



RURAL ENTREPRENEURSHIP DEVELOPMENT - A CASE STUDY ON MUGA TEXTILE MSME

Dr. Manashree Das

ABSTRACT The unemployment is one of the burning problems of Assam. Most youth are expecting govt or semi govt or corporate jobs. Entrepreneurship development is one of the most aspired economic activities for a society, state or country to achieve economic growth and development. Only few prefer to be an entrepreneur because it require devotion and motivation to take risks for continuous effort needed to pursue it. It will enhance both production and employment or engagement in one's own effort. Assam is industrially backward. Only approximately six percent of our population are entrepreneurs. The paper is an attempt to depict and examine a success story of a textile entrepreneur who began his enterprise just with a capital of Rs 40,000.00 and able to extent his business up to Rs 40,00000.00 with his own effort and able to provide livelihood to about 80 families and became able to register his name under small enterprises. It is a big story and there are lot to learn from his success story.

KEYWORDS : Entrepreneurship development, muga-silk textile, unemployment, inclusive growth, local potentials.

INTRODUCTION:

Having population more than 3.12 crores (according to the census 2011), there are only 20.27 lakh MSME in Assam where 36.07 lakh (12% of total population) workers are employed in it. During 2022-23, MSME contributed 33.29% to state's Gross Value Added which is not satisfactory.

MSME's of Assam are basically related to textile like Eri, Muga, Assam-silk, Nuni, jute; tea, mustard oil, bamboo, cane and some horticultural products. Among these, Assam is traditionally famous in sericulture textile production like Assam silk, Mulberry, Eri and Muga silk. It was estimated that about 61.48 percent of MSME units of north-eastern states are concentrated in Assam.

Among these, Assam is the largest producers of Muga-silk production by producing about 95% of total Muga-silk production and 65% of total Eri production of the country (sericulture.assam.gov.in).

The development of MSME during 2019-20 by establishing 5196 units registered upward trend as against 3019 numbers during 2011-12. During this period of last eight years (from 2011-12 to 2019-20), the compound annual growth rate (CAGR) of the establishment of factories in Assam is higher than national level. It was 7.02 percent for Assam as against 1.57 percent for India. The workers participation rate during these periods were 4.85 percent for Assam as against 2.84 percent for India. Besides, it was worth mentioning that 49 percent out of total MSME were women enterprises (according to 2011 census) which is also an encouraging figure (source: Annual Survey of Industries, Government of India, explored from internet. Dated 29/10/2025).

Background Of The Study:

Assam is unique in the production of muga-silk as muga silk worm are naturally inhabited here. When the growth of muga-silk was developed in ancient India by the patronized of Royals during fourth centuries, the silk in Assam and north-eastern India were grew naturally (Ghose and Ghose, 2011). By contributing 95% of the country's total Muga silk production Assam has occupied the top position by producing about 157 MT out of 260-300 TM global production annually (Directorate of Sericulture of Assam) in the year 2017-18 and deserved geographical indication (GI) Tag mark in Muga silk textile production.

The paper attempt to study the factors working to promote rural entrepreneurship by utilizing available agro-based raw-materials like muga-silk cocoon and there-by creating an environment of industrialization in the rural economy of Assam. Here the case chosen is a muga-silk textile MSME based on available raw materials muga-silk cocoon produce in the area of South Kamrup of Assam run by a rural youth named Mr. Rakesh Mohan Das.

Objectives Of The Study:

The paper attempts to meet the following Objective:

1.To study the influencing factors to develop rural entrepreneurship with locally available potentials.

About The Muga Silk Cocoon And Muga Textile Industry Of

Assam:

In Assam, the major muga-silk producing districts are Kamrup, Goalpara, Udalguri, Kokrajhar, Tinsukia, Dibrugarh, Sibsagar, Jorhat, Golaghat, Lakhimpur, and Dhemaji. Among these, district Kamrup has three Muga farms out of thirteen where muga-worm cocoons have been producing from the years 1954, 1957 and 1967 respectively. Except the production of muga-silk cocoon, there is lack of proper initiative to develop or establish even a single muga-silk textile farm in the area.

Muga silk cocoon are the cocoon of muga silkworm which are semi-domesticated and multivoltine in nature having five to six generations in a year. (hts.assam.gov.in, government of Assam, Handloom Textiles and Sericulture).

Muga-silk cocoons are the sole source of muga-silk yarn and is the principal raw material of muga textile industry. The muga cocoons are the product of one stage out of five stages of life circle of silk moth where caterpillars make a protective covering around themselves to protect pupae formed by them. This covering is made up of a protein fibre and become muga silk yarn which are used to make muga-silk textile.

