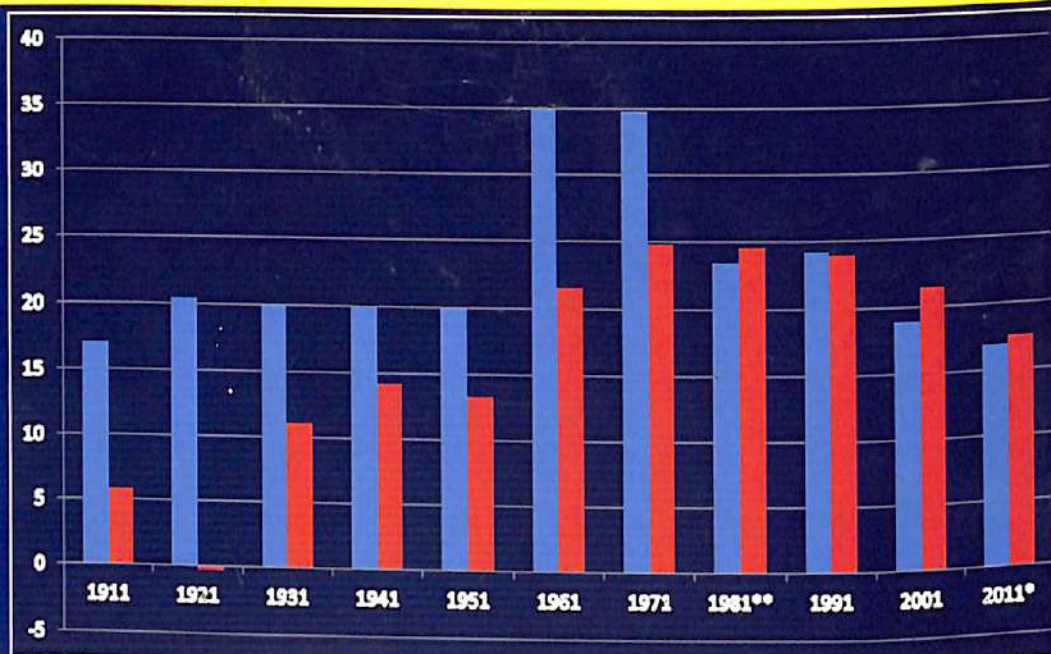


# Socio-Economic Issues in India

( With special Reference to Assam )



**Editors**

**Dr. Gobin Chandra Boruah**

**Nabanita Baishya**

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Dr. Gobin Chandra Boruah (M.A, M. Phil, Ph. D)

Nabanita Baishya (M.A., M. Phil)

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Mrs. Nabanita Baishya

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## Preface and Acknowledgements

India is a vast country with diverse socio-economic issues and problems across the nation. We witness economic well being of the people of the western and southern side of the country in one hand and north-east are lacking behind from all forms of development on the other. The issues may be described in short as follows.

Indian economy particularly industrial sector has experiences a robust growth more than 8 p.c. per annum in the last few years. Though agriculture is primary sector, however, it experiences a comparatively dismal performance which effects the growth of the country as a whole. Apart from industry and agricultural drawbacks, there are other issues like economic diplomacy, financial inclusion, micro credit, failure of governmental economic policies, agricultural subsidies, woman education, ethnic issues, social entrepreneurship and problems in tourism are faced by the country particularly the north-east and Assam. The people of the region face basic socio-economic problems at large.

This volume contains 20 papers. Puna Das, in his paper "Dr. B.R. Ambedkars' contributions to Indian Economics" tried

to analyze the impact of Dr. Ambedkar's thought on Indian economy. Dr. B.R. Ambedkar mainly as the architect of the Indian constitution, but basically he was most educated economist of the country. His economic thought had made a significant impact on Agriculture and Land reform, Industry, taxation policy, population control and development of woman etc. Another author Phulmoni Das, in his paper "India's Economic Diplomacy" tries to make a new dimension in India's foreign policy in the post cold war and globalised world. In his paper, he highlights many economic activities of the nation including export, import, investment, free trade agreements, management of aid, tourism promotion and other financial flows.

