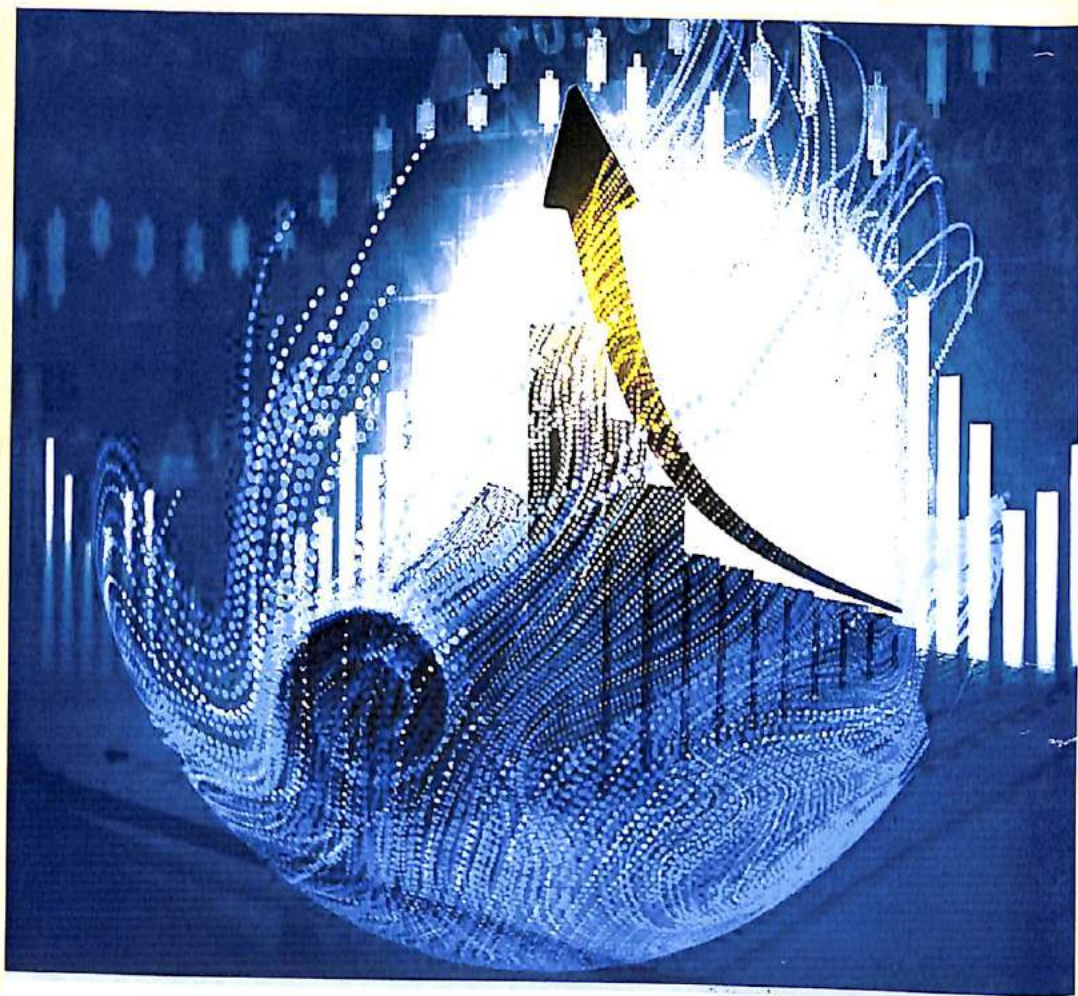


CONTEMPORARY INDIAN ECONOMY: ISSUES AND CHALLENGES



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About the Book

Indian economy continues to be a significant engine of growth in world economy. It is the biggest democracy and also the second most populated country in the world. Indian economic development plunged to an over six-year low of below 5 per cent in the initial quarter finished June this fiscal as a result of slower consumer demand and financial investment amid weakening global setting. There's been no significant improvement in unemployment in urban India. The unemployment rate is touching 10%, which is very high and worrisome, and jobs are not there for graduates and postgraduates. So, the situation for employment continues to remain very difficult. The economy has been in steady slowing down process. So, the slowing down began in 2011 -12, and it hasn't quite recovered from that trajectory where the growth rates started to decline. There are significant obstacles or hits in 2016 because of the demonetization and because of GST that made things a little more complicated. Today we are standing on a position which is quite challenging in very many ways. Investments haven't picked up for a very long time, and consumption is starting to slow down as well. So, the economy is slowing down more or less steadily. Amid the slowdown, the job scenario improved in September. The situation has enhanced in rural India and not in urban India. In urban India to have an unemployment rate of close to 10%, this is quite high. In the month of September, there is improvement in the rain. As a result of which there was a sudden improvement in the Kharif crops. In this book, authors highlight, entrepreneurship trend in India in the context of Capitalism. They also discuss the contemporary trends in employment, agriculture and tourism, women empowerment in NE India as well as Assam.