The life circle of a muga moth is shown below:

Adult Silkworm gives birth eggs→larva→spincocoon→butterfly, that is adult silkworm or moth→eggs

The Process Of Grainage:

The process grainage of silkworm can be divided into two ways: natural and artificial.

In traditional grainage, silkworm eggs or seeds are found naturally. In Assam, the silkworm eggs are found in the leaves of som (Machilus bombycina) and Soalu (Litsaea polyantha) trees naturally, because leaves of these trees are the main food of muga-silk worm or moth. Due to limited availability the muga-silk yarn are scarce in nature and have high use value and exchange value. So scarcity in its supply compared to its demands tend to raise its prices from very initial periods of civilization in Assam. Besides, its durability nature can last century and becoming finer with time. So it has been costlier since inception.

The som trees are planted in the sericulture farm to culture silkworm artificially. It is semi-domesticated because after the grainage, silkworm are placed on the som trees for feeding. Nowadays, individuals who culture muga-cocoon domestically buy seeds or eggs of muga-silk worm from sericulture farm.

Actually, Government has developed these sericulture farm in the area where practices of these industries have been done traditionally.

The different generations of muga-silk worm found in Assam in a year are showed in below:

Serial no	Assamese names	Season	Month	Remarks
1	Jarua	Winter	December-February	

2	Chotua	Early spring	March-April	
3	Jethua	Spring	May-June	
4	Aherua	Early summer	June-July	
5	Bhodia	Late summer	August-September	
6	Kotia	Autumn	October-November	

Source: govt of Assam portal

Some Parameters Of MUGA Industries:

following data are obtained from Government of Assam, Handloom textile and Sericulture portal (source: hts.assam.gov.in) and from direct personal investigation:

1. The number of Som plants per acre of land should be about 450 to 500 where the quantity of leaf yield is 7 to 8 metric tons. The rearing capacity of muga worm is 800-1000 disease-free-laying per acre per year.
2. The cocoon production per hector of land is about 48000 to 60000 per year.
3. The amount of muga yarn production per acre of land per year is 10-12 kilogram.

The final product obtained from muga yarn are Assamese traditional dress mekhela-chador, riha for women and man's attires. One set of "mekhela-chador" requires 390 grams of muga-yarn (approximately) requiring 6.5 meters length of textile.

At present, the muga-yarn has been diversified to make various luxurious and sophisticated products like all types of modern festive dresses, sarees, jackets, vanity bags, shawl/Stoll, sofa cushion cover, and many more. Nowadays, even the by-product of muga yarn a new variety of textile known as "ghisa" has been developed which have embraced by a large.

Muga Golden yarn extraction:

The process:

At the very beginning, the yarn was traditionally extracted by hand from cocoon through a process having a number of following steps and became integral part of cultural heritage of Assam.

1. At first, the cocoons are boiled in water. This process will help to separate yarn from the cocoon very nicely. This process needs to reel the yarn into wooden bobbin which is one of the stages of textile weaving.
2. The length of the golden yarn so extracted from one cocoon is about 300 to 550 meters long having four or five breaks. Now extraction and reeling machines have been developed. Its golden colour and quality of the yarn is sophisticated and luxurious to look.

Methodology:

The study is based on both primary and secondary data and is analytical in nature.

The primary data collection tool: The primary data were collected through a schedule applying both closed and open-ended questions.

Analysis:

The information were gathered as given below:

1. Rakesh Mohan Das, a 45 years old person is now owner of a medium enterprise started his business as a supplier of muga silk cocoon from the production place to muga silk textile industries situated on the other part of the region.
2. Now he has a medium full-flagged textile industry supporting livelihood more than 80 families.
3. The youth collected muga cocoon from muga sericulture farm situated on the area about 15 km far from his place and from villagers who culture muga-silk worm traditionally for commercial purposes. This practice was done by him for more than five years.
4. By that time, he gathered a handful of knowledge about production of cocoon, its qualities, prices, processing, marketing, marketing channels, transportation, nature of demands and supply, consumer's choice and preferences, diversification of muga yarn and muga textile.

Besides, he acquired proficiency in the field of

1. traditional extraction methods of muga silk yarn from cocoon.
2. Production of muga-silk textile by handloom
3. Muga silk textile market and marketing channels

Thus, he gathered a hand-full of knowledge about the product, production methods, product differentiation by design, by quality, by methods of production and by cost of production.

Thus, he wanted to expand his business direction from supplier of raw materials to producers of muga-silk textiles. This was his turning point of business building.

