Industries Development Corporation Ltd. (ASIDC Ltd.) would be revived and strengthened. The State Government will take up with the Central Public Sector Undertakings the matter of giving ancillary status to the industries wherever possible. There are more than 25000 number of small scale and tiny sector registered units (both of SIDO and non-SIDO) in the state. According to the last SSI census, generally 45% of the units are either closed or untraceable. The State Government will prepare a status report in the units to study in detail the reasons for the high mortality of the unit in the small sector and will take appropriate steps for rehabilitation of sick units.
Large and Medium Industries

The Government will encourage environment friendly industries and projects in the state. The AIDC Ltd. has identified several viable projects for the coming years. On selective basis Government will also participate by way of equity participation in the projects. The Government will constitute a High Level Committee under the Chairmanship of Commissioner/Secretary Industries to monitor the implementation of industrial entrepreneur memorandum (IEM) and Letter of Intent (LI)/Industrial Licence (IL) issued by the Government of India from time to time.

HANDLOOM AND HANDICRAFT INDUSTRIES

The state of Assam is traditionally known for its rich handloom and handicraft products and the Government will ensure promotion of this sector through various development schemes. The Government will take all possible steps for getting financial and technical assistance from the Government of India for implementation of various schemes. The State Government will conduct a survey on various handicraft products and registration of handicraft unit will be done by DICs of Assam. The Government will strengthen the Handicraft Research and Design Centre, Cottage Industries Training Institute and Cottage Industries Museum for the development of Handicraft Industries in the state. All possible measures will be taken to assist the craftsman, artisans of various crafts and also the Non-Government Organizations (NGO)/Co-operative Societies for development of Handicraft Industries in the state. The Government will take necessary measures to export the Handicraft products to outside the country and will also participate in exhibitions at various parts of the country to give exposure to the Handicraft products.

Rural Non-Farm Sector

The Rural Non-Farm Sector (RNFS) has a tremendous scope for development in the state. In a recently conducted survey, NABARD has
identified 10 sectors for development which includes sectoral schemes like agriculture, fish rearing and processing, rural retail trade, sericulture and silk textile, fibre products, construction, small plantation products, handloom, handicraft, mainly cane, bamboo and wood products. These activities are to be developed for creation of additional employment in the rural areas. The development department like agriculture, handloom and textile, sericulture, fishery, veterinary, panchayat and rural development etc. are to be associated to implement these schemes within a definite time frame.

Agro And Food Processing Industries

The economy of Assam is predominantly an agrarian economy. There is ample scope for development particularly in the rural areas for processing of cereals, fruits, vegetables, milk, meat and other agricultural products like jute, ramie etc. The Government will encourage development of agro and food processing industries by providing possible basic infrastructure to the industries. The Government of Assam will encourage setting up of fruit processing, vegetables processing, aquaculture, horticulture based projects in the state. Apart from that, Government will take necessary action to motivate the investors for commercial exploitation and setting up of projects on medicinal herbs, aromatic plants, rubber plantation and processing, small tea garden etc. The Government of Assam is very much aware about the viability of setting up of industries like diversified jute products and ramie based industries in Assam by prospective entrepreneurs. The Government of Assam will provide necessary support for setting up of such units in the state.

Industrial Sickness

Revival of industries in the SSI and tiny sector is a major problem in the state. The Government of Assam feels that the potentially viable sick SSI and tiny units are to be identified through an intensive survey as the revival process is a complex one since the reasons leading to sickness are manifold and most of the units are too tiny in nature. To facilitate revival of sick units
Government will provide meaningful assistance. The Government will suitably amend the Assam Industrial Relief Undertaking (special provision) Act. 1984. The units declared as relief undertaking under the provision of the act will be provided assistance under the policy.

**NRI & Foreign Direct Investment**

The State Government will actively promote foreign direct investment in the projects that involve and improve infrastructure like power, roads, social and health care facilities. To accelerate the process of implementation and reduce the time required for obtaining permission and clearance a high power co-ordination committee will be setup. The Government has declared AIDC Ltd. as a nodal agency for co-ordinating NRI and Foreign investment.

**Export**

In the coming year Assam has a tremendous potential for exporting various products manufactured locally to the East and South East Asian countries due to its strategic location. The first traditional route was opened at Moreh in Manipur with a possibility of a second border point being open at Chamhai. The internal waterways net-work connect it to Bangladesh, giving its access to the parts of Chittagong (Bangladesh) and Calcutta (India). Both the waterways and land routes could be made available to investors for export to East and South East Asia.

The Government of Assam is already pursuing with the Government of India to declare Guwahati Airport as an International Airport with all clearance facilities. The Government of Assam in association with the Government of India is setting up an Export Promotion Industrial Park (EPIP) at Amingaon to facilitate export units. The Government of Assam will also provide additional incentive to the Export Oriented Units under the policy.
Human Resource Development

Lack of skilled manpower is one of the most important factors for industrial backwardness of the state of Assam. The Government will ensure development of skills among the local people and up-gradation of skill on a continuous basis. For this purpose the Government will review the performance of out-dated training programme and new technology suitable to the present context will be adopted. Government will give top most priority on technical training in reputed organization/institutes for skill development. Apart from that, emphasis will also be given for development of managerial capability to the local youths through incentives to Entrepreneurship Development Programme (EDP).

Public Sector Policy

The State Government is aware of the fact that most of the State Government Public Sector Units (PSU) are running at losses. The Government will take/adopt a policy for revival of such PSUs and wherever necessary the Government will not hesitate in involving the private sector participation for such revival.

Women Entrepreneur

Women constitute half of the population of the state and they have been entering in every field of economic activity now a days. The Government of Assam is aware of the fact that the women entrepreneurs should get due priority for their economic development as well as to meet ends of social justice. To encourage the women entrepreneurs as well as for generation of employment among the women, the Government will give preference to them while allotting industrial sheds, developed plots in Industrial Area/Estate/Growth Centre to the extent of 30%. The Government will also open a women cell in each and every DIC to cater to the need of the women entrepreneurs in addition to women cell already functioning in the Directorate.
of Industries. Apart from that Government will also provide additional incentives to the women entrepreneurs for setting up of industries.

Electronic Industry

In the Electronic sector Government of Assam will declare the Assam Electronics Development Corporation Ltd. (AEDC Ltd.) as a Nodal Agency for over all development of electronic Industries of the state. The AEDC Ltd. will prepare a detail action plan for setting up of Software Technology Park, Optical Fibre project and other viable projects including skill development, raw material assistance to the other small units. The Government will provide necessary incentives to these units under the policy.

Plastic Based Industries

Plastics are fast replacing the conventional metal and wood item in our day to day life. Their uses have been more pronounced in industrial sectors. The Government of Assam has attached considerable importance for development of this sector. All possible efforts will be mobilized for development of this sector providing necessary incentives under the policy.

**GAS CRACKER AND REFINERY DOWNSTREAM INDUSTRIES**

In a bid to tap the vast resource of oil and gas the fourth oil refinery at Numaligarh has already been sanctioned and works are going on. The much awaited Gas Cracker project is also in the way. The State Government will take necessary measures to establish feasible down stream/ancillary industries to the state based on these two mega projects.

Congenial Atmosphere For Industrial Development

The Government of Assam recognizes the fact that the prevailing situation in the state has slowed down the pace of industrial development.
Therefore, the Government of Assam would strive to usher in a congenial atmosphere in the state by maintenance of law and order. Special attention will be given for security to the industries to be set up in the state.

Package Of Incentives

**INCENTIVES**

The incentives under the 1997 scheme shall be available for eligible units of the following categories:

1. SSI units
2. Tiny unit
3. Small Scale Service and Business Enterprises (SSSBEs)
4. Sick Units/Relief Undertaking Units subject to a maximum period of 3 years
5. Units set up by women entrepreneurs
6. Large and medium sector units
7. Export Oriented Units
8. Units undergoing Expansion/Diversification/Modernisation

The incentives under 1997 Scheme are as follows:

1. Power subsidy
2. State Capital Investment Subsidy
3. Sale Tax Exemption
4. Subsidy on Generating Set
5. Equity Participation in the assisted sector
6. Contribution to Feasibility study cost
7. Miscellaneous subsidy comprising of drawal of power line subsidy, subsidy on fees for procurement of NRDC technology, study on pollution control measures and quality control measure.
8. Subsidy on infrastructure facilities.
9. Manpower development subsidy
10. Special incentives for pioneer unit
11. Special incentives for Export Oriented Unit comprising additiona
SCIS and special incentives for getting ISO 9000 and BIS 14000 series.

12. Special package of incentives for women entrepreneurs, physically
handicapped persons and agro-food processing industries.

PROCEDURE FOR IMPLEMENTATION AND
MONITORING

Udyog Sahayak Cell

In order to provide various information and facilities and to ensure
proper delivery of all services, a separate wing known as Udyog Sahayak is
already functioning in DIC, AIDC Ltd. and Directorate of Industries.

The primary objectives of Udyog Sahayak is to provide various facilities
to the entrepreneurs and to ensure expeditious identification of entrepreneurs
and projects, guidance for registration, processing of eligibility certificates
monitoring of proposals financed by the financial institutions, disbursement of
incentives, follow-up for rapid implementation of the projects etc.

Functions Of Udyog Sahayak

All administrative departments shall refer all issues related to the
implementation of the 1997 Industrial Policy to the Udyog Sahayak and keep
the Udyog Sahayak apprised of all actions taken in this regard. Accordingly,
all administrative departments shall issue instruction to all Heads of
Departments/Officers/Corporations/Boards under their administrative control
to co-ordinate effectively with the Udyog Sahayak in the implementation of the
1997 Industrial Policy. The Udyog Sahayak will perform the following function:

i) Proper and adequate publicity of the Industrial Policy of 1997 as well
as render all assistance to the entrepreneurs to avail the benefits of the
incentives scheme.
ii) Identification of prospective entrepreneurs, building up of a data bank to guide and motivate the potential entrepreneurs and also to prepare viable projects profiles in different categories on investment.

iii) Enlistment of application and issuance eligibility certificates under industrial policies.

iv) Co-ordination with the connected agencies/administrative departments, including processing and forwarding of financial proposals.

v) Proper and effective implementation of all incentives schemes and issuance of sanctions thereof.

vi) To refer all relevant issues to the Government on Committees framed thereunder to any matter connected with implementation of the policy

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