



Unit - V

**ECONOMIC
PROBLEMS OF
ASSAM**

Assam is the most populous and second largest state of the North Eastern Region of India. The state is blessed with many natural resources but the pace of development is very slow. The growing population of Assam unable to tapped, handle and use natural resources in a planned way due to lack of human capital. This creates many problems such as shortage of food, clothing, housing, health, education and employment. The entire problem can be solved if human capital formation is enough. Thus it is need to form human capital in a desire direction.

Human Resource Development:

Human resource plays an important role in the context of furthering the growth and development of a country. Human resource enables the human factor to bring about the full utilization of resources and produce more in the economy. Indeed it is very essential to human resource development in a proper direction when population of a state or country rising beyond the optimum level. Human resource development or human capital formation is possible through investing in health, education, training, housing and sanitation and pollution free environment. Here, human capital is referred as the stock of skill knowledge and enterprise embodied in the people.

Unemployment:

Unemployment is a major problem of an underdeveloped state like Assam. Unemployment is a situation when workers are willing to work but fail to get jobs at the prevailing wage rates.

The number of unemployed as per Live Register (maintained by the employment exchanges) stood at 1622729 in 2012 as compared to 1729029 in 2011 showing a decline of 6.15 percent. Educated unemployment is quite high in the state. The live register of the employment exchanges records the number of educated jobseekers was 1411949 in 2012 registering an increase of 7.54 percent over 2011. The percentage of educated jobseekers constitutes about 87 per cent of the total job-seekers. The following table gives a comparative picture of unemployment rate in Assam and the country as a whole.

Table: 5.1
Unemployment Rate (Per 1000) According to Usual Status
(Adjusted) during 2011-12

	Rural			Urban			Rural and Urban (Combined)		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Assam	43	57	45	54	70	56	44	56	47
India	17	17	17	30	52	34	22	22	23

Source: Economic Survey, Assam 2013-14.

Table 5.1 reveals that unemployment rate for male, female and male-female combined was 44, 56 and 47 respectively against the corresponding All India figures of 22, 22 and 23.

Immigration and Its Impact:

Migration of population is an international phenomenon. People had been migrating from one place to another since time immemorial. Migration is a form of spatial or geographical mobility between one geographical unit to another, generally involving a change in residence from the place of origin or the place of departure to the place of destination or place of arrival. There are mainly two broad classification of migration -

- (a) **Internal migration:** Internal migration refers to the movement within the national boundaries of a given nation.
- (b) **International migration:** International migration refers to the movement across the national boundaries of a country.

In Assam, there is a huge shift of population due to immigration or migration of population. Migration or Immigration is one of the main causes for rapid growth of population. Assam is experiencing different types of migration i. e. Interstate migration, Inter country migration or immigration.

- (a) **Inter State Migration:** In North-East there is a huge extent of interstate immigration of population from rural to urban areas of the state in search of better employment opportunities and better social services related to education, health, opportunity etc. The important types of migration experienced by the North-East states are the Interstate migration. Where people from different states of the country are migrating to North-East on various socio-economic grounds.
- (b) **Inter country migration or immigration:** The most important type of migration facing by the North-East state is the Inter country immigration of population from the neighbouring countries. Large scale immigration of population from like Bangladesh, Nepal etc. causes a high rate of population growth in North-East particularly Assam. Such immigration was very high in Assam during 1961-71 and even in recent times. Immigration of population from foreign countries may be resulted from unfavourable economic condition of the people residing in the country.

Migration during the Pre-independence Period:

A new phase of migration started with the annexation of Assam by the British. Several streams of migrants originating from different parts of the sub-continent started entering Assam since the growth of British commercial interest in the mid-nineteenth century. Five such prominent streams of migrants since then have been identified. These are as follows-

- (a) **Tea Garden Labourers:** With the discovery of tea, the British capitalists took interest to cultivate tea plant in Assam, from the early part of the 19th century. But the scarcity of local labourers made the British to import labourers from other parts of the country, where the population was dense or less secure and more accustomed to working for wages. So a labour importation system was organised from Bengal, Bihar, Orissa, Central provinces, U.P., Madras, Bombay, etc. to Assam.
- (b) **The Muslim Peasants:** The second stream of migration started in the early 20th century was the Muslim Peasants from the East Bengal Districts of Myamansingh, Pabna, Bogra and Ranpur. These were mostly the victims of extra-ordinary rise in the prices of food grains acute indebtedness pressure of population on land, oppression of the Zamindars, high land rent, etc. The cheap and plentiful supply of virgin land with freedom of Ryotwary settlement in the Brahmaputra Valley offered attractive opportunities to those unfortunate farmers of Eastern Bengal.

- (c) **The Bengali Hindu Migrants:** The third stream of migrants was the Bengali Hindus who were brought by the British for their office and professional works. It happened because of their early initiation to English Education and the British-India administrative system.
- (d) **Nepalese Migrants:** The fourth stream of migrants into Assam consists of the Nepalese immigrants. They were more or less unnoticed because they mainly settled in the forest areas near the foothills and outskirts of town areas supplying milk and fuel to the urban dwellers.
- (e) **Migrants from Different Parts of India:** The fifth stream of migrants into Assam is the migrants from other parts of India seeking economic opportunities into trading construction works and white-collared jobs particularly from Orissa, Madhya Pradesh, Andhra Pradesh, Bihar, Rajasthan, Uttar Pradesh, Kerala and West Bengal.

