

CHAPTER - VII

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7.0 Introduction

There are several factors, which stand as hindrances for the large-scale industrialisation and widespread diversification of economic activities in the study area. These hindrances are – limited resource base, thin spread of usable resources, inaccessibility to markets, modern inputs and technology, deficient infrastructure and insufficient energy and high transport costs etc. Under these circumstances, in order to meet the increasing demand of employment of additional workforce in the region, the expansion of small enterprises has universally been recognised as an important alternative option. These resources, if utilised properly, may prove as an instrumental measure in creating employment opportunities and the income avenues, which, in turn, may reduce the existing poverty level and solve the problem of un-employment in different parts of the district.

The expansion of small household industries in different parts of the district is also influenced by several other factors. It is observed that manufacturing activities, whose production processes are based mainly on locally available raw materials, has been decreased to a considerable extent in the district over the years. In this regard, attempt has been made to examine the nature and extent of problems and constraints, which exist in the successful functioning, growth, and development of different household industrial enterprises in the study area. The analysis would provide a conceptual base for initiating planning programmes in connection with the growth and development of different products of household industries in the study area.

It has been found from the analysis of the previous chapters that the household industries have bright prospects of development, though they are considered as one of the most problem-ridden sector of the economy. The problems are not only numerous but are diverse in their character too. The economic and manpower problems are inevitable in any productive activity, but in this case, there are some crucial problems, and if these are not solved with proper measures, these industries are bound to decay and in some cases the very existence of the sector will be threatened in near future. Though some of the problems could be solved with proper management under government supervision, there are many other problems which are needed to be tackled with care and action. This should be done through minute examination of the working

of the units and by an in-depth study of the social and entrepreneurial factors governed by labour efficiency.

The problems can be grouped into three major groups, such as – (i) the problems related with production (ii) problems related to marketing and (iii) problems related to labour including entrepreneurship building. The first group comprises the problems associated with raw materials, capital and infrastructural inconsistencies. The second group includes problems related to the sale of finished product, price of the commodity, location of the market etc. The third group incorporates problems related with experience, skill and efficiency of the labour force, training facilities, entrepreneur abilities etc. The primary focus of this research has been to identify all these problems and bring out proper solution in order to meet the objectives of the development of household industries. The following are the important problems faced by the household industrial units:

7.1 Problems Related with Raw Materials

It is observed that majority of the household industrial units are based on local raw materials. This is an important aspect to strengthen the base of household industries. Non availability of raw material is one of the major constraints for the development of household industries (Malegawekar, 1973). Most of the household industries purchase raw materials in small quantity from huts or local retailers on payment in cash. Co-operatives and organised sectors are in a better position to provide rebates and credit facilities on bulk purchases, which are almost non-existent in the study area. At times the non-availability of the required quality and quantity of the raw materials affect the quality and size of the output of household industry (Lakshman, 1966). However, the numerous problems associated with raw materials can broadly be categorised as the following:

- (i) Problems related with the procurement of raw materials
- (ii) Inadequate supply of raw materials
- (iii) High price of raw materials and
- (iv) Poor bargaining power of the workers in purchasing raw materials

The raw materials for the industries like Handloom, Cane-work etc. are not locally available. So the workers have to procure it from the distant market, e.g. thread for Handloom is purchased from Jalpaiguri, Jaigaon and Alipurduar; cane also is purchased either from Alipurduar and Siliguri. In Pottery also, good quality clay is not

available locally. The workers have to fetch it from distant sources like, Maynaguri, Siliguri etc. However, only some small quantity is collected from local sources. Non availability of raw material is mainly due to low demand. Likewise, chief raw material for the Blacksmithy units is scrap iron and non-availability of required quantity and quality locally of this product is a problem for the sector. Besides, as servicing forms the major work in Blacksmithy sector, the units require coal and charcoal as fuels but these materials are not available to them in sufficient quantity.

Again for purchase of timber or sawing wood log for the Carpentry units, the workers are required to take permit from the forest office. The permission is not obtained easily. The workers have to spend much of their time fulfilling the official formalities. Therefore, this is a restrictive factor for the development of the said industry. The large proprietors generally buy wood in lots from the auctioning centres but the workers of tiny units cannot go for bulk purchase due to lack of working capital. They generally buy woods from the local timber merchants at high price. Hence, this increases the cost of production.

There are some areas where the workers of various household industries have to depend on local traders and buy their required materials from hats or retailers. For example, many workers of Food-processing, Rope-making and Bamboo-work buy their raw materials from hats or individuals and are compelled to pay relatively higher prices, as a result of this, cost of production increases. Sometimes the workers travel to distant villages to procure appropriate type of bamboo from individuals. In this way the workers spend their valuable time which ultimately results in the loss of effective working hours and higher cost of production.

