Chapter - II

SOCIO-ECONOMIC PROFILE OF SOUTH ASSAM

2.1 THE ECONOMY OF SOUTH ASSAM

South Assam is located in India's north eastern region. It is the gateway to at least three states of the north-eastern region (namely Tripura, Mizoram and Manipur) for essential supplies and communication which has made South Assam strategically very important.

2.1.1. Location

The southernmost plains of Assam, popularly called Barak Valley, comprise three districts, namely Cachar, Hailakandi and Karimganj. These plain districts of South Assam share common historical, social and economic traditions. The three districts together are placed between 92°12' and 93°17' East longitudes and between 24°07' and 25°04' North latitudes\(^1\). This tract is bounded by the N.C. Hills District in the north, the state of Manipur in the east and the state of Mizoram in the south and by the state of Tripura as well as Bangladesh in the west.

The climate of South Assam is humid tropical. The three districts in the South Assam have land mass composed of both high hills, low lands and level plains. On the North East and South it is shut in by ranges of purple hills with beautiful landscapes. The high lands are planted with tea, while the lower plains are covered with rich crops. The topography is generally plain with small hillocks known as 'tillas' and depressions known as 'Haors' dotting the valley. The depressions remain submerged during the monsoon months till late October and is suitable only for summers paddy cultivation and pisciculture.\(^2\)


2.1.2. Area:

This populous region covers an area of 6922 Sq.Km (as per 1991 census) which is 8.82 per cent of the area of Assam. Cachar district alone accounts for 54.7 per cent of the total area of the valley and Hailakandi and Karimganj districts constitute 19.2 per cent and 26.1 per cent respectively in the total.

2.1.3. Districts sub-divisions, blocks, GPs, Towns and Villages:

The three districts of Barak-Valley are sub-divided into four sub-Divisions, 27 Blocks, and 321 Gaon Panchayats, 2244 inhabited villages, 69 uninhabited villages. Among the 2244 inhabited villages 1024 are (i.e. 46% of total) are in Cachar district, 327 are in Hailakandi and 893 are in the district of Karimganj.

2.1.4. Population:

The valleys' total population in 2001 was 29,88,797 lakh person. The rural population (constituting 89 per cent in 2001) is 26,68,275 lakh persons where as the urban population is only (10.7 per cent in 2001) 3,20,522 lakh persons. The progress of urbanisation in the region is far from being encouraging. Thus the majority of population live in rural areas. Around 70 per cent of the working population are engaged in agriculture and other primary sector activities. Work force participation rate is low (30.8 per cent in 1991) and is lower than both the state’s as well as nation’s average work force participation rate. Dependency Ratio ( i.e. the proportion of non workers in total population) is relatively high and unemployment is widespread.

Among the total population the male population in 2001 was 15,38,900 lakh (51.48 percent) and female population was 14,49,897 lakh (48.51 percent in 2001). About 11.82 per cent of the region's population belongs to scheduled castes and 0.62 per cent belongs to scheduled tribes.

---


The annual growth rate of population of this region is 1.86 per cent according to 2001 census. The decadal growth rate of population is 20.31 per cent on against the corresponding figure 18.85 per cent of all Assam and 21.34 per cent of all India. The population of South Assam has increased from 24,91,496 lakhs in 1991 to 29,88,799 lakhs in 2001. In 2001 South Assam had 11.77 per cent of the state’s population and 2.97 per cent of the national population. Table 2.1 below shows the decadal variation of population since 1951.

Table 2.1 Decadal Variation in per cent in Population since 1951 in South Assam

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cachar</td>
<td>22.60</td>
<td>23.96</td>
<td>47.59</td>
<td>18.89</td>
</tr>
<tr>
<td>Hailakandi</td>
<td>27.23</td>
<td>23.61</td>
<td>45.94</td>
<td>20.89</td>
</tr>
<tr>
<td>Karimganj</td>
<td>22.96</td>
<td>25.13</td>
<td>42.08</td>
<td>21.87</td>
</tr>
</tbody>
</table>

Source: Statistical Handbook of Assam 2003.

Bengali is the mother tongue of majority of the population living in South Assam. The other languages spoken in this area Hindi, Manipuri and Bishnupriya. The region is also inhabited by different tribal groups with different names. They are Kacharies, Nagas, Kukis, Hmars, Lushais and the Dimachas. These groups have their distinct identities but their economic life shows a fair degree of similarity. They practise jhumming cultivation. Animal husbandry, forestry and fishing are also the important sources of livelihood for the tribal population.

2.1.5. Demographic profile and literacy:

The sex ratio in India is taken as the number of females per thousand males. In India it has generally been adverse to women. In 1971 the sex ratio in South Assam was 924

---

females per thousand males. As per 2001 census, there is now 941 females per thousand males in South Assam against the corresponding figures of 932 in all Assam and 933 in all India. The sex-ratio is satisfactory compared to all India.

The literacy rate had shown an increasing trend from 55.65 per cent in 1991 to 65.15 per cent in 2001. In 2001, the literacy rate in Assam was 64.28 per cent and the same was 65.38 per cent in India (Census 2001).^6

Historical records state that, till the early part of nineteenth century, the economy of South Assam was more or less self-sufficient. The region used to export huge quantities of agricultural produce and also items of manufacture to the neighbouring kingdoms.7

The decline of South Assam economy had started even before the advent of the British Raj. By the nineteenth century, following the spread of tea plantation, and immigration of cheap labourers from the neighbouring states, the region become a big importer of all items of manufacture and also of foodgrains.8 The next fatal blow to this region's economy came in the wake of independence, when following partition of the country, a huge number of hindu people from the other side of border (now Bangladesh) took shelter here and settled down for livelihood.

The present economic profile of South Assam exhibits relatively high density of population (459 per square kilometre in 2001), excessive dependence on agriculture (70.7 percent in 1991), uneconomic size of operational holdings, low level of agricultural productivity, widespread unemployment, and low level of capital formation and enterprise9. These may be seen from Table 2.11.