Poly Baruah and Ritupan Borah, in their paper "A Study of Financial Inclusion with special reference to various government measures in India" tried to highlight key areas and suggest strategies to insure maximum financial inclusion for the under privilege and unbanked areas. Bitupon Bargohain, on the other hand, tried to evaluate the importance of Indian's largest employment guarantee Act MGNREGA through his paper "Pros and Cons of MGNREGA in India". Another paper titled "Importance of woman education in lowering the fertility rate" with special reference to Assam by Prafulla Rajbongshi and Jyotshna Saikia analyse that female education plays an important role in reduction of fertility rate. It has been seen that woman who are empowered through education trend to have fewer children. Dr. Dimpi Chakrabarty and L.N. Prasad in their paper "Organizational behavior and management of group fund by micro credit participants of Assam" tried to make an analysis to improve the position of rural poor through Self Help Groups and its effective utilization of credit amount and repayment of bank loans. Uditya Bora, in his paper "Agricultural subsidies in India: A critical Evaluation" tries to analysis significance of Agricultural subsidies in Indian economy. Nabanita Baishya, in her paper "Prospect of

Mechanization Agriculture: An analysis of Lakhimpur district of Assam" tries to analyze how far mechanization is applied and effective in the said district. Today, tourism is the second largest industry in the world. Mriganka Saikia in his paper "A study of impact of tourism on local residence of Kaziranga, Sibsagar and Majuli of Assam" examined the impact of tourism on income, employment and asset generation of the local residence of the said area. Dulen Gogoi also tried to explain the problem and prospect of Satajan Wetland, which is one of the most beautiful tourist spots of Lakhimpur district.

This volume contains several papers on Socio-economic culture of ethnic groups like Tiwa tribe of Assam, Sonowal Kacharis, migration and assimilative pattern of Misings. All these papers highlights the issues like determinance of woman work force participation among Tiwa tribes, maternal bio social factors effecting birth weight in Sonowal kacharis and migration and assimilative pattern of Mising. Assam is famous for its Tea gardens and silk and Muga cloths. Dr. Kakali Hazarika, in her paper "The Journey of Tea: from garden to market" tries to make emphasis on Tea industry. Dr. Gobin Ch Boruah and Swapna Das their paper, "Economic interpretation of Sericulture industries in Assam: an analysis" tried to highlight the importance, problems and prospects of sericulture industries in Assam in general and district Lakhimpur in particular. Entrepreneurship development is important for industrial development of the country. This volume contains two papers on Social entrepreneurship as New Business Model to uplift the poor by Jitu Saikia and Sumitra Bithi Kachari and another paper by Rashmi Sarda, "Woman Entrepreneurship development in India: issues and Challenges" mainly, highlights the development of poor and rural woman by undertaking the entrepreneur skill.

Sankardeva was a great scholar of medieval period and was the first to propagate vaishnava culture in Assam. Chandan

Sarma in his paper "Sankardeva as an environmentalist: as reflected in his literary works" tries to draw the attention of people towards environment and promote awareness among the people to protect the nature or to work against the damages caused by human activities to nature. Another paper on "occupational shift and Social change, A study of Riverine rural inhabitant of Assam" by Nilom Baruah, study the impact of shifting of occupation from to non-farm sector of the economy in terms of income and employment generation. Dr. S.B. Tamuli, in her paper "Impact of SGSY in Rural Development of Lakhimpur district of Assam" has made an attempt to analyse how far SGSY programme is successful in poverty elevation of the said district.

The contributors of papers deserve special thanks as without their cooperation would not have been possible to bring this book out.

We are highly grateful for encouragement, advice and their sacrifice. We offer our thanks to Mr. Juganta Saikia, Priyadarshini offset Publication for undertaking the publication of this book.

We will be highly obliged if this book would be of any help to the students, teachers and for the development of the society and to the public in general.

