

Q. Discuss the main characteristics of Assam Economy.

Ans. The main characteristics of Assam Economy are as follows:

1. Slow growth of State Income:

Slow growth of State Income is one of the main characteristics of Assam Economy. Growth rate of Assam's State Income has not kept pace with ~~that~~ the growth of income for whole country in early although it showed marginal improvement in recent years. The State Income (SDP) for Assam, at current prices, stood at Rs 946 crores in 1973-74 as against Rs 874.7 crores in 1972-73 showing an increase of 8.2 per cent. On the other hand, the net national product (NNP) of the country at current prices shows an increase of 24.5 per cent in 1973-74 over the previous year. In 1990-91 and in 2006-07, the rates of growth of State Income in Assam were 12.1 per cent and 10.1 per cent respectively at current prices as compared to that of 17 per cent and 14.5 per cent in

NNP of India respectively. As per quick estimates, - GSDP (Gross State Domestic Product) of the state at current price increased to 249800.96 crore during 2016-17 (OE) showing a growth of 10.55% over the previous year. Thus, the estimates of state income show a steady but slow growth of the economy of Assam.

2. Low per capita income:

The per capita income in Assam is also very low. The per capita income in Assam was Rs. 528 at current prices in 1970-71 as compared with the per capita national income of Rs. 636 during 1970-71. The per capita income at current prices stood at Rs. 1007.2 in 1978-79 and then it was increased to Rs. 4281 in 1990-91 and then to Rs. 18,598 in 2005-06. But the per capita income of Assam in 2005-06 (Rs. 18,598) compares very ~~badly~~ badly with per capita national income (Rs. 25,716) in the same year showing a gap of over Rs. 7,118. The per capita income of the state in terms of

NSDP at current price for the year 2016-17 (BE) ~~was set~~ was estimated at Rs. 65,698 showing a growth of 8.55% during the year. But the per capita income in Assam is still low as compared to the per capita national income.

3. Poor rate of Capital formation:

In Assam, the rate of capital formation is very poor. Shortage of savings is the main cause of capital deficiency in Assam. The volume and rate of saving in Assam are very low. Savings depends upon the level of per capita income. As the level of per capita income in Assam is very poor and the marginal propensity to consume of the people is very high, the savings potential ~~of~~ of the state is thus low. Thus, shortage of savings is the main root of poor rate of capital formation in Assam.

4. Excessive dependence on Agriculture:

The economy of Assam is mainly depending on agriculture. More than 70 per cent of the total population in Assam are getting their means of livelihood from

agricultural sector. The agriculture sector in Assam is still practising the primitive method, leading to a poor and negative growth in agricultural production. Application of modern and improved techniques in agricultural sector of the state is almost insignificant. Moreover, the agricultural sector of the state is over-burdened.

5. Population Pressure: In Assam, Population pressure is very heavy. The rate of growth of population in Assam is one of the highest in the country. The growth rate in the decade 1951-61 was 34.97 per cent against 21.64 per cent for all India. During the period 1971-81, the decadal growth rate of population in Assam was 53.26 per cent. The decadal growth rate in the decade 2001-2011 was 16.93. The overall population density per Sq. km. of the state is 398 which is higher than the national average density of 382 persons. The high rate of growth is not entirely due to biological cause. Migration is also one of the main causes for rapid growth.

of population.

6. Lack of Infrastructure :

Lack of Infrastructure is another important feature of ^{the} economy of Assam. The State was lagging in respect of both economic and social infrastructure such as transportation, communication, electrification, credit facilities, health and education etc. than most of the other states of India. The transportation facilities by Roads, Railways, waterways are not adequate and subject to severe hardships during monsoons.

7. Under-utilisation of Natural Resources :-

Assam is rich in natural resources. Various natural resources such as minerals, water resources, forest resources etc. are available within the state. But these natural resources are under-utilised or even untapped due to various difficulties such as their inaccessibility, shortage of capital, lack of proper attention, primitive techniques, transport bottlenecks and the small extent of the market.

8. Lack of Industrial Development :-

Assam is lagging behind other states in regard to industrial development, this is due to absence of large investments, Assam's geographical isolation, lack of proper infrastructure, various socio-economic factors and heavy risks involved in the investment. The industrial sector in the state has been centralised around some major industries i.e. Tea, Jute and Oil. The volume of private investment in industrial sector in Assam is very low due to heavy risks involved in the investment. These risks are both natural risks, arising through natural calamities and political risks as the state itself is a border state.

9. Shortage of Technology and Skilled Labourers:

The economy of Assam is suffering from low level of technology and acute shortage of skilled labourers. Poor techniques and lower skills result in inefficient production which leads to poverty.

10. Problem of Unemployment :-

The problem of growing unemployment is a burning problem for Assam. High

rate of population growth, unutilised natural resources, primitive method of agriculture, lack of industrial development are the main responsible factors which created the problem of unemployment in Assam in a massive scale.

11. Poverty :- With the increase in the size of population, growing inequality of income and increased price level, the degree of poverty in Assam started to increase as the employment opportunities could not grow satisfactorily. The extent of poverty in Assam is gradually increasing day by day creating suffering for the millions of people living below the poverty line.

References :

1. Economic Survey of Assam.
 2. Statistical hand book, Assam.
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