---

^9 For 2001 - data is not available.

### TABLE 2.II  ECONOMY OF SOUTH ASSAM

<table>
<thead>
<tr>
<th></th>
<th>South Assam</th>
<th>Assam Total</th>
<th>All Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Population in lakhs</td>
<td>11.16</td>
<td>17.13</td>
<td>24.91</td>
</tr>
<tr>
<td>2. Density of population</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(per Sq. Km. of area)</td>
<td>161</td>
<td>248</td>
<td>360</td>
</tr>
<tr>
<td>3. Sex Ratio (No. of Females per 1000 males)</td>
<td>897</td>
<td>923</td>
<td>936</td>
</tr>
<tr>
<td>4. Literacy Rate-overall (%)</td>
<td>22.2</td>
<td>30.6</td>
<td>56.6</td>
</tr>
<tr>
<td>Male-literacy (%)</td>
<td>33.0</td>
<td>40.4</td>
<td>66.4</td>
</tr>
<tr>
<td>Female Literacy (%)</td>
<td>10.2</td>
<td>19.9</td>
<td>46.1</td>
</tr>
<tr>
<td>Work participation Rate (%)</td>
<td>27.5</td>
<td>28.8</td>
<td>30.8</td>
</tr>
<tr>
<td>5. Percentage of workers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>engaged in Agriculture and</td>
<td>80.4</td>
<td>79.0</td>
<td>70.7*</td>
</tr>
</tbody>
</table>

**Note:**
* In 1991, the occupational distribution has been shown only for main workers. For other years, the distribution (%) has been for total workers.

... Indicates Not Available

*Source: Statistical Handbook of Assam 2004.*
2.1.6. Occupational distribution of Work-force:

According to 1991 census, the percentage of workers to total population was 28 per cent. Out of these 12.15 per cent were cultivators, 14.14 per cent were engaged in other agricultural allied activities. But 69 per cent were not engaged in any activities i.e. they were non-workers. A complete set of socio-economic and demographic variables affects the size and structure of the working force. The employment pattern in an underdeveloped economy is generally characterised by the predominance of primary sector activities. South Assam which is a primitive agrarian economy is characterised by a high level of livelihood dependance on agricultural activities.

2.1.7. The Resource Base: Every region is endowed with resources in some form or other. Some are gifts of nature while others are results of human efforts. Natural Resources are gifts of nature. Forests are the greatest renewable natural resources. The area under forest in the South Assam in the year 2000-01 is 2,57,664 hect. areas covering 37.85 (Source: Office of the Principal Chief Conservator of Forest) per cent of the total geographical area. The forest in the region are full of valuable woods like Sundi, Champa, Teak, Rata, cane, bamboos etc. Based on the abundance of bamboos as raw-materials the Hindustan Paper Corporation Ltd. has been set up in the Hailakandi District.

Percentage of area under forests show that in South Assam, forest cover is considerably larger than the 33.3 per cent coverage as per National Forest Policy.

Fish is another renewable resource. In the plain areas of South Assam due to presence of rivers, streams, beels, ponds and tanks there is a great potentiality for fisheries. The river Barak with its many tributaries provides tremendous scope for fish culture. At present there are 132 registered fisheries (A Brief Economic Review 2003-04).

The region has minor minerals like sand, boulders etc. However the Oil and Natural Gas Corporation, Cachar Forward Base is producing gas from Baskandi field. The

---

total production of gas during 2001-02 was 52.017 million standard cubic meters. It must be kept in mind that exploration of minerals is still going on in the region. Hence the potentiality is yet to be fully explored. Explorations by ONGC in different parts of South Assam have indicated that there are huge mineral oil and gas deposits in various parts of the district.\(^{11}\)

Water is the critical resource for survival. The river Barak along with its tributaries Jiri, Chiri, Madhura, Jatinga, Sonai, Katakhal, Dhaleswari and others are flowing through South Assam. The area is having an average annual rainfall of more than 2500mm (Directorate of Agriculture Assam). During the four month from June to Sept., it receives 1300 mm of rainfall (Directorate of Agriculture Assam). The winter months from December to February receiving only 15mm.\(^{12}\) The month of March, April, May and October receive moderate quantum of rains. It is a riverine region. The exploration and utilisation of water resources is a trans-state and trans-country problem. The survey conducted by the Central Ground Water Board have found that though the water table is quite high, suitable water bearing layers from which water can be drawn for irrigation can be found at depths of not less than 50m. This depth is quite high. Installation of shallow tube wells for irrigation is costlier in this region. The water resources of the Barak river is normally wasted by way of floods which is considered a national loss. To use the available water resources properly multipurpose storage reservoirs need to be built in South Assam. Currently work on the Barak Dam project is in progress.

Geographically, South Assam is not situated in an advantageous position but strategically, the region is important. Cachar is the gateway to Mizoram, Tripura and Western parts of Manipur. The South Assam region like other backward regions is one with abundance of ordinary manpower. However, the shortage of skilled manpower can be noticed in the region which impedes the process of economic growth.

The region has many educated unemployed. They are the persons with general education


having no meaningful correspondence with the needs of the economy. The region suffers from shortages of trained workers and technical personnel.

Since independence, there has been an increase of educational institutions in the region. As per 2001 census, there are 1881 number of educational institutions in the Karimganj district, 1445 in Hailakandi and 2317 in Cachar districts. These include pre-primary, primary, middle, high school, higher secondary schools, colleges, teacher training colleges and law colleges. In Cachar district there is one Engineering College, one polytechnic institute, one medical college and one Central University. The literacy percentage provides a broad indication of the quantitative expansion of general education in the region.