Opportunities:

The capital city of Assam, Guwahati is the gate way of north-east India and fetches a big market for the marketing of goods and services produced here. Following are the opportunities realised by the greater ways:

1. There is a traditional demand for the muga-silk textile for the people of Assam.
2. The demand has not been decreasing in spite of having various alternatives to it due to its royal, gorgeous and sophisticated look. Every woman in her life wishes to have at least one set of muga-silk textile attire. Thus, there is a ready market for the muga-silk textile not only in Assam but greater north-eastern region, rest of the country and the world.
3. As mentioned above, the area can develop cluster industries on muga-silk production, Eri-silk production, jute diversified production as Assam has been the top among the states of producing these raw materials.
4. The south Kamrup is the hub of producing muga-silk cocoon. Most of the villages from this area such as Boko, Bagan, Sakhaiti, Chhaygaon, Chandubi are the area where muga-silk cocoon is cultured traditionally and domestically.
5. The client is a hard-worker, optimistic, realistic, self-confident, self-motivated and dynamic person. He has risk-bearing capacity and definite goal setter about his business.

Challenges:

The noticeable challenges of establishing a business set up common to all MSME are following:

1. In case of textile handloom industries, skilled labourers are key factors because they are the real producers of the products. Without them no textile handloom MSME can be organized. In the present case, the skilled labourers tend to move from one place to other places in search of higher wages. Thus, availability of skilled labourers at reasonable wages are one of the greatest challenges of textile handloom industry like muga-silk textile in the study area.
2. Capital is another factor of production. In the present case, the client borrowed money from his relatives at the first instance. He has not been granted loans from banks or other financial institutions yet. Besides, he was not aware about government loans, and subsidies
3. There is lack of marketing infrastructures like separate marketing complex for selling and buying of muga-silk cocoon and textiles.
4. The main suppliers of muga cocoon to muga textile industries are the middlemen who buys cocoon from farm or private production at lower prices and sell it to muga textile industries where yarn extraction, reeling, weaving and diversification are done. The traditional producers do not get reasonable prices for it.
5. There are some artificial yarns looking similar to muga-silk yarn. Thus, there is threat of duplicity. Maintaining authenticity about quality, price, designs are some challenging issues regarding the industry.

Findings

The factors which motivate the youth to become an entrepreneur from a small supplier were

1. Vivid knowledge about product going to produce.
2. Source of Factors of production and its prices
3. Factor Market and its marketing knowledge and channel
4. Production process
5. Consumers' choice and preferences
6. Self-motivation
7. Skilled and hard-working capacity
8. Risk bearing capacity
9. Knowledge about future market condition.
10. Resilient

Cost-benefit Analysis:

At the first step he started his business by establishing one weaving loom. Now he has expanded his establishment with three looms where he has been employing three rented weavers by giving them average Rs 500 per day during working hours.

The one thousand muga-silk cocoons price generally ranges in Rs 6000-7000.

One thousand muga-silk cocoon is equal to 250 grams.

Thus, 250gram muga cocoon cost Rs 6000-7000.

The traditional woman costume one 'mekhela' requires 150 grams of muga-silk cocoons which cost will be Rs 3,900.

One 'mekhela' requires 2.4 meters of muga-silk textile.

The cost of transportation is Rs 500 to his place.

Supposing transportation cost as nil (the transportation cost per thousand cocoon is approximately=Rs 200)

Weavers cost per 2.4 meters of muga textile= Rs 1000/- (requires two days having per day 500)

Actual cost of production of 2.4 meters muga-textile = $3900+1000=4900/-$.

The price of 2.4 meters muga-textile is Rs 8000.

Profit per 2.4 meters of muga textile= $Rs8000-4900=Rs\ 3100/-$

It is a tentative calculation and bears approximate values.

The famous Assamese attire muga-silk 'mekhela-chadar' (without design) requires approximately 6.5 meters of muga-silk textile which bears cost of production Rs 12,458.33. With intensive heavy design this attire price ranges between Rs 35000 to 50000 approximately. Now his MSME produces eight set of this muga-silk woman costume per month along with other textile fabrics.

CONCLUSION:

During last two decades, there has been a slight uprising trend in this area utilizing traditional knowledge and skill to develop such potentials.

Entrepreneurship development on the basis of locally available renewable resources are sustainable and inclusive in nature. There are only a handful entrepreneurs from south Kamrup district of Assam who have come forward to establish business set-up on locally available resources like Muga-silk cocoon, Eri-silk and jute fibre production.

In present day context, it is utmost important to enhance various entrepreneurship development programmes with the help of Government initiative, private or public-private initiatives on the basis of available agro based resources to realize both inclusive growth and sustainable development.

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