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Sericulture and Economy of Assam: A case study

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ABSTRACT

Sericulture is one of the major cottage industries in rural Assam and provides adequate income and employment opportunities for rural people since long. Basically the industries is the combination of four varieties- Mulberry silk, Tasar silk, Muga silk and Eri silk. . In some areas, these three are carried out with some ritualism. Since 'Muga' and 'Eri' silk have high demand in the state and the rest of the country so a large number of rural families are engaged in these activities. Sericulture industry plays a significant role in Lakhimpur district of Assam. The present paper tries to study the economic importance of the sericulture industries in rural Assam in terms of income generation and employment creation. Moreover, an attempt has also been made to find out the basic problem of sericulture industry that face in the present time based on some primary data, collecting from some village of Lakhimpur district.

(Key words: Eri, Employment, Income, Pat, Rural, Sericulture, Silk, etc.)

Introduction

There are several economic activities performed by rural people in their locality through whom they promote their livelihood and standard of living. Among these activities some are belongs to agricultural and its allied activities while some of them are in non-farm sector. Sericulture is one of the major non-farm activities and now it plays a vital role in uplifting the rural economy of Assam in general and study district Lakhimpur in particular. A major part of the rural people of the district finds job opportunities in this industry. Moreover, the increasing demand for Eri and Muga globally has not only given this industry a unique identity but also a scope for self-employment to the rural people. Basically the industries is the combination of four varieties- Mulberry silk, Tasar silk, Muga silk and Eri silk. India has an tremendous achievement in terms of silk production is concern and achieved second largest producer of silk in the world. Among the Indian states Assam has the monopoly power in terms of silk production. So far as the production of cocoon and reeling and yarn selling is concerned three district of upper Assam namely Lakhimpur, Dhemaji and Sivsagar is the dominant player while in case of weaving and final product selling after transforming of cocoon into cloth, Suwalkuchi village of Kamrup district is the main pillar of the sericulture industry. Around 15000 handloom wavers are available there and produce the silk cloth accordingly. In some areas, production of "Muga", "Eri" and "Pat" is carried out with some ritualism. Since 'Muga' and 'Eri' silk have high demand in the state and the rest of the country so a large number of rural families are engaged in these activities. At present, there are 10,532 villages where around 2.5 lakh families are absorbed in this activity (Government of Assam, 2009).

Review of Literature

Many researchers have conducted several studies on sericulture industries in different time. Ratanlal et.al (1990) conducted a study on employment of human labour in sericulture across different size of the farms of Andhra Pradesh and observed that the high employment potentialities of sericulture were well suited to exploit the abundant human resources in rural India. According to them the big holding sericulture farms comparatively generate less employment opportunities then the small holding farm. Das, P.C. (2002) after an empirical study on muga culture, covering 736 families in Kamrup district of Assam, concluded that about 27 per cent respondents of the sample are entirely depends on this activity for their income and livelihood. Das, M. (2009) conducted an economic analysis on sericulture industries in Assam and find out that the sericulture industry (including Eri, Muga and Mulberry) has been playing a significant role in rural Assam since long. According to him the number of families engaged in sericulture industry, except mulburry activity, increase rapidly in every year with a satisfactory level. On the other hand, after his observation on income generation, Das concluded that though the contribution to NSDP is not highly significant but for a rural household or more especially for rural poor women it is very essential or significant.

Objective

The basic objectives of this paper are -

- Ø To study the economic importance of the sericulture industries in rural Assam in terms of income and employment generation.
- Ø To find out the basic problem of sericulture industries those are face in present time.

Methodology

The study is largely an empirical one. Therefore, both the primary and secondary data are use for this study. For collection of primary data a structural questionnaire is prepared and using it for conducting a household survey by the random and purposive

sampling method. In this case the selection of household in the village those are related with sericulture activities is purposive and among them the sample are drawn randomly. The size of sample is 100 and covered 20 per cent household in each surveyed village. However, for secondary data, using different government bulletin, reports and authentic web sources.