2.1.8. Infrastructure: One of the most important reasons for the region's backwardness and the lack of industrialisation is the fragile infrastructural facilities. The region has three National Highways passing through it (Nos. 44, 53 and 54) which connect the region with other states of North-East. During the rainy season the region remains cut-off from the rest of India due to frequent landslides and water-logging which often leads to shortages of essential supplies and high prices of commodities.

Power

Power is the basic infrastructural requirement for the growth of industries as well as over-all economy. To some extent it possesses potential of power ranging from hydel to natural gas; yet, the progress of this sector in the region is not satisfactory. As a result, there exists a big gap between availability and demand for power.

The Assam State Electricity Board (ASEB) constituted in 1958 taking responsibility of integrated power development with the assistance of North Eastern Electric Power Corporation (NEEPCO). The requirement of power in South Assam for developmental activities has been increasing in the recent years. The average per capita consumption

---

of electricity in the region was 112 kwh in 2002-03 & 113 kwh in 2003-2005 as reported by the ASEB. 14

The consumption of electricity in the region has increased. The pattern of consumption of power in the three districts shows that consumption was highest in domestic sector followed by industrial sector and tea sector of the region. An idea about the pattern of power consumption and number of consumers in the three district may be seen from the Table 2.III.

**TABLE 2.III TYPE OF POWER CONSUMPTION IN SOUTH ASSAM**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Type of consumption</th>
<th>Percentage of consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Domestic</td>
<td>82.00%</td>
</tr>
<tr>
<td>2</td>
<td>Commercial</td>
<td>15.00%</td>
</tr>
<tr>
<td>3</td>
<td>Industry</td>
<td>1.2%</td>
</tr>
<tr>
<td>4</td>
<td>Tea</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

*Source: Accelerated Power Development & Reform Programme (APDRP) 2002*

The electricity consumption per capita in Assam is one of the lowest in the country which is only one fourth of the all India per capita generation. (*Indian Electrical & Electronic Manufacturing Association Journal, Volume XXVI June 2006*).

---

Distribution of electricity in the villages can be seen from Table 2.IV below:

**TABLE 2.IV ELECTRIFICATION OF VILLAGES IN SOUTH ASSAM**

<table>
<thead>
<tr>
<th>Districts</th>
<th>No. of Inhabited villages as per 1991 census</th>
<th>No. of Villages electrified upto 31st March 2005</th>
<th>Percentage of villages electrified</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cachar</td>
<td>1024</td>
<td>923</td>
<td>90.14</td>
</tr>
<tr>
<td>Hailakandi</td>
<td>327</td>
<td>290</td>
<td>88.69</td>
</tr>
<tr>
<td>Karimganj</td>
<td>893</td>
<td>535</td>
<td>59.91</td>
</tr>
</tbody>
</table>

*Source: Assam State Electricity Board*

In order to meet the domestic demand, the state continued to purchase power from other sources. Power purchase has been increasing every year to meet the growing domestic demand as a result of depletion in power generation under ASEB’s own system.

**Transport and Communication**

The development of transport & communication sector is of vital need for speedy economic development. In Assam the most important means of communication for the movement of goods as well as passengers traffic is road transport. In South Assam, Assam Public Works Department is mainly responsible for maintenance and development of the infrastructure of the road communication. The total roads according to Public Works Department (PWD) in South Assam was 1710 kms* which is 5% of all Assam. A clear idea about the length of roads can be found out from the Table 2.V.

---

* District-wise break up of national highway are not available.
TABLE 2.V  LENGTH OF ROADS UNDER PUBLIC WORKS DEPARTMENT
IN SOUTH ASSAM IN 2002

<table>
<thead>
<tr>
<th>Districts</th>
<th>District-wise road length</th>
<th>Road length per lakh of population</th>
<th>Road length per ‘00’ sq. km of geographical area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cachar</td>
<td>702</td>
<td>49</td>
<td>18.5</td>
</tr>
<tr>
<td>Hailakandi</td>
<td>366</td>
<td>67</td>
<td>27.6</td>
</tr>
<tr>
<td>Karimganj</td>
<td>642</td>
<td>64</td>
<td>35.5</td>
</tr>
</tbody>
</table>

Source: Directorate of Economics & Statistics, Assam.

Railways and Water ways

The railway routes in South Assam are of Meter Gauge type. Total area under meter gauge line (excluding N.C. Hills) is 288.42 K.M. Work for extension of Broad Gauge railway lines up to Silchar are now in progress.

Air Transport

The status of air transport is less than satisfactory. South Assam has only one airport, Kumbhirgram at Silchar. Currently two aviation companies, companies, namely, the Indian and the Air Deccan operate regular flights from Silchar airport.

Postal Services

The postal and Telecommunication facilities in the state have been growing steadily in recent years. The Assam Postal Circle was created in the year 1988. The Assam Telecom Circle was formed in Jan. 1987 after bifurcation of the erstwhile North-Eastern Circle. In South Assam there were 1,18,571 number of telephone connection which include Land line, W.L.L., and Mobile connections in the year 2006.\(^{15}\)

\(^{15}\) Report Submitted by BSNL Authority 2006.
2.2. INDUSTRIAL DEVELOPMENT IN POST INDEPENDENCE ERA

South Assam was at an early stage of industrial development prior to independence. The only industry operating then was tea, which was started long back by foreign enterprises under the British patronage. The indigenous people remained content with their village lives while the educated few were employed in urban centres and tea gardens at lower and middle level jobs. The situation hardly provided any nurturing of the spirit of risk taking and enterprise. There was no encouragement by the foreign rulers to the local people for initiating industrial enterprises in South Assam.

During the post independence period and the five-year plans some progress in the industrial sector has taken place.

