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Problems and Prospects of Rural Development in Assam

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Introduction: Assam is an underdeveloped economy. It has still excessive pressure of population on land, problems of chronic unemployment and poverty, un-utilized and under-utilized resources, low level of technology, so on and so forth, which suggest that the economy of Assam is an underdeveloped one. It is endowed with very rich natural resources which, if exploited to their full potentialities, can raise its economy to much higher level of development than what it is now. Human efforts for development through structural transformations of various sectors and factors are much more important than mere presence of untapped natural resources.

Therefore, it is very important to understand those problems which have been retarding the growth of the state and the measures to eliminate such problems. At the same time, they must also be able to discover the prospects of the development of the economy with the available resource base of the state.

Taking into consideration of all these issues, an attempt has been made through this paper to point out the main problems of the rural development of Assam leading to industrialization and agricultural, to suggest appropriate measures to overcome these problems and to throw light on the future prospects of pace development of its economy.

Objectives:-

The objectives of this paper are stated below:-

- i) To analyze about the problems of industrialization and agricultural.
- ii) To know about the causes of various problems.
- iii) To point out whether the different Government schemes are helpful or not to the rural industries.
- iv) To provide remedial measures to overcome those problems of rural industries and agricultures.
- v) To highlight the present state of industrial development.
- vi) To analyze the future prospects of rural development of industries and agriculture of Assam.

Significance: The economy of Assam is underdeveloped one though it has abundant of Natural Resources like forest, crude oil, etc and fertile land for cultivation of various high

valued crops. The development does not originate and proceed by itself. Human efforts are much more important for its development. This paper will discuss on the rural development of industrialization and agricultural sectors of Assam and the different problems leading to it and the future prospects that Assam has for its rural development in near future.

Methodology: The method applied in this paper is descriptive. The data has been collected through primary as well as secondary. The primary data is collected through visiting few units of cottage industries, observation and personal interviews in the area of Sarthebari and Sualkuchi. And secondary data is collected through various books.

Analysis: Assam is one of the industrially backward states of India. The pace of industrial development in Assam has been satisfactory in spite of being endowed with a high potential for development of resource based and demand based industries in the state. The causes of this slow industrial growth in the state are many, among which the most important ones lack of power facilities, poor transport and communication facilities, shortage of technical personnel, dearth of entrepreneurial motivation, shyness in the flow of outside private investment and low level of central sector investment. The industrialization in Assam started more than a century ago (i.e, during the 19th century) with the establishment of tea plantation and oil industry in the upper Assam area. But unfortunately the state has failed to complete so many decades of planning and has remained lagging behind many states of the country in the sphere of industrial development.

The village and cottage industries are the integral parts of the rural economy of Assam. These industries absorb quite a lot of rural people providing them with employment and income and thereby raise their standard of living, which help to bring about technical changes and balanced and integrated rural economy. These industries had to face a stiff competition from the machine made foreign goods. Many of the village industries had to take path of extinction. Therefore, the first task of the first five year plan of Assam was to provide a congenial atmosphere with good infrastructure for the development of village and cottage industries. The cottage industries have great importance in an agrarian economy like Assam. Rural agricultural families of the state are getting subsidiary occupation from these village industries. As these industries require minimum capital and ordinary tools and implements, thus rural families can run these industries. The cottage industries like Bell-Metal industry at Sarthebari, Silk Weaving industries at Sualkuchi etc. are in the way of rural development. There are many problems arises of cottage and village industries of Assam which is to be analyse in this paper with its causes.

❖ **Problems of rural industries i.e. village and cottage industries and its causes :-**

Although the heritage of rural industries in Assam is very rich but these industries are handicapped with innumerable difficulties.

- Due to ignorance and illiteracy these industries are using outdated tools and old methods of production and thus could not keep pace with other sectors of the

economy. They fail to adopt new techniques and thus produce old designed traditional goods.

- Due to dearth of capital, rural artisans and craftsmen are very poor and thus they depend on village money lenders to meet their financial needs. Necessary funds are not made available to the rural artisans and craftsmen from the commercial banks and other financial institutions. Thus, these industries cannot modernize their production process.
- Scarcity of raw materials faced by village and cottage industries in the state. The supplies of raw materials at reasonable price are not regular to these industries which create a problem for smooth functioning and also retard the growth and expansion of these rural industries.
- There are no proper training facilities to the artisans. Thus the artisans are still following outdated methods for production.
- Due to lack of proper marketing facility these industries sometimes go for distress sell of their products to the private dealers at a poor price.

Lastly, the rural industries like village and cottage industries are facing increasing competition from the large scale organized industries. Due to high cost structure, poor quality and design, the village industries cannot stand in the competition with the organized industries.