Dr. Gobin Chandra Baruah  
Nabanita Baishya

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## IMPACT OF SGSY IN RURAL DEVELOPMENT OF LAKHIMPUR DISTRICT OF ASSAM

Dr. Sangeeta Borthakur Tamuli

### INTRODUCTION:

In India about two third of the total population live in rural area with agriculture as their main source of income. Therefore, the development of rural economy is a must for overall economic development of the country. However, poverty is one of the social phenomenons for up-liftment of rural economy in our country. Therefore, policies have been introduced from time to time for removal of poverty specially in rural areas and thereby develop the rural economy in the country. The SGSY (Swarnjayanti Gram Swarozgar Yojna) is one of the such programmes which was introduced by the central government on first April 1999 by merging four schemes, viz, Integrated Rural Development Programme (IRDP), Million Wells Scheme (MWS), Training of

# Economic Interpretation of Sericulture Industries in Assam: An Analysis

Dr. Gobin Chandra Boruah  
Swapna Das

## INTRODUCTION

There are many economic activities performed by rural people in their locality through whom they promote their level of income and standard of living. Among these activities some are absorb in agricultural and its allied activities while some of them belongs to the non-farm group. 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 my study district Lakhimpur in particular, and a major part of the population finds employment 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 relling 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 -

- To study the economic importance of the sericulture industries in rural Assam in terms of income and employment generation.
- 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 20per 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 basics 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 lake 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 176.56 hectares land is grainages in Assam by Eri seed, 129.34 hectares land in mulberry farms and 301.87 hectares by basic muga seed farms in 2008-09. However, total numbers of

sericulture villages in Assam in 2008-09 were 9537. 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.i).

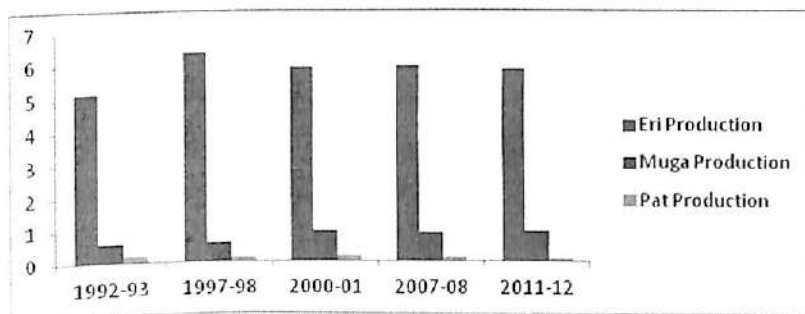
It is revealed in the table 1.a that the sericulture industries of Assam have provided employment opportunities for around 1.5 lakh families in 2011-12. They are working in each and every stage of the production i.e. raw cocoon production, relling and yarn selling, weaving, marketing, etc. On the other 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

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 2<sup>nd</sup> 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<sup>o</sup> C (maximum) and 17.9<sup>o</sup>C (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 761 sericulture villages in the district in 2009, 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, Duliyaogaon 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 Household 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
Bamchaponi	17	8	8	71606	58902
Dullyagaon	17	6	6	39200	29271
Kathabari	19	5	6	55505	47400
Overall	73	26	7	54700	46592

Source: Primary survey, 2011

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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### About the Editors:

**Dr. Gobin Chandra Boruah** is presently working as an assistant professor in Lakhimpur Girls' College, Assam, India. He has done his Ph. D from Rajiv Gandhi University, Itanagar, Arunachal Pradesh. To his credit, he published a book "Economy of Assam: An Overview". Apart from presenting more than forty research papers in different International, National and Regional seminars, he has to his credit eighteen research papers in international, national, regional, edited books as well as seminar proceeding.

**Mrs. Nabanita Baishya** is presently working as an assistant professor in the department of economics, Dhing College, Nawgaon, Assam, India. She did her M. Phil from Assam University, Silchar. Mrs. Baishya has presented no's of paper in different seminars. She has to her credit six research papers published in different journals and edited volumes.