Of course, South Assam till today is one of the Industrially backward areas of Assam. The geographical isolation, poor infrastructure and the relatively high production cost hinder the process of industrial growth. The total number of factories registered under the Factories Act in the region is 169. These are registered factories with 7566 no. of workers (as per 2001, Chief Inspector of Factories, Assam) engaged in the manufacture of food products, wood products, paper and paper products and repair services. Economic Survey of 2003-04 shows that there has been an increase in the number of factories in the two districts i.e. Cachar and Karimganj. In Assam there are 2508 number of registered factories (Economic Survey 2003-04). So South Assam has only 9.8% of the registered factories of the State of Assam. It can be seen in Table 2.VI:

**TABLE 2.VI NUMBER OF REGISTERED FACTORIES AND EMPLOYMENT**

<table>
<thead>
<tr>
<th>Districts</th>
<th>Number of registered factories</th>
<th>Average number of daily workers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2001</td>
<td>2003-04</td>
</tr>
<tr>
<td>Cachar</td>
<td>122</td>
<td>160</td>
</tr>
<tr>
<td>Hailakandi</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Karimganj</td>
<td>22</td>
<td>67</td>
</tr>
<tr>
<td>Total</td>
<td>169</td>
<td>252</td>
</tr>
</tbody>
</table>

*Source: Office of the Chief Inspector of Factories, Assam.*
2.2.1. Major Industries in South Assam:

Except Panchgram Paper Mill there is no large scale industry in the southern part of Assam. One sugar mill was established in 1978 at Ratabari (in Karimganj district) under the name 'Cachar Sugar Mills Ltd.' in the state sector, which became sick and was ultimately closed down within few years of starting production. Currently a cement factory has started production at Badarpur, although the factory is facing difficulties. 16

In the small scale sector, there is one industrial estate in Badarpurgaht. Development of small industry has been the prime objective of the programme of industrial estates. Badarpurghat industrial estate is the first industrial estate in southern Assam which was set up to cater to the needs of three southernmost districts of Assam viz, Cachar, Hailakandi and Karimgnaj. During 1961 the construction of Badarpurgaht Industrial Estate and a leather training centre were in progress at Badarpurgaht. 17

Industrialisation in South Assam is closely linked with the development of tea plantation. Successful tea cultivation in the region was experienced in the 19th century. At present there are 192 gardens in the Cachar district only covering an area of 31116 hectares (according to 2000) There are a number of small tea growers registered with the Tea Board of India. Tea occupy about 13.5 per cent of the total cropped area in the valley. It contributes significantly to the region's net domestic product and represents the only surplus-generating sector. Tea industry in Barak Valley was sluggish during the first three decades in the post-independence period. But with gradual increase in prices of tea in the seventies there has been a noticeable growth of tea production in the recent years. During the period 1981-95, production of tea in South Assam increased by a total of 46.6 per cent (Economic Survey, Assam 2000).

16 See Government of Assam: Directorate of Industries and Commerce. 2003
Table 2. VII below shows the trend of production of tea in South Assam:

**TABLE 2.VII PRODUCTION OF TEA IN SOUTH ASSAM**

<table>
<thead>
<tr>
<th>Year</th>
<th>South Assam production (in '000 kg)</th>
<th>P.C. Share of South Assam</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>In Assam total</td>
</tr>
<tr>
<td>1951</td>
<td>19827</td>
<td>13.2</td>
</tr>
<tr>
<td>1961</td>
<td>20181</td>
<td>11.1</td>
</tr>
<tr>
<td>1971</td>
<td>22736</td>
<td>10.2</td>
</tr>
<tr>
<td>1981</td>
<td>29277</td>
<td>9.6</td>
</tr>
<tr>
<td>1991</td>
<td>40605</td>
<td>10.1</td>
</tr>
<tr>
<td>1995</td>
<td>42929</td>
<td>10.8</td>
</tr>
<tr>
<td>1999</td>
<td>49119</td>
<td>–</td>
</tr>
<tr>
<td>2000</td>
<td>53722</td>
<td>–</td>
</tr>
</tbody>
</table>

*Source: Tea Board of India Regional Office Guwahati.*

The various industries that have potentialities for growth in South Assam include:

a. Agro industries - tea, jute and jute products, cotton, food processing, fruits etc.

b. Forest based industries - paper, woodcraft and furniture, cane and bamboo work among others.

**2.2.2 Proportion of workers engaged in non-household industry sector:**

Around 70 per cent of the workers in South Assam are engaged in agriculture and other primary sector activities of whom about 17.1 per cent are landless labourers. (census 1991). Another 23 per cent of the working population are tied to the service sector. The remaining 6.3 per cent are engaged in secondary sector activity. The Share of manufacturing sector in total employment being only 4.3 per cent (census 1991).
The distribution of main workers, marginal workers and non-workers of South Assam (as per 2001 Census) are shown below in Table 2.VIII:

TABLE 2.VIII DISTRIBUTION OF MAIN WORKERS, MARGINAL WORKERS, AND NON-WORKERS OF SOUTH ASSAM (AS PER 2001 CENSUS)

<table>
<thead>
<tr>
<th>Districts</th>
<th>Total Workers</th>
<th>Total Population</th>
<th>Main Workers</th>
<th>Marginal Workers</th>
<th>Non-Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>T</td>
<td>4,65,734</td>
<td>1444921</td>
<td>364814</td>
<td>100920</td>
<td>979187</td>
</tr>
<tr>
<td>M</td>
<td>364483</td>
<td>743042</td>
<td>309558</td>
<td>54925</td>
<td>378559</td>
</tr>
<tr>
<td>F</td>
<td>101251</td>
<td>701879</td>
<td>55256</td>
<td>45995</td>
<td>600628</td>
</tr>
<tr>
<td>T</td>
<td>179881</td>
<td>542872</td>
<td>138216</td>
<td>41665</td>
<td>362991</td>
</tr>
<tr>
<td>M</td>
<td>136510</td>
<td>280513</td>
<td>116620</td>
<td>19890</td>
<td>144003</td>
</tr>
<tr>
<td>F</td>
<td>43371</td>
<td>262359</td>
<td>21596</td>
<td>21775</td>
<td>218988</td>
</tr>
<tr>
<td>T</td>
<td>303294</td>
<td>1007976</td>
<td>235016</td>
<td>68278</td>
<td>704682</td>
</tr>
<tr>
<td>M</td>
<td>246077</td>
<td>517680</td>
<td>207854</td>
<td>38223</td>
<td>271603</td>
</tr>
<tr>
<td>F</td>
<td>57217</td>
<td>490296</td>
<td>27162</td>
<td>30055</td>
<td>433079</td>
</tr>
</tbody>
</table>


