

SESSION 2005 –06

Following activities were undertaken by the Management Department of the College during the session 2005-06.

Activity- 1

FIELD SURVEY

As a part of the academic activities, this year the department has conducted a field survey on policy of diversification for survival on 21.12.05 at Hindustan Coca Cola Beverages Pvt. Ltd. Situated at Byrnihat, Meghalaya with the efforts of B.Com 3rd Year (Major) Students.

In a growing economy like in India, to be successful in the field of marketing it becomes necessary to add a new product to the existing product line as a part of Company policy, which is popularly known as Product Diversification. Diversification occurs when a firm seeks to enter the market with a completely new product. As mentioned above Diversification is a policy of an operating company so that its business and profits come from a number of courses, usually from diverse products that differs in market or production characteristics. In general it means adding a new product to the existing product line. It may be a new products, new markets, new technologies etc, for instance a firm making watches at present has started making wall – clock, which is different from the existing product. The reasons for diversification are usually to take advantage of the existing reputation more effectively the existing facilities, to meet the customers demand etc.

Taking the above case into consideration, the said survey was conducted as to find out the policy adopted by the Hindustan Coco Cola Beverages Pvt Ltd by the Survey team comprising of students (having Major in Management) and the Teachers of the Department as well.

During the survey hours, full cooperation from the entire staff of Hindustan Coco Cola Beverages Pvt Ltd was extended particularly the technical staff. The entire staff of the Organization deserves our sincere thanks and gratitude.

We also will be failing our duty if we don't express our sense of gratitude to the Principal Dr. Hitesh Deka for his full support and cooperation in conducting the survey.

The non-teaching staff and our college also deserve our thanks for extending moral support to us.

Mr Bhababhuti Sarma (HOD)

Dr.Ashima Sarma Borah(Senior Lecturer)

Mrs Malamoni Duitta

Mr Kukil Bora

Dept. of Management.

Dt. 05.01.06

REPORT

ON

**PROBLEMS & PROSPECTS OF SILK INDUSTRY IN ASSAM
A CASE STUDY IN SUALKUCHI VILLAGE**



*PREPARED
BY*

**DEPARTMENT OF
MANAGEMENT**

**DEPARTMENT OF
MATHEMATICS AND STATISTICS**

**K.C.DAS COMMERCE COLLEGE
CHATRIBARI, GUWAHATI-8**

SURVEY AT A GLANCE



PREFACE

Silk industry has brighter prospect in Assam and outside Assam also. This sentence can be supported by the statement made by Sjt. Tarun Gogoi, the Chief Minister of Assam in a public meeting in Sivasagar in the month of March 2008. Sri Gogoi said that the silk industry which has a glorious tradition among Assamese people is of far more important than a technical educational institution as the silk industry involves the masses. The Chief Minister also said that the Muga silk which can absorb 85% of Ultra Violet rays has the potential to capture the foreign market. Involving latest trend in fashion technology, the silk industry is all set to capture the creativeness of 71% of the people who are below 35 years of age and are the potential buyers.

Therefore taking into consideration the importance of silk industry, a survey was conducted jointly by the Department. of Management and Department of Mathematics & Statistics of the college, in the revenue village of Sualkuchi of Assam. The main objective of the survey was to find out the problems faced by the Entrepreneurs/weavers and suggest measures to overcome the problems.

ACKNOWLEDGEMENT

This study was carried out jointly by the Department. of Management and Department of Mathematics & Statistics of the college, in the revenue village of Sualkuchi of Assam.

We offer our sincere thanks to Dr. Hitesh Deka, Principal of the college for his help and support without which this project would not have been possible.

We are thankful to Dr. Swabera Islam, Vice Principal and the teachers of the Departments of English, Bengali, Assamese, Accountancy, Finance, and Economics for extending their cooperation during field survey.

We also offer our thanks to the students, and Union Body of the College without whose help it would not be possible to conduct the survey smoothly.

Mr Dwipen Sarma, Lecturer of Economics, Sualkuchi College also deserves our sincere thanks for his cooperation while conducting the survey.