Inadequate supply of the required quality and quantity of the raw materials affect the quality and size of the output of household industries. For example, non-availability of thread for Handloom, cane for Cane-work, clay for Pottery and iron scrap for Blacksmithy possess a serious problem. Non-availability of essential raw materials coupled with the high price of raw materials and fuel restricts production largely. In this way, high idle capacity is created in the household industrial sector.

Irregular supply of raw materials is also a major problem. Jute for Rope-making is only available in the open market in season. For most of the months, it has to be purchased from the mahajan. More or less same condition prevails for Food-processing also. Cheap paddy for Food-processing is not always available in the market. Thus, inadequate and irregular supply of raw materials at times affects the production to a

great extent. This obviously indicates the need for appropriate machinery to tackle the problem by improving infrastructural facilities. Apparently, one may not consider it as a serious problem that the workers have to face difficulties in obtaining raw materials but actually the problem is quite acute and deserve special attention. These small industries can flourish only if the raw materials used by the workers are available at reasonable and concessional prices.

Moreover, large entrepreneurs and artisans of the household industries are unorganised and scattered over the region. In absence of any worthwhile organised net work and poor bargaining power, the artisan workers have to pay more for the purchase of raw materials. This is another reason for their high cost of production.

7.2 Problems Related to Finance

7.2.1 Lack of Working Capital

The lack of capital of the entrepreneur artisans is another dimension of problems of household industrial sector. Inadequate working capital is the biggest constraints of the household manufacturing industries (Shetty, 2008). On account of adequate working capital, workers cannot buy the raw materials of required amount and desired quality. They are unable to take advantage of buying his total requirement of raw materials when prices are low.

It is observed from the earlier analysis that savings is the principal source of investment but after buying their basic necessary items like food, clothes and so on the workers are left with a very small amount of money for investment. Low investment causes low production and this in turn results low income. With the little amount of money, partly used for the workers' maintenance and partly for their business and subject to all kinds of exploitation by the money lenders or middlemen the artisans are forced to sell every day's or every week's output at once. They buy raw materials in small quantity at retail prices or work as per the order of a dealer with no material of their own. If for any reasons, the final products remain unsold for some-time, the artisan finds himself in a quandary and may have to resort to a distress sale. Thus, as a result of the shortage of their own finance, not only there has been an exploitation of the artisan workers by the money lenders or the middlemen but also their productivity has been considerably affected. So they fall in the clutches of poverty and it is not always possible for them to come out of it without getting any financial assistance from outside. But rarely any organisation come forward to take care of the workers, when

access to the sources of both short and long term credit is necessary. Because of the shortage of working capital, a large number of units are working below their capacities.

The demands of the consumer goods produced by the industries like Bamboo-work, Cane-work, Carpentry and Blacksmithy are very high in the study area. But the workers are unable to produce articles in sufficient quantity and better quality due to paucity of working capital. The situation compels the workers of many household industries to opt for less remunerative jobs. Even some-times they work as daily wage earners. Due to extreme poverty, they are unable to invest money in purchasing raw materials when prices are low, for producing different articles and also cannot wait with their stock for a favourable price in the market. These force them to sell their products at comparatively cheaper price. At times, they mostly accept order when some advance is paid. The same situation is observed in almost all the household industries.

7.2.2 Low Investment in Fixed Capital

The fixed capital is needed to renew the tools and equipments and to expand their workshops but their profits are negligible to save anything to set aside for their renewal. Because of the low capabilities of the workers in mobilising the finance, the fund for investment in fixed assets is very low. Though many workers are aware of modern techniques production, they cannot apply them as these require fresh capital investment. The workers of Handloom, Bamboo-work, Cane-work, Carpentry and Pottery are able to produce a large quantity of traditional as well as non-traditional articles if the required fixed assets are made available to them.

Due to low capabilities of the workers for mobilisation of finance, the fund available to them for investment in fixed assets is very low. Though some of the workers are ready to receive the modern implements, most of them find it very difficult to procure them, because of the poor financial condition. Workers of industries like Handloom, Rope-making, Cane-work, Carpentry and Pottery are efficient enough to produce even the non-traditional goods if required tools are made available to them. Though many of them are efficient skilled workers, lack of fixed capital restricts their experimentation of new lines of production and the situations make them compel to stick to the age-old items of production.

Even when the raw material is at their disposal, workers sit idle for hours just because they do not possess the appropriate implements. They wait for borrowing those from their fellow members. Thus, in the absence of fixed capital for purchasing

implements, the productivity per hour decreases causing low returns per worker. All these factors combine to make the workers dependent on money lenders and middlemen. Because of the vulnerability of the entrepreneurs or workers, these people take full advantage of the situation and resort to maximum exploitation (National Committee on the Development of Backