



## Prospect of Economic Development of Assam: An Analysis

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### **Abstract:**

The scope for and the nature of economic development of a particular area, irrespective of its development potentialities in terms of resource availability, is limited by its spatial location within the political geography of a country in addition to its own physiography. It is believed that the nearer a place to the market centre, the greater is its scope for development, the further a place, the remoter is its scope. The North-Eastern Region comprising seven states - Arunachal Pradesh, Assam, Nagaland, Manipur, Meghalaya, Mizoram and Tripura has a total geographical area of 2.5 lakh sq.km. and inhabited by a population of about 31.5 million. The economic structure of North-east India is similar to the general economic structure of India but the fact to be mentioned here is that it differs from the rest of India only in kind and not in degree. North-East India has a relatively backward economy due to its physical geography as well as the present political and social conditions prevailing in the region. The present paper will study the Prospect of Economic Development of Assam.

**Keywords:** Prospect, Economic, Development, Assam.

### **Introduction:**

Assam is the pioneer state of the North-Eastern region and it occupies a significant position in the history of North-East India. The economy of Assam is full of potentialities as it is endowed with rich flora and fauna, water resources, forest resources, mineral resources and natural resources. The very foundation of the economy of Assam is agriculture. The statistical analysis shows that about 70 P.C. of people depend on agriculture as its main means of livelihood. The characteristic feature of Assam's economy indicates that the rural population depends on agriculture and its allied sectors for their livelihood. Animal husbandry, foresting, fishing, piggery, poultry, toy-making, terracotta, blacksmithy, weaving etc. come under the allied sector.

### **Objective of the Study:**

The objectives of the paper are-

1. To study the Prospect of Economic Development.
2. To analysis the importance of Economic Development of Assam.

### **Research Methodology:**

The present paper is based on secondary sources which are collected from books, journals, periodicals, magazines, articles, Government reports, newspapers and website relevant to the study.

## Discussion and Results:

The extension of the Colonial rule to Assam in 1826 or the shifting of political power from the Burmese to the Whites, through the *Treaty of Yandaboo* and the subsequent setting up of tea plantations, oil refining, coal mining and some forest product based industrial units with British equity capital could not alter the predominant traditional culture of the society due to the fact that these newly formed enterprises had very little linkage with the regional economy in terms of elevating financial status of indigenous people and of participation of local people as employees. Of course, the expansion of rail linkage with the rest of the country worked better for opening up a new corridor between the north-east and the rest of India. So, due to the progressive policies adopted by the British to explore the hidden treasures of Assam, the economy got opened to some extent. Even the capitalist mode of production got introduced in the processing sector. But all these changes brought no alteration to the basic characteristics of subsistence economy.

A critical scrutiny of this new dimension by turning the pages of Assam history has brought to light the fact that the local set of efficient people was totally neglected by the British, instead they recruited *Babus* from the neighbouring Bengal for serving as clerks in the offices and industrial and commercial undertakings. They even managed to bring people from far off places to meet the labour requirement of the tea industry. During the British regime, the tea industry in Assam made fabulous profits but a major part of it went out of Assam as the capital investors were either from Great Britain or from other European countries. Even the *deshi babus*, not Assamese, took away all the money they received as salary. If the *Babus* would have been from the indigenous population, they would have probably ventured on new enterprises with their surplus amount of money but unfortunately they were from outside Assam who had no emotional feeling for the economic development of Assam.

Although economic development took place during colonial period in the sector of tea plantation and oil plantation, it could not be called so as the golden treasures of unexplored Assam was utilized for the financial benefits of the British. Their presence in the fertile soil of Assam was like the arrival of all-powerful monsters to suck the blood of virgin Assam and to make it a skeleton only.

Fifteenth August, 1947, the first day of “Free India”, was celebrated with much exuberance and elation. The sacrifices of generations of patriots and the blood of countless martyrs had borne fruit. But this much-awaited independence had been accompanied by a multitude of problems and, of course, centuries of backwardness, prejudice, inequality, and ignorance still weighed on the land. People got freedom but they failed to enjoy it from the core of heart as the debris of more than two centuries of colonialism had to be cleared and the promises of the Freedom Struggle to be fulfilled. To quote Nehru, “The achievement we celebrate today, is but a step, an opening of opportunity, to the greater triumphs and achievements. That future is not one of ease and resting but of incessant striving so that we may fulfill the pledges we have so often taken”.

The newly – formed independent government, under the able leadership of Nehru, the multi-dimensional personality, had the long-term tasks of promoting national integration, pushing forward the process of nation-in-the making, facilitating rapid economic development, removing endemic poverty, and initiation of the planning process. It also sought to bridge as

quickly as possible the gap between mass expectations aroused by the Freedom Struggle and their fulfillment, to get-rid-of centuries-long social injustice, inequality, and oppression but even than Nehru did pay very little attention to the economic development of the North-East.

The three pillars of Nehru's development strategy were planning for rapid industrial and agricultural growth, a public sector to develop strategic industries and a mixed economy. India was to have a mixed economy as a transitional stage, with the private sector functioning for a long time to come through within the framework of planning. In the long run, the state was to occupy the commanding heights of the economy, owning or controlling all basic industries and strategic sectors of the economy. The public sector was not to be based only on state run enterprises. Above all, Nehru wanted to build an independent self-reliant economy keeping in view the contemporary picture of the Central and northern part of India. Emphasis on rapid industrialization, agricultural self-sufficiency, planning, public sector, heavy and capital goods industry and technical modernization etc. were what Nehru considered as necessary parts of the efforts to achieve great success in economic development.