Our sincere thanks goes to the government authority for providing us the Inspection Bungalow for temporary stay to arrange our field survey.

Mr Bhababhuti Sarma(Head of the Department)	Mrs Runjun Phookun (Head of the Department)
Dr.Ashima Sharma Borah (Senior Lecturer)	Mrs Jayahree Pathak (Lecturer)
Mrs Malomoni Dutta (Lecturer)	Mr Bapan Kalita (Lecturer)
Mr. Kukil Bora (Lecturer)	Department of Mathematics and Statistics
Mrs Chaitali Das (Lecturer)	K.C.Das Commerce College
Department of Management	Chatribari, Guwahati -8
K.C.Das Commerce College	
Chatribari, Guwahati -8	

INTRODUCTION

Having a long tradition of silk weaving at least since the 17th century, Sualkuchi revenue village is the prime centre of the silk industry of Assam. Although originally it was a “craft village” having several cottage industries till the forties of the last century such as handloom weaving industry, oil processing in the traditional ghani, goldsmith, pottery etc. The industries other than handloom are now almost extinct and the artisans have already taken up silk weaving as a profession. Although the weaving industry of Sualkuchi revenue village remained almost confined with the Tanti community of Tantipara upto the 1930, later people belonging to other communities also started to take up silk weaving gradually. Now even the fisherman of the Koibortapara hamlet of Bamun Sualkuchi and the Brahmin families have also given up their caste occupations to a larger extent and they have taken up silk weaving as the main source of income.

The weaving industry of Sualkuchi revenue village received a big boost during the Second World War. The growing demand for fabrics and their increasing prices encouraged a few Tanti families to introduce weaving commercially and they started weaving factories engaged hired wage weavers. Today the factory system has already been extended to entire area of Sualkuchi revenue village and 3035 (69.21%) of the households of the revenue village are being engaged with

commercial weaving of handloom. As mentioned earlier, the census of Handlooms in Sualkuchi revenue village conducted in 2002 reveals that it has 13,752 active commercial handlooms of which 54.75% are performed by the female weavers and the rest 45.25% are performed by male weavers who are basically hired by the weaving households. Although the hired wage weavers were originally the local poor from the Bamun Sualkuchi area of the east and Bhatipara hamlet of the West, a flow of migrated wage weavers from different parts of Assam has emerged gradually since eighties of the last century and presently migrant's weavers are dominating the wage weavers of the locality.

A survey was conducted jointly by the Department of Management and Department of Mathematics & Statistics of the college, on 29th January 2007 in the revenue village of Sualkuchi of Assam with the objective of finding out the problems of the entrepreneurs as well as study the socio-economic conditions of the same. Thirty respondents were interviewed through a structure schedule where observations were made regarding age distribution, educational qualifications, marital status, income and assets, medical facilities, sources of raw materials and marketing strategies.

Problems faced by Entrepreneurs/ Weavers

1. The manufacturers are facing a threat from the similar products from state like Andhra Pradesh which floods the state market during the Bihu season.
2. Inadequate supply of electricity cripples the functioning of automatic weaving machines leading to continuous machinery breakdown.
3. One of the major problems found during the survey was inadequate marketing strategy. Only 20% of the respondents were found to selling the products outside the state.
4. Unavailability of sufficient raw materials in the local market is a hurdle for the development of the industry. The study reveals that still 16.67% of the respondents procure raw materials from outside Assam.

5. Lack of knowledge regarding credit facilities provided by Banks and financial institutions.
From the survey it was found that only 40% of the respondents availed financial assistance from banks and other sources.
6. Geographical Identification (GI) registration is not done. GI is granted when a product is distinctively linked to a region of popular culture, the process of making the product is community knowledge, handed down traditionally.

Statistical Analysis of Data Collected

The total number of persons surveyed was 30 of which 24 were males and 6 were females.

All of these respondents are engaged in business related to the silk industry of Sualkuchi. Only one person is a retired government servant presently engaged in the silk industry.