T - Total
M - Male
F - Female
Total workers = Main workers + marginal workers
Total Population = Total Workers + Non-workers

2.2.3 Status of agriculture: The southern most part of Assam forms the agro climatic zone No. 5 of the State. Agriculture is the primary occupation of the people. Here cultivation is basically traditional type. Major Crop of the region is paddy. Other important crops are vegetables, pulses, oil seeds, pineapple and other horticultural crops. Agriculture in the region is exposed to vagaries of nature like cyclonic storm, frequent floods from the river Barak and its tributaries. Besides, occasional drought also reduces
crop production. There is a vast scope for coverage of HYV crops in the region. The total area under HYV cultivation is 135013 hectre (Economic Review 2003). The net area under crop is 235426 hectre. The gross cropped area is 312848 hectre. The area under mono crop is 190970 hect, double crop 102140 hect and triple crop is 19719 hect with cropping intensity of 134 per cent (census 2001).

The total number of farm families are 422449 numbers. Out of these marginal farmers families are 153182 nos., small farmers families are 108302 nos. big farmers families are 19335 nos. and landless farmers families are 141630 nos.\(^\text{18}\)

The average size of a farm is only 0.55 hectres. Farmers are not in the habit of using certified seeds (Economic Review of Assam 2002-03).

The fertilizer consumption in the region mainly occurs in Rabi crop season rather than in the karif crop season. Average trend of fertilizer consumption (NPK) is increasing. In 1998-99 it was 19.2 per cent, in 1999-2000, 25.69 per cent, 2001-02, 27.85 per cent and in 2002-03, 34.55 per cent.

South Assam is considered a flood prone area and a number of irrigation structures have been damaged due to recurring floods and other wear and tear. The total flood prone area is 9383 hect (Directorate of Economics and Statistics 2001). Scientific and sustainable development of the region’s agriculture sector such as diversification of cropping pattern from the traditional mono-cropping to multiple cropping through introduction of HYV, and the use of fertilizers, and increase in productivity is not possible without introducing proper system of irrigation facilities. As most of the schemes are lift irrigation schemes filed with electricity energized motors and pumps, irregular and inadequate supply of power disrupt the functioning of the schemes for which many of the schemes have become non-functioning or partially functioning.

Indeed South Assam is peculiar in its character due to the following agro-climatic factors.

1. Intensity of rainfall is very high during the monsoon months causing frequent floods, but very scanty rainfall is received during the winter months.

2. Soil acidity is very high. The riverine tracts are found to have loam to sandy loam
textured soil, and short winter act against taking up cultivation of wheat and rabi
pulses at wider scale.

3. Limited scope exists for utilisation of ground water for irrigation.

4. Abundance of small hillocks and depression provide ample scope for horticulture.

The economy of South Assam is based on agriculture. About 70 per cent of its total
population depend on agriculture for their livelihood. So persistent population increase
in the backward agrarian economies exert tremendous pressure on the limited land
resources, leading to sub-division and fragmentation of operational holdings. This
depresses agricultural productivity and output and aggravates food-crisis.

The agricultural sector in the region is overburdened with surplus labour. On the other
hand the rate and pattern of industrial investment in the region have not been so much
as to draw and absorb the surplus labour. Land use statistics in the South Assam in
2000-01 can be seen in Table 2.IX:

**TABLE 2.IX LAND USE STATISTICS IN THE SOUTH ASSAM DURING
2000-2001**

<table>
<thead>
<tr>
<th>Classification of area</th>
<th>Area in hectares</th>
<th>Percentage to total area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Geographical area</td>
<td>691210</td>
<td>100.00</td>
</tr>
<tr>
<td>Net cropped area</td>
<td>235426</td>
<td>34.00</td>
</tr>
<tr>
<td>Area under forest</td>
<td>257664</td>
<td>37.27</td>
</tr>
<tr>
<td>Land put to non-agricultural use</td>
<td>72930</td>
<td>10.55</td>
</tr>
<tr>
<td>Barren and uncultivable land.</td>
<td>59774</td>
<td>8.64</td>
</tr>
<tr>
<td>Permanent Pastures and Grazing land</td>
<td>5242</td>
<td>0.75</td>
</tr>
<tr>
<td>Net area sown</td>
<td>227340</td>
<td>32.89</td>
</tr>
<tr>
<td>Area under High Yielding varities of paddy</td>
<td>117956</td>
<td>17.06</td>
</tr>
</tbody>
</table>

*Source: Statistical Handbook Assam 2001.*
Due to continued prevalence of different cropping patterns, traditional techniques of agriculture, topographical and sociological constraints the region has been deprived from green-revolution.

2.2.4. Profile of the SSI sector: The modern Small Scale industries (SSIs) in India were almost non-existent before the World War II. After independence, the Central Government started taking keen interest in the development of small-scale industries. The small scale and traditional industries form an important sector in the economy of Assam.

During the post-independence period, small scale industry has witnessed moderate growth in the South-Assam giving employment opportunities to many people. It acts as an element for generation of employment and helps in the process of industrialisation. SSI sector in this region face acute competition due to poor transport facility.