Rational of the Study

Assam economy is predominantly an agrarian in nature. But due to the inelastic characteristic of cultivable land and rapidly growing state population, the agriculture sector cannot sufficiently provide the people's basic needs. Moreover, many parts of the Assam are affected by flood in the rainy session and destroyed the agricultural production. On the other hand, since there is a tremendous expectation of industrial development of Assam for its abundant natural resources or industrial raw materials since long but due to lack of financial and entrepreneurial experiences it is far behind that of satisfactory level. Therefore, the rural people of the state neither completely depends on agricultural sector nor on industrial sector for their livelihood. In this regards as a small scale and cottage industry, sericulture play a significant role in rural areas of the state in terms of income and employment generation.

Status of Sericulture Industries in Assam and the Surveyed Area

The main component of the Sericulture industries i.e. Eri, Muga and Pat has been producing domestically most of the households of the state. Beside this, there are numbers of sericulture farm, belongs to government, private as well as semi private sector, across the state those are producing cocoon, yarn of each product and directly related in weaving activities. There are 5936 hectares land is covered by Eri food plants, 4368.78 hectares land in muga food plants or muga farms and 1279.97 hectares by basic mulberry food plants or mulberry farms in 2017-18. However, total numbers of sericulture villages in Assam in 2017-18 were 8726. In the tribal

area, the women are tremendously participated in these activities and many of them take it as the main source of their livelihood and substitute income source of agriculture. So far as the production and the numbers of families absorbed in sericulture industries is concern, the Directorate of Economics and Statistics informed that both in the production of Eri and Muga, Assam has been showing an marginally increasing trend while in case of Pat its shown a decreasing trend in the last two decades as mentioned in the table (1.A).

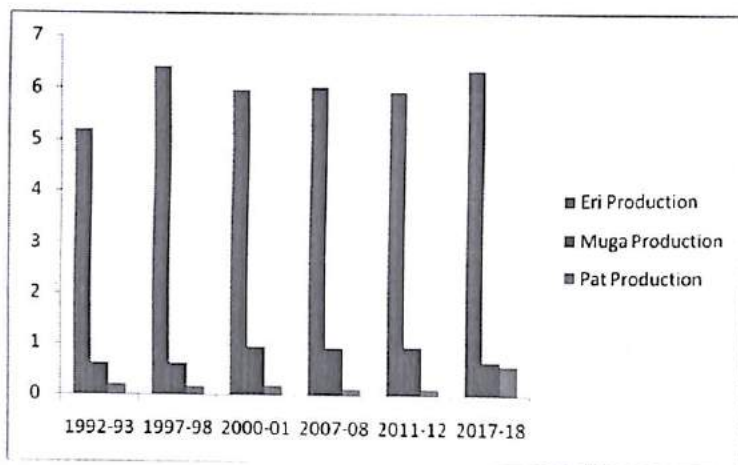
It is revealed in the table 1.a that the sericulture industries of Assam have provided employment opportunities for around 3 lakh families in 2017-18. They are working in each and every stage of the production i.e. raw cocoon production, reeling and yarn selling, weaving, marketing, etc. On the other hand, in case of production of Eri it is found that eri is highest producing component amongst the all while pat is the lowest.

Table 1.A
Production of Sericulture and Numbers of Families absorb
in Sericulture Industries in Assam.

(in Lakh K.G)

Year	Eri		Muga		Pat	
	Families	Production	Families	Production	Families	Production
1992-93	123327	5.18	26974	0.60	37506	0.196
1997-98	116580	6.4	14910	0.60	22188	0.15
2000-01	119320	5.95	21569	0.94	25915	0.168
2007-08	125420	5.99	21831	0.92	25667	0.12
2011-12	111250	5.88	20138	0.94	21432	0.11
2017-18	271318	6.30	20541	0.64	27546	0.57

Figure 1.a
Production of Sericulture Industries in Assam



Lakhimpur district is located in the north bank of holy river Brahmaputra, which is usually known as Upper Assam, surrounded by state Arunachal Pradesh in North, Dhemaji district in the East, Sonitpur district in the west, River Brahmaputra, Sivsagar district and Majuli subdivision of Jorhat district in the South. The district is situated 390 Km behind from the state capital Guwahati, by road. The district is covered by 2277 sq. kms which is (2.9%) of total area out of total state land area 78438 sq. Kms. Before 2nd October of 1971, the district consisted by present four district of the state, namely, Dibrugrah, Lakhimpur, Tinsukia and Dhemaji. The Dhemaji district is separated from Lakhimpur in 1989. Since the district is situated in the eastern Himalayan region, hence the climate of the district is characterized by relative coolness, extreme humidity, heavy summer and draught winter. It was recorded that the average annual temperature of the district is 37.9^o C (maximum) and 17.9^oC (minimum), where the mean relative humidity is 81%. The district receives heavy rainfall in the rainy season, especially in the months of