The following observations can be made from the study.

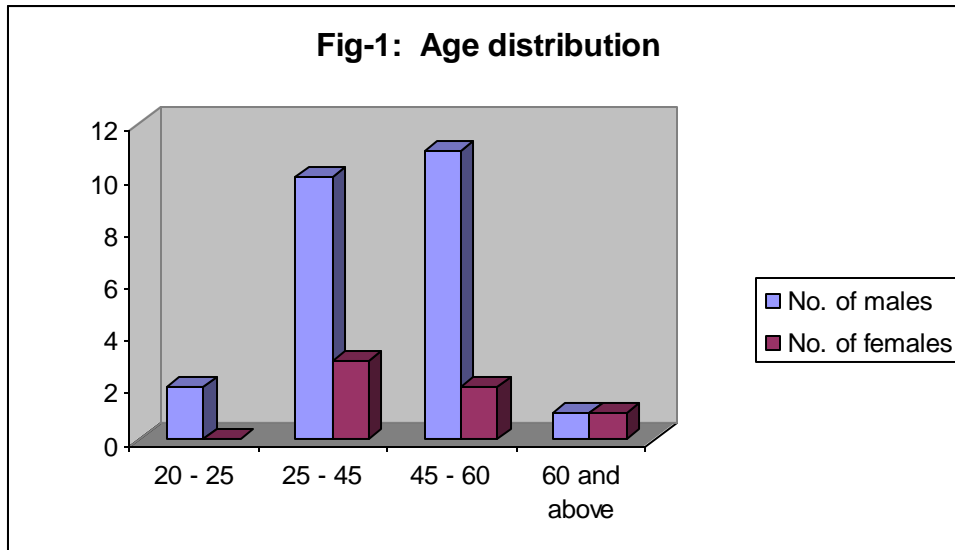
1. Age distribution

The age distribution of the respondents can be represented in the following table:

Table-1

Age interval	No. of males	No. of females	Total
20 - 25	2	-	2
25 - 45	10	3	13
45 - 60	11	2	13
60 and above	1	1	2
Total	24	6	30

It is seen that most of the respondents belong to the age interval 25 – 60 years. This is illustrated in Fig-1.

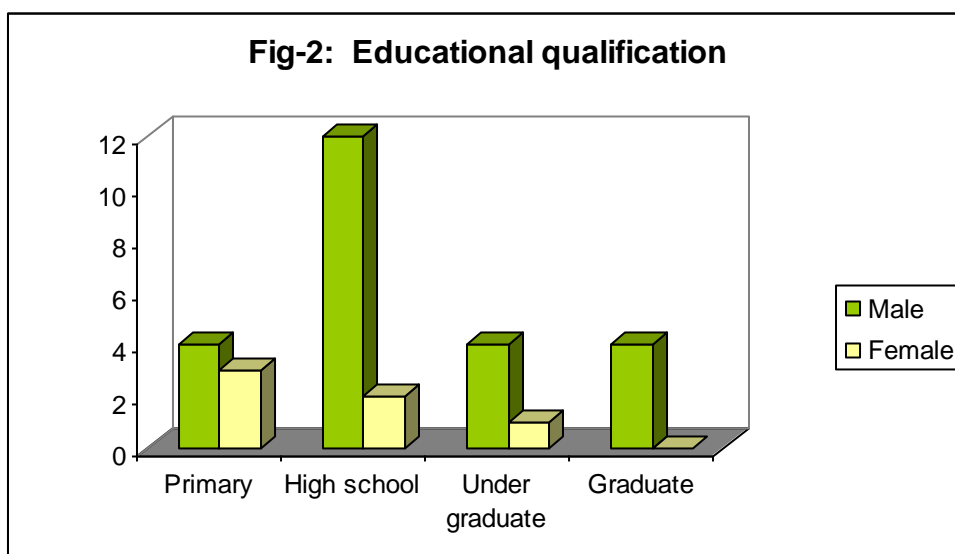


2. Educational qualification

The educational qualification of the respondents can be represented in the following table and diagram