Impact of Immigration in Assam Economy:

- (a) **Economic Consequences:** The contribution made by this stream of migrants towards agriculture development of Assam during the earlier phase can't be denied as they increased the area under cultivation, reduced waste land, enhanced crop intensity, increased agricultural production and productivity, introduced the cultivation of cash crops like jute, vegetable, tobacco, oil seed, sugar, etc. They brought new improved methods of cultivation, but subsequent flow of immigrants put tremendous pressure on land, leading to decline in output per agriculture worker, enhanced the problems of unemployment and disguised unemployment.
- (b) **Social Consequences:** The immigrants in due course of time encroached upon the government resources and wasteland of indigenous farmers; this led to the frequent conflicts between the immigrants and local farmers.
- (c) **Political Consequence:** In India a good number of politicians thrive on emotionally or morally blackmailing the voters into voting in favour of the candidates on the basis of caste, community, language or religion. With the changing demographic pattern tilting towards equal strength between the Hindus and Muslims in many immigrants dominated areas of the state, the immigration issue assumed a poor character as the immigration strengthens the base of Muslim Communal politics in the province. These illegal immigrants suffering constantly from fear of being deported also offered a fertile field for politicians to sow the seeds of communal politics.

Impact on the Economy of North-East:

North-Eastern Region of the country is surrounded by foreign countries. The economic condition of these neighbouring countries are not at all favourable rather they are indigent than that of North-East. Consequently the people from Bangladesh and Nepal are migrating to North-East particularly Assam mainly due to adverse economic condition prevailing in their countries. A good number of people from Bangladesh and Nepal are migrating to North-East and thus creating huge problem for the state.

1. A large scale immigration of population into North-East from neighbouring countries causes high rate of increase in its size of population. Thus a significant portion of the increase in Assam's population is due to the influx of people from the neighbouring countries.
2. Create unemployment problem basically in agriculture sector.
3. Lower man-land ratio.
4. Creating poverty and ecological imbalance.

Demographic and Economic Implications:

The huge influx of foreigners into Assam has significantly affected the demographic composition of Assam. If the estimation of 740000 illegal immigrants during the period 1991-2001 is assumed to be true, it will reveal that each year 74000 and in each month 6167 foreigners enter into Assam illegally. The number of illegal immigrants (i.e. 2077015) is 7.79% of the total population of Assam (i.e. 266.38 lakhs) in 2001.

Table: 5.2
Migration to Assam

Decade/Period	Total international migration	Illegal international migration
1951-61	807210	493027
1961-71	495461	198447
1971-1991	686344	645541
Total	1989015	1337015

From the figures of total foreign immigration and illegal immigration to Assam of the decades 1971-91 and 1991-2001 as shown in Table - 1, it is estimated that the annual exponential growth rates of the total immigration was 4.91% while that of the illegal immigration was 4.41%. Contrary to these speedy rates, the exponential growth rates of Assam's population as a whole was 1.73 % and of India was 1.93 % per year. The

abnormally high growth of immigrant population is going to have devastating consequences in the near future.

If the inflow of immigrants continues during the decade 2001-11 at the same rate experienced in the decade 1991-2001, the total immigrants into Assam will be 5312024 and illegal immigrants will be 3225002 at the time of Census 2011. If the same growth rates continue for another 10 years the total immigration and illegal immigration will be 8679406 and 5007489 by 2021. On the contrary, assuming 1.73% growth rate of Assam to continue, the total population of Assam has been projected to be 31656726 for 2011 and to be 37650435 for 2021. The projected number of illegal immigrants of 2011 (i.e. 3225002) will be 10.19% of the projected total population of Assam for the same year (i.e. 31656726). Likewise, the projected size of illegal immigration for the year 2021 (i.e. 5007489) will be 13.30% of the total projected population of Assam. Thus, in each successive decade the percentage of illegal immigrants to total population will go on increasing and if the flow of illegal immigrants is not checked through stringent steps Assam will completely be flooded with illegal immigrants.

Flood and Erosion Problem of Assam:

Assam is the most severely affected area in India in terms of floods and erosion, accounting for 9.4% of the country's total flood-prone area. In Assam, damage due to floods has been caused by two river systems: the Brahmaputra and the Barak. In the subproject areas, flood and riverbank erosion has been a chronic problem, causing enormous damage to lives, crops, livestock, land and property. These impacts cause massive displacement of people, increase landlessness, and force local governments to allot scarce resources on relief operations rather than development. Major floods have occurred in 1954, 1962, 1966, 1972, 1977, 1984, 1988, 1998, 2002 and 2004, while floods of lesser magnitude occur almost yearly. As a result, in spite of having vast natural resources, Assam has been unable to meet its development goals. The people in the subproject areas (Palasbari, Kaziranga and Dibrugarh) have lost land and lives to floods and riverbank erosion, which is now an annual phenomenon. In many cases, entire villages have been shifted and relocated away from their original location after the land has eroded. Dikes or embankments have been erected throughout Assam along the riverbanks to protect people and assets from flooding. Such embankments are used by the victims of both riverbank erosion and floods, as their raised platforms provide better shelter than living on the floodplain. Entire families and villages in need of land have built their houses on existing or retired embankments. Many of these families, especially in Dibrugarh, live on side of the embankment