

Economic Issues of Assam Continued ...

Introduction:

There is no denying the fact that strong industrial base is crucial for the growth and development of a country. A high degree of positive correlation invariably exists between industrial and economic development. Developed countries heavily rely on industrial economies whereas in developing countries, agriculture is the mainstay of their economies.

Industrial Production in Assam:

As is known to all, Assam is an industrially backward state. No doubt, Assam is rich in resources added with cheap availability of labour. Yet the state is still lagging behind in industrial sector. Apart from the tea and oil industries established in the British period, no major industry has been developed in the post - independence period.

Industry sector has not made impressive growth despite government initiatives to promote industrial development in the state. North East Industrial and Investment Promotion Policy, 2007 (NEIIPP) has been adopted by Union Government aiming at accelerating the pace of industrialization in the North East. However, annual growth rate and contribution to state domestic product of the industrial sector have been far from satisfactory.

The number of factories in an economy depicts the strength of industrial sector of an economy. It is seen that the number of registered factories is scarce in the state. Again, the number of workers employed in the factories is also relatively low.

Problems of Industrial Development in Assam:

The most prominent reasons behind the industrial backwardness of Assam may be summarized as below:

1) Geographical Location:

The entire North East is geographically isolated from the main land India. It is connected with the rest of the country with a narrow corridor at Siliguri often known as "chicken's neck". Moreover, because of the topographic factors like hills, rivers, etc, the cost of setting up industrially units become highly costly. Added to this, fear of insurgency ever looms the aspirant industrialists.

2) Inadequate Infrastructure:

The severe lack of infrastructure like transport and communication, banking, power, etc, is not only inadequate but also under developed. The investors from outside the state are reluctant to invest in the state due to inadequacy of infrastructure.

3) Lack of Indigenous Entrepreneurship:

Lack of entrepreneurial zeal among the people of Assam is a major cause of slow industrial growth. Absence of knowledge about tremendous career prospects in the entrepreneurship as a profession, lack of knowledge to set up and run an industrial unit, difficulty in getting raw materials, etc, are some of the factors responsible for slow growth of indigenous entrepreneurship in Assam.

** To be continued ...*

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