❖ **Government's effort towards the Rural Industries for its development:** The State Government of Assam has introduced different measures to sort out difficulties of rural industries. The government has introduced a long term scheme advancing loans at cheaper rates to these industries. Besides, Assam Financial Corporation, Co-operative Apex Bank and the Nationalized Commercial Banks are also offering long-term credit to these village and cottage industries. Further, the State Government has taken steps to offer basic infrastructural facilities for the smooth growth of it and also set up emporiums and Khadi Bhandars in various towns to provide a good market for the product produced by these industries. Thus the future of this industry sector depends upon the successful implementation of these measures.

❖ **Remedial measures to solve the problems of village and cottage industries of Assam :**

As this paper has analyzed some of the problems cited above, therefore following remedial measures are provided:-

- ✓ Efforts should be made for modernization and expansion of these rural industries. Workers should be acquainted with modern scientific techniques and methods of production.
- ✓ There should be availability of capital. The commercial banks and financial institutions should come forward with various scheme of short and long term credit at cheaper rates.

- ✓ Proper agencies should be developed for supplying raw materials regularly to the rural industries at convenient time and rates.
- ✓ There should be adequate training to the workers working in the village and cottage industries.
- ✓ Proper marketing arrangements should be developed in different parts of the state for the smooth sale of the product of these industries.
- ✓ More “common facility service centre” should be developed in the state, so that the rural industries get all the necessary common service in time to face the increasing competition.

❖ **Present status of Industrial Development in Assam and its future prospects :** The present state of Industrial development in Assam is not up to the mark. In spite of having rich potential for the development of different types of resources based industries, the state could not achieve much diversification in its industrial base, leading to restriction of its industrial activities mostly in village and cottage industries in rural areas. Moreover, the investment environment in the state is considered to be insecure considering the growing problem of insurgency, prevailing in the entire region. The state is facing the problem of huge capital flight and exodus of business firms.

In spite of various constraints the prospect of the development of rural industries in Assam is brightened under the ongoing process of economic reforms like industrial policy, trade policy etc. with the sole objective to bring a new element of dynamism. Assam being an industrially backward state, having a huge potential for rural development, can be able to make much headway in the path of industrialization under the current process of economic reforms. It can be finally observed that the future prospects of industries, especially rural industries, is quite bright provided an investment friendly climate is create in the state.

❖ **Agricultural Development:** For an underdeveloped state like Assam with its low level of income, it is a necessary condition for the development of its economy that there is an appreciable increase in the domestic agricultural output. During the process of rural development, it is essential to maintain a continuous growth in the supplies of agricultural commodities in a large scale to support the growing demand for food-grains and raw materials from the large and increasing population, and also to meet the relatively high income elasticity of demand for agricultural products. Assam have to use the limited incomes for purchasing machines and other advanced tools for agricultural development, and cannot spare for buying or importing foodstuffs from other regions. Therefore, it is important to raise the agricultural production and productivity to promote and sustain rural development of the state.

Adoption of modern technology or method is known as modernization of agriculture or transfer of technology in agriculture, which, Assam is progressing at a slow pace. There are certain major problems and its causes responsible for the slow pace of agriculture in Assam. These obstacles are mentioned below:

- Absence of sufficient assured and controlled water supply due to lack of adequate irrigation facility.
- Small size of agricultural holdings.
- Lack of high yielding variety of seeds and its limited use in agriculture.
- Scanty use of fertilizer.
- Lack of adequate finance.
- Natural factors like floods, attack by pest or insects etc. are also responsible.
- Lack of adequate agriculture research.
- Lack of motivation of farmers.

From the above cite problems of agriculture, there are some remedial measures for sustaining agricultural production in Assam.

- The farmers in Assam should try to modernize the agricultural sector by adopting modern implements such as – high yielding variety of seeds, applying adequate quantity of fertilizers etc., in order to keep pace in respect of increasing agricultural production.
- Adequate organizational steps must be taken for the development of the agricultural sector of the state.
- The scope of agricultural trade must be widened. Assam being an agricultural state can avail the benefit arising out of economic liberalization through diversification of its agricultural exports.
- Lastly, Development and expansion of agricultural industries can lead to a boost in rural development of Assam.

Thus, these papers has analyzed about the problems and prospects of rural development leading to industrialization and agricultural. Therefore, it is expected that a good number of rural industrial and agricultural projects may be developed in Assam in near future provided suitable investment environment in the state. This requires an active support from both the Central and State Government and also the active participation of the local people of rural areas of the state.

Conclusion: It is very important to understand those problems which have been retarding the rural growth of the state and the measures to eliminate such problems. At the same time, it must be able to discover the prospects of the development of the economy with the available resource base of the state. Through analyzing the problems and prospects of rural development, leading to industrialization and agricultural, it has been come to conclude that for the development of rural industries such as village and cottage industries and the agricultural sectors of Assam, there should be proper utilization of Natural Resources, the marketing arrangement should be proper, better infrastructure, export oriented, good irrigation facilities for agriculture, availability of fertilizers and Government support. The Government will have to play a much greater and active role in Assam for promoting industrialization and agricultural process.

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