Table -2

	Primary	High school	Under graduate	Graduate	Total
Male	4	12	4	4	24
Female	3	2	1	-	6



3. Marital status

A study on the marital status revealed that 20 people were married, 8 were single and only one woman was a divorcee while 2 others were widows. This is shown in table 3

Table-3

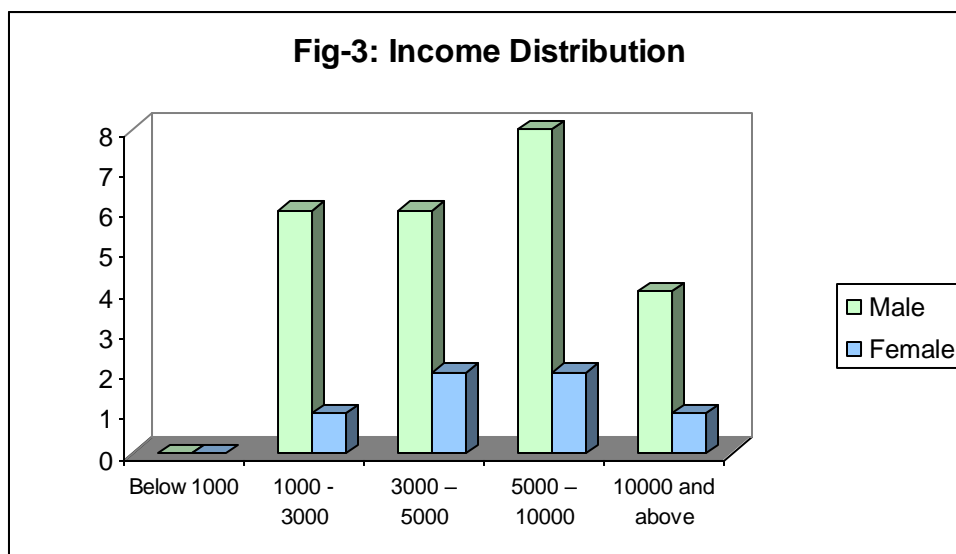
Marital status	No.of persons
Married	20
Unmarried	8
Widow	2
Divorcee	1

4. Income and Assets

A study on the income distribution and possession of assets gave the following picture

Table-4

Monthly income (Rs.)	Male	Female	Total
Below 500	-	-	-
500 – 1000	-	-	-
1000 - 3000	6	1	7
3000 – 5000	6	2	8
5000 – 10000	8	2	10
10000 and above	4	1	5



Remark 1: It was observed that all but one person (male) possessed a house of their own and also had access to water, electricity and proper sanitation facilities.

Remark 2: Only 12 people availed financial assistance (loan) from banks and other sources while 18 people had their own capital for starting their business.

Remark 3: All persons availed public transport though they were less in number. However, some people also possessed their own conveyance as shown in the following table.

Table-5

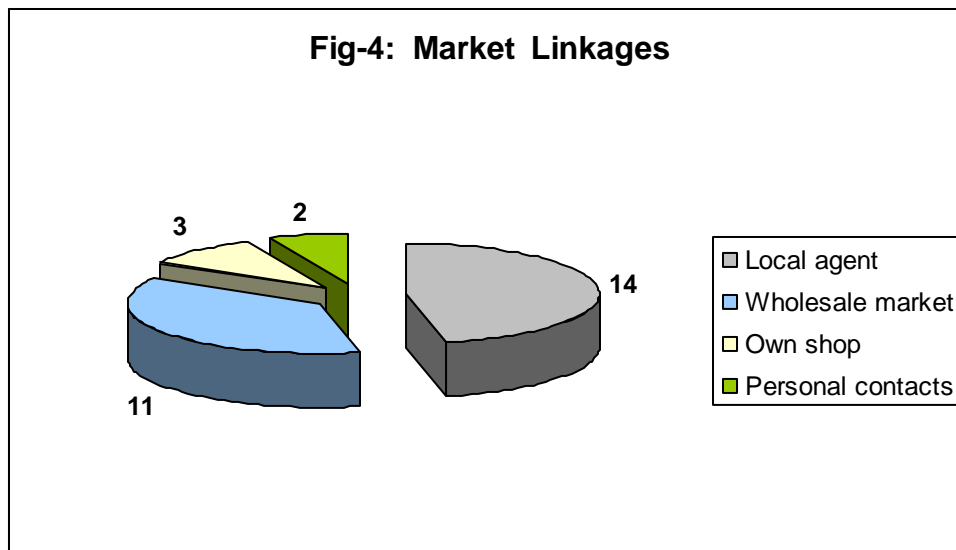
Mode of conveyance	No. of owners
Scooter / Bike	8
Bicycle	7
Both	6
Nil	9
Total	30