As on 31-12-2001, there were 2699 number of registered small scale industries in South Assam which is 6.44 per cent of all Assam. Many people are engaged in this sector. But there are many units which were found non functioning or closed due to reasons like inadequate credit, scarcity of raw-materials, power problems, inadequacy of infrastructure and a high level of competition in the market. The number of small scale industries registered in South Assam is depicted in Table 2.X:

<table>
<thead>
<tr>
<th>TABLE 2.X NUMBER OF SMALL SCALE INDUSTRIES REGISTERED IN SOUTH ASSAM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Districts</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Cachar</td>
</tr>
<tr>
<td>Hailakandi</td>
</tr>
<tr>
<td>Karimganj</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: Central Statistical Organisation New Delhi.  

Data available on District-wise distribution of Registered SSI units reveal that during 2003, the three districts had 2939 registered SSI units which is 6.25% of all Assam. There are 46,996 no. of SSI units in Assam employing about 2 lakh persons till the year 2003. New units of various types of industries established during the last three years are agro based, forest based, textile based, chemical based, engineering based, mineral based & other miscellaneous types. (Directorate of Industries & Commerce, Assam).

South Assam which is the southern most part of Assam is making efforts for gearing up entrepreneurial field both for men and women with a view to create strong industrial base. For this they steps are being taken for removal of existing infrastructural inadequacies. Cachar, Hailakandi and Karimganj district are among the most industrially backward districts in the state of Assam. Keeping this in view, the Industries and Commerce Department of the Government of Assam are trying for industrialisation and encourages the establishment of SSIs. But it is observed that a large number of SSIs established under DICs are sick and women-owned SSIs are very less. The small scale Industries have a vital role in the process of industrialisation of the state. Total number of Small Scale Industries registered in the three districts under the Directorate of Industries in Assam gives as a clear picture of entrepreneurial situation in South Assam:

### TABLE 2.XI UNITS REGISTERED IN VARIOUS YEARS IN SOUTH ASSAM

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cachar</td>
<td>58</td>
<td>18</td>
<td>27</td>
<td>40</td>
<td>32</td>
<td>62</td>
</tr>
<tr>
<td>Hailakandi</td>
<td>48</td>
<td>62</td>
<td>86</td>
<td>60</td>
<td>30</td>
<td>26</td>
</tr>
<tr>
<td>Karimganj</td>
<td>30</td>
<td>20</td>
<td>14</td>
<td>21</td>
<td>36</td>
<td>19</td>
</tr>
</tbody>
</table>

*Source: Statistical Handbook of Assam 2001.*

At present in the Cachar district upto 31.12.01 there were 1715 number of registered small scale units (PMT) registered under the Directorate of Industries, Assam. But later on some units were deregistered and there were 700 working registered SSI units.
In Karimganj district up to 31.12.01 there were 654 number of registered SSI units (PMT). But it was not found how many of them are working at present.

In Hailakandi district up to 31.12.01 there were 330 registered SSI units (PMT) and 260 units are working at present. The total number of registered SSI units owned by women entrepreneurs are 120 from 2000 to 2006 which has been depicted in the Table 3.11 Chapter III.

2.3. ENTREPRENEURIAL SITUATION

One of the factors behind the success of all the developed regions is rapid industrialisation. Industrialisation is a major instrument for economic growth. The industry sector has been one of the most rapidly growing sectors and its contribution to GNP and SDP (state domestic product) has increased manifold. The Seventh Five Year Plan aimed at "accelerated development in the areas where Assam has been lagging, taking full advantage of her resource endowments."^21

Lack of entrepreneurship is clearly an important factor affecting adversely the industrial development in this region. The relationship between industrial development and entrepreneurial progress is complementary to each other. The South Assam region is endowed with rich physical resources. But the simple analysis of the occupational pattern reveals the industrial backwardness of the area which in turn indicates the acute shortage of entrepreneurial initiatives in the region.

There are a number of Government and Non-government Organisations which are either directly or indirectly involved in the development of entrepreneurship in the region.

There are different schemes and incentives currently offered by the Government for promotion of entrepreneurship and self employment. Among these the PMRY scheme is considered the most attractive one for the young entrepreneurs. The PMRY scheme

---


was launched on 2nd Oct. 1993 to assist educated unemployed youth to setup self-employment ventures. The scheme initially targeted for setting up 7 lakh enterprises and consequently provide employment to more than one million educated unemployed youth in India in the VIIIth Five Year Plan. During 1993-94 the scheme was implemented only in urban areas of the country. Since 1994-95 it is in operation in both urban as well as in rural areas of the country. The scheme is continuing.

Under PMRY it is mandatory to undergo a 10 day training organised by specified institutions before the person gets any financial assistance from banks. In South Assam The District Industries Centre (DICs) impart such training.

The beneficiaries under PMRY must be persons in the age group of 18-45, (5 years relaxation is there for women and other minorities) who must have read upto VIII standard.

Yet another scheme for entrepreneurship development is Self- Help Group (SHG) scheme which enables the rural poor to earn their own livelihood besides participating in the process of development.

In a multi-level planning process district planning is vital. Industrial planning for small industries at the district level is a prerequisite for initiating development from grassroots level. District industrial planning should start with an industrial potentiality survey. The survey should lay down a plan for fuller utilisation of manpower resources. At present industrial planning at district level is looked after by the DICs. The DIC is registering authority for the SSI units, DIC examines the feasibility of each project so that an unit once setup does not become sick in the later period.

NECON (North Eastern Industrial Consultants Ltd) act as a catalyst to promote small & medium enterprises (SMEs) in the industrially backward North Eastern Region. It constantly and continuously scans the environment of the Region at macro and micro levels and formulates need based projects / programmes. Thrust areas identified for development. Simultaneously special programmes are formulated for entrepreneurs to equip themselves with special challenges and problems.

As we know the dearth of entrepreneur is a general feature of North East India as a
whole, it is particularly true in case of South Assam. It is this specified backdrop which makes the region so backward. Of course, the reason for this are the geographical isolation, the fragility of the existing infrastructure (power, transport and communication), low development of agriculture along with the phenomenon of low rate of capital formation which together pose formidable challenges in the path of entrepreneurship development.