But, this optimistic vision of the First Prime Minister of Free India, could bring no remarkable achievement in the name of economic development in Assam. It was partially because the central government paid very little attention to the north-eastern part of India and partially because the people of this region had never been practical in their attitude to have a prosperous future through their own hard labour.

After Nehru, fifteen Prime Ministers took charge of the Indian politics but nobody did anything significant for the economic development of Assam and its neighbouring states. Even the present Prime Minister Monmohan Singh, who was elected from Assam, always pays a deaf ear to the mounting up economic problems of this state.

It should be said that the undivided Assam did reasonably well till the beginning of the twentieth century in the sense that the economy was purely agrarian. Besides, many house-hold industries were run as hereditary occupations of some communities. These industries like weaving, pottery, blacksmithy, terracotta, dying, bee-keeping etc. catered to the basic needs of the simple-minded people of this part of the globe.

The greater Assam was subsequently divided into small states and thus it had lost its former economic strength. However, she failed to respond adequately to the new opportunities thrown up by the changing Indian situation despite the availability of natural resources to boost up economic development. Moreover, the insurgency problems of the north-east, the ethnic conflicts, the political uproars by the *Bodos*, *Rabha Hashangs*, *Koch Rajbongshis*, different tribes etc. for political upgradation in the name of autonomy--all hamper in Assam's economic development. No industrialist comes forward to extend their business to the territory of Assam. The most surprising fact is that along with the brain drain, money drain also continues with the same flaw as the rich people of Assam want to go out of Assam to settle somewhere in big cities of India. In this situation, the government and also the people of Assam have to give an inward-looking turn for Assam's economic development instead of taking advantage of the globalization process. Assam is thus unable to utilize the opportunities provided by the globalization and transform its economy, increase income levels, drastically reduce poverty levels and to bring transformatory changes in the field of economic development.

Performance of public sector for the upgradation of Assam's economy is yet to be determined and that of the private sector is really pitiable. Almost all the household industries

are in dying stage due to lack of capital, lack of raw materials, lack of market and lack of interest of the owners. As the strategies of Assam's economic development demand greater stress on setting up of public sector enterprises or central government undertakings while at the same time grooming the prospective local entrepreneurs, it can do nothing due to the ignorance of the State Govt., Central Govt. and the people. Unfortunately, the leaders of Assam, till date, have failed to make strong political mobilization. The political leaders as well as the people of Assam remain mute spectators when the crude oil of Assam is being taken out for processing outside the state.

Assam is yet to produce a shrewd, and skill administrator who can be able to take the leadership of Assam and its people and also to make effective strategies to take the state along the path of economic progress and development. In this regard, the present Chief Minister of Assam should do a lot to take the demands of the soil to the centre in order to make these fulfilled with the financial aid from the centre.

Why Assam has to move within its own closed-up boundary for its economic development is best highlighted by another fact. The culture of no-work ethos appears to have pervaded to all walks of social and economic life. Frequent ethnic commotions, agitations, strikes, *bandhs*, etc. have become frequent and thereby obstruct in economic development of Assam. Besides, these type of internal disturbances disrupt smooth functioning of the offices of private and public sectors, organizations and educational institutions. Due to the heavy financial demand of the insurgents group and due to the ever-increasing greediness of the officers for skyrocketing amount of money, corruption has already become deep-rooted in all spheres of life. So, the combined operation of no-work ethos and the tendency for black money become the greatest impediment of economic development of Assam. This impediment might be erased off by hard labour and a noble vision for a prosperous future.

Another hindrance is the craze for easy money or an abnormal tendency to grow rich overnight which obviously detrimental to the cause of speedy economic development of Assam. Young people, who would be the conscious citizens of tomorrow, seem to break up emotional tie with their birth place. Rather, they desire to go out of the state to pursue higher education outside and to make every attempt to go after the passion 'of becoming' but not 'of belonging'. Those who stay back in Assam like to get engage in white collar jobs but do not prefer to take the occupation of entrepreneurship. It is only by creating more entrepreneurs rather than by creating more office employees that economic development can be geared up in the territory of Assam.

It also becomes an open secret that the party in power tries its best to work not for the economic development of the people in general but they feel the urge to work for the development of their family and for the near and dear ones. So, a change in the psychology and mindset of the set of ministers is also of utmost need in order to take Assam along the path of economic development. There are of course series of causes which never allow the expected economic development of the state but all these cannot be voiced out in a single write up.

Considering the geographical location and also the mainstay of the economy of the state, it should be said that the economy of Assam is predominantly rural so it is an urgent need to make out effective plans and strategies for rural development. But, in practice, the bureaucrats, pay a deaf ear to it and the people in general do not have active involvement in the developmental process.

**Conclusion:**

The restoration of '*Gaon Sabhas*' and the active participation of '*Gaon Panchayat*' would surely yield effective results. In conclusion, it would be justified to say that Assam has unlimited potentiality to be explored and utilized in the name of its economic development. What is urgently needed is that an able leader to be borne in the fertile soil of Assam who will have an optimistic attitude, a good vision, and a natural zeal to take the leadership of Assam and its people and also to take a vow to do everything possible to open up new horizons for the economic development of Assam and also to elevate the status of Assam in the fields of politics and economy.

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