5. Source of raw materials

It was observed that 25 people acquired the required raw material from the local market while only 5 people procured raw material from outside the state of Assam.

6. Markets and marketing strategy

24 persons were found to use the markets within the state whereas only 6 respondents sold their products outside the state. It was also observed that 14 respondents sold their products through middlemen (local agents), 11 delivered their products to wholesale markets, 3 used their own retail units and 2 were found to sell their products through personal contacts.



7. Medical facilities

21 respondents reported to avail medical facilities at the Government Hospital which is located at a distance of 1 to 2 km from their homes while 9 availed the services of a private hospital which was also the same distance away.

(i) Enquiry was made regarding the availability of

- ✓ medicines
- ✓ doctors at the time of emergency
- ✓ medical facilities like Obstetrics & Gynaecology, Paediatrics, Surgery, Medicine etc. and

- ✓ immunization for children and expectant mothers.

In the private hospital, all the above facilities were reported to be present except the availability of medicines.

In the Government Hospital also the non availability of medicines was reported. Further, non availability of certain medical facilities like Paediatrics etc. were also reported.

(ii) As regards the use of alternative forms of treatment, almost everyone admitted to use ayurvedic, homeopathy and traditional forms of treatment along with conventional medicine.

(iii) The monthly expenditure incurred on medicine ranged from Rs. 100/- to Rs. 1000/- for most of the respondents while only four respondents reported to spend Rs. 2000/- every month.

Findings

The study reveals that the maximum educational qualification of the entrepreneurs was up to high school level. As a result of which they are ignorant of various facilities provided by the government, semi government and private organizations.

It has also been observed that age- group between 25-60 years are actively engaged in the weaving industry and the involvement of male population is predominant.

The study also reveals that the highest monthly income earned by the entrepreneurs is between Rs. 5000-Rs. 10,000 which is earned by only 33.33% of the respondents.

It was also observed that most of the respondents used their own means of transport for their marketing purpose which is a major hurdle in marketing of their products.

The study reveals that only 20% of the respondents marketed their products outside the state and it was also observed that 47% of the respondents sold their products through middlemen or local

agents. 37% delivered their products through whole sellers. 10% used their own retail units and 7 % were found to sell their products through personal contacts.

Recommendations and Suggestions

Proper orientation and training programmes should be organized in these areas so that this stops the import of ‘Gamosa’, Pat, Eri and Muga products from other states.

For proper supply of electricity, the local people can approach the government to improve the condition of the electricity in that area. They can also approach private organizations like N.G.O. for installation of solar energy to improve the power supply.

Transport and communication problem is the major hurdle in marketing the products outside the state. So, transport and communication facilities must be improved to a great extent.

Eri and Muga culture are considered to be of local origin as the ‘worms’ are not known to be cultivated outside Assam. The art of sericulture was known in ancient Kamrup as early as epic age. So Government must take proper steps to improve the sericulture Industry for adequate supply of raw materials and to maintain the heritage

To improve the financial conditions of the entrepreneur’s proper education regarding banking facilities must be provided to the local people.

The Geographical Identification of goods (Registration and Protection) Act 1999 gives the right to register a protected name to three categories of persons- the actual producers and group of such producers of goods specified in the geographical area, groups of consumers and any competent authority.