2.4 WOMEN IN SOUTH ASSAM

According to the census of India, 2001 the female population of South Assam stood at 14,49,897 out of this, 7,06,145 lakhs were literates.

The employment of women in the organised sector of South Assam is increasing. Overall scenario of Assam depicts that, women in organised sector of the state was 321.9 thousand at 2002, accounting for 29.7 per cent of the total employment. At the end of December 2003 the number of women employees in Assam as a whole has increased to 333.0 thousand showing a share of 30.3 percent of total employment. It is observed that women employment in both public & private sectors have marginally increased by 15 per cent and 4.1 per cent respectively in 2003 as compared to previous years. (Economic Survey 2004-05).

Entrepreneurship Development is a precondition for industrial development of a backward areas. Realising this, NECON has played a vital role by taking up Entrepreneurship Development Programmes (EDP) in every nook and corner of the region with the aim of promoting tiny and small scale industries and also promoting women as well as other backward classes to become self sustaining entrepreneurs. Women of South Assam are also participating in the EDP programmes.

Life of women in South Assam is dominated by a patriarchal social system. Traditionally women in South Assam like India derives her social status from her family. Disparity between men and women in education, health, employment and income opportunities and other indicators reveal that women are relatively less empowered. Unemployment problem both among male & female in South Assam is a matter of serious concern. The job seekers specially educated job-seekers are increasing day by day. Due to the
limitations of job opportunities in the Government Sector, the importance and necessity of creating more and more self-employment opportunities has assumed special significance. To solve this problem Central Government announced "Prime Minister Rojgar Yojana", PMRY during 1993-94 to promote centres. In this scheme women who would like to become an entrepreneur are given preference.

2.5 ENTREPRENEURIAL SUPPORT SYSTEM

A number of organisations have been set up by the government of India to provide assistance and incentives to entrepreneurship development. In South Assam DICs are playing a vital role in this sector.

The establishment of District Industries Centres (DIC's) in 1978 was a landmark in the development of cottage and small industries in smaller towns in India. With a view to providing integrated administrative framework at district level for industrial promotion, a scheme of establishing DICs was started. It is aimed at providing all assistance and support to entrepreneurship at various states.

Three DICs are operating in South Assam. Among the three DIC centres DICC Cachar is the oldest one which was established in the year 1979. The major objective of establishing District Industries Centre was to provide single window service to small entrepreneurs. The package of services offered by DICs also included provision of training of entrepreneurs. It was noticed that DICs and Small Industry Service Institutes work in close collaboration with each other. DIC’s programmes aim at providing exposure to beneficiaries of ‘Self –employment scheme for educated unemployed youth” in the area of institutional support and small enterprises management.

The structure of DIC’s consist of

i. One General Manager

ii. Four Functional Manager ( three manager would be given the charge of economic investigation, credit and village industries. Fourth functional manager would be given responsibility depending on the specific requirements of each district, like raw materials marketing ( training etc.)
iii. Three project manager to provide technical service in the area relevant to needs of the district concerned.

At the sub-divisional level, there could be Assistant Director of Industries and Industry Promotion Officer. But these position do not exist in every state.

DIC's role is mainly promotional. To attain this it has to provide the needed service and support to small industries. Its various functions include the following:

i. Registration.

ii. Financial assistance.

iii. Training.

iv. Incentive facilities.

v. Export and Import Assistance.

Financial assistance to needy entrepreneurs is being provided through various schemes of Industries Department. One of the most popular scheme is the Prime Minister Rojgar Yojana (PMRY). Prime Minister Rojgar Yojana was launched on 2nd October 1993 to assist educated unemployed youth to set up self employment ventures. At the initial stage the scheme targeted for setting up of 7 lakh enterprises and consequent employment generation to more than one million educated unemployed youth in the VIIIth Five Year Plan. During 1993-94 the scheme was implemented only in urban areas of the country. Since 1994-95 it is in operation in both urban as well as rural areas of the country. The scheme is continuing in the ixth Five Year Plan also.²²

In Assam under the Prime Minister's Rojgar Yojana, 10, 151 numbers of unemployed youth were sanctioned loans amounting to Rs. 7595 lakh against the target of 10, 000 numbers during 2003-04 of the sanctioned amount, loan have been disbursed to 6948

---

²² *Laghu Udyog Samachar* 1999: July-Sept. p53
numbers. The employment created under the PMRY scheme was 7102 during 2003-04.\textsuperscript{23}

Prime Minister Rojgar Yojana Scheme has been in operation at various DIC offices whereby the physical targets are given by the Development Commissioner, Ministry of Industry, (SSI) Government of India, New Delhi on year to year basis. These physical targets are further allocated amongst the commercial banks through which the financial assistance is arranged to the beneficiaries selected by DIC Task Force Committee.

The details of the scheme are furnished below:

1. **Age**: The age limit for beneficiaries is 18-35 years in general, with a relaxation for SC / ST / Ex-servicemen Physically handicapped and women i.e. upto the age of 45 years for other states. But for North- Eastern States, the upper age limit is relaxed to 40 years in general and 5 years relaxation for SC/STS/ Ex-servicemen, Physically handicapped and women i.e. up to the age of 45 years, and with family income not exceeding Rs. 40,000 p.a. for each beneficiary along with his /her spouse, and the parents of the beneficiaries separately.

2. **Educational Qualifications**: The scheme is applicable to all the educated unemployed youth with a minimum qualification of VIII th Standard (Passed). Preference is given to those who have received training in any trade in government recognized/approved Institutions (ITI etc.) for a period of at least six months.

3. **Activities covered**: All economically viable activities including agriculture and allied activities but excluding direct agricultural operations like raising crop, purchase of manure etc. are covered for grant of financial assistance under the scheme.

4. **Project cost**: A borrower under the scheme will be eligible for sanction of a composite loan upto Rs. 2 lakhs for other than business sector. The loan amount for business sector will be restricted to Rs. 1 lakh. If two or more eligible persons join together in partnership the finance can be extended to project upto Rs. 10 Lakhs. Assistance will be limited to individual admissibility.

\textsuperscript{23} Government of Assam: *Economic Survey of Assam 2004-05* p-78.
5. **Subsidy and margin money**: In N.E.R. Subsidy will be limited to 15% of project cost subject to a ceiling of Rs. 15000/- per borrower (Rs. 7500 for other states). Bankes will be allowed to take margin money from the borrower varying from 5% to 12.5% of the project cost so as to make the total of the subsidy and margin money equal to 20% of the project cost.

6. **Collateral security**: The banks shall not seek collateral security for projects up to Rs. 1 lakh. Exemption from collateral security in case of partnership project is limited to Rs. 1 lakhs per person participating in the projects.

7. **The loans** will carry interest as per the directives issued by the Reserve Bank of India. Repayment Schedule is fixed in the range of 3 to 7 years after the initial moratorium as may be prescribed by the financial banks.

Every year the District Industries Centre (after getting prior permission from Central & State government) in the month of May-June given advertisement in local newspaper, provide radio announcements for Application. But the target vary from state to state and district to district according to the capacity of the district. They receive application from the candidate which are available in all the office of DICs. In most of the cases they accept all the application provided the application is complete in all the respects. Interaction with DIC officials further revealed that no rejection/short listing of candidates take place at application stage. All those who apply for PMRY scheme are interviewed. By this time, a report on all the beneficiaries is prepared. This report is prepared jointly i.e. by the field officers of both concerned banks and DIC. This report is the most important aspect in which an assessment is made of all the beneficiaries regarding their project viability. If the report is satisfactory, the beneficiary is entitled to get loan. If it is vice-versa they are rejected.
For interviewing the applicants, a committee is formed which is known as Task Force Committee. The structure of the interview committee is illustrated below.

**Structure of Interview Committee**

- **Chairman**
  - (General Manager DIC)

- **Member Secretary**
  - Functional Manager DIC

- **District Employment Assistant Director**
  - District Welfare Managers of Bank
  - Officer (Member) Branch SISI Officer (Member) (Guests)

*Source: Compiled from data provided by DIC*

General Manager of DIC act as Chairman. Functional Manager act as member secretary and District Employment Officer (Employment Exchange) Assistant Director (Branch SISI) District welfare Office act as member of the committee. In some cases they send their representative. Managers of banks are called as guests in the committee. During the interview the committee raises some basic questions regarding the project proposals to assess their viability. So members of the interview committee try to evaluate each candidate’s resources, resourcefulness and aptitude for starting a small enterprise. In this stage many beneficiaries fail to attain the confidence and they are rejected. After this the beneficiaries get provisional sanction from bank which is the entry point to attend 20 days EDP training programme conducted by DIC in association with branch SISI and other organizations. All the PMRY beneficiaries who have been selected in the interview attend this training programme. The duration of training programme is 20 days on a two hours daily basis. As such total class room inputs (excluding field survey)
in this programme are approximately 32 hours. On an average the classroom inputs in these programme are spread over 16 days and the programme package usually include 3 day market survey field work. Then the PMRY beneficiary submit the training certificate along with project report to the concerned bank. So the preparation of the project report is one of the most important tool. A project report need to cover from very general information to detail examination of specific issues relating to entrepreneur’s profile with special reference to his/her academic qualifications, past experience and competence, market demand, technological know-how and viability of the project. So the project proposal should reflect the following information.

1. Managerial and entrepreneurial capabilities of the entrepreneur.

2. Socio-economic benefits accruing out of implementation of the project.

3. Present and future demand of the product(s)

4. Technical feasibility of the project.

5. Financial viability of the project.

Then the responsibility is shifted to the concerned banks. So the selection is made based on performance in interview and the applicants aptitude for setting up own enterprise and the joint report which were submitted by field officers of bank and DIC. Discussions with bank managers of various commercial and lead bank revealed that the most important thing which matter is the applicants aptitude and project idea which is given the maximum weightage.

The three tier selection mechanism consists of the scrutiny of candidates through their applications, the personal interview, and then the participation and performance in training programmes.

2.6 SUMMING UP THE CHAPTER

This chapter dealt with the socio economic profile of South Assam. South Assam for the purpose of this study refers to the three plains districts lying in the southernmost part of Assam, namely, Cachar, Hailakandi and Karimganj.
The present socio economic profile of South Assam shows high density of population, excessive dependence on agriculture and low levels of capital formation and lack of enterprise culture.

Even after five decades of independence, South Assam continues to experience the general features of a stagnating economy. The main reasons for this may be found in the regions geographical isolation, inadequate communication, lack of infrastructural facilities, acute unemployment and inadequate finance. These together stand in the way of entrepreneurial growth in this region. In the recent decades, Government realised that the entrepreneurship can be an effective instrument for fostering industrial development. This is particularly necessary for facilitating structural diversification, modernisation, and self-reliance of the economy. But this process of entrepreneurship development has not yet gained the needed momentum in the South Assam. Currently organisations like DIC and SISI are playing vital roles in promotion of entrepreneurship in general and women entrepreneurship in particular in South Assam.

Nevertheless, from industrialisation point of view, South Assam is still backward. The slow rate of growth of South Assam's economy becomes evident when compared with the growth of the economy in the rest of India. Given the interlinkage that exists between the pace of growth of economy of a region and the pace and pattern of entrepreneurial growth, it may safely be postulated that the general state of the economy in South Assam, as had come out in this chapter, does have a hindering influence on the growth of entrepreneurship in this region. This general context has to be kept in mind while assessing the problems of women in general and women entrepreneurs in particular in the context of South Assam.