June, July and August. On the other hand, the months December, January and February are considered as relatively rainless months. There are two subdivision of the district namely North Lakhimpur and Dhakuwakhana. In case of 'Eri', 'Muga' and 'Pat' production the relative environment of the state in general and Lakhimpur district in particular is well suited. The Dhakuakhona subdivision of Lakhimpur district is well-known in sericulture. This area of the district is heavily affected by flood in almost every year affecting the paddy cultivation. So many people of this subdivision depend on sericulture. There are 736 sericulture villages in the district in 2018, most of which are situated in Dhakuakhona sub division. The number of families engaged in this activity is around 30 thousand.

In the primary survey, we have collected data from four well known villages namely Bamchapori, Batchoramukh, Duliyaagaon and Kathabari in order to know the basic information of sericulture; more specifically muga culture and eri culture; related with income and employment, in the Dhakuwakhana sub-division of Lakhimpur district. Most of the households of these villages are primarily depends on agricultural sector but due to the heavy flood in summer they choose sericulture is a subsidiary sector of their employment and income for their survival. Table 1.b reveals that there is a significant difference between the average income of all surveyed family including income incurred from sericulture activities and average income of the families ignoring the sericulture income. It is calculated that the overall average difference between these two categories is Rs. 8108. The highest difference is found in case of village Bamchapori i.e. Rs.12704 followed by village Batchoramukh (Rs. 10000) and lowest in kathabari village (i.e.Rs. 8105). In our observation it was found that most of the women waver are actively absorb in handloom activities and supply purely handed woven Muga/Eri/Pat cloth to the different places of the district or the state. There is a very high demand of such product among the women of the state but due to the adequate

marketing and transportation facilities the waver are unable to get even the normal profit also.

Table 1.B

Status of Income Employment in the Surveyed Household

Villages	No of House hold surveyed	No of Families related with sericulture	Average Family size of sericulture families	Average income of all surveyed families	Average income of all families excluding income from sericulture
Batchoramukh	20	7	7	52490	42490
Bamchapori	17	8	8	71606	58902
Duliyagaon	17	6	6	39200	29271
Kathabari	19	5	6	55505	47400
Overall	73	26	7	54700	46592

Source: Primary survey, 2014

So far as the employability nature of the sericulture industry in the study area is concerned, it has provided sufficient employment opportunities to the family members absorbed in sericulture activities. It is clear from the above table that out of 73 surveyed household 26 families/ households (35.6 per cent) are directly related with sericulture activities for their livelihood. Therefore, it may be assume that sericulture industry play a vital rule in rural Lakhimpur district in case of income and employment generation.

Basic Problems faced by Sericulture industries in Assam:

There are numbers of problem face by sericulture industries in Assam on their development process. Some of these are mentioned as follows:

- i. Financial Problem: Finance is the basic requisite of any industrial unit as their development is concern. Since rural

people are poor and uneducated in nature, therefore, for credit and other financial support, they are basically depends on village money lender in a high interest rate. Bank or other government financial institution does not provide adequate financial support for those people who are absorbed in sericulture activities.

- ii. Marketing Problem: Absence of organized market for sericulture commodity (cocoon, cloth, etc.) is another serious problem of the development of sericulture industry in Assam. Due to the active participation of middleman in this market, the actual producers unable to get even the normal profit from their product rather the middlemen get the super normal profit.
- iii. Traditional technology: Since sericulture activities are mostly run by illiterate people hence there are no scope of scientific development of rearing and commercialization of the industries. They remain run their activities by using traditional technology.
- iv. Shortage of worms and feeds: Shortage of feeds and worm in the proper time is another serious problem those are engaged in the rearing activities. Since there is no organized market for such commodities therefore, the rearers are facing difficulties for accommodation of their basic needs for running this activity.
- v. Lack of Education: Illiteracy is another major problem among those are absorbed in the sericulture activities. Due to the absence of proper knowledge and education, they are unable to modernize the industry.

Conclusion:

From the above discussion it may be concluded that sericulture industry in rural economy of Assam in general and district Lakhimpur in particular has play a vital role in case of income and employment generation is concerned. If government

take adequate steps and provide sufficient financial support targeting to the family those are engaged in sericulture activities, then this industry may generate adequate employment opportunities. For this expansion of education both technical and formal is very essential to make modernized and commercialised the industry. Moreover, government or any other nongovernment organization may arrange some type of training programme through expertise person so that the industry will expand tremendously and provide adequate income opportunities for them. Since, silk and muga has high demand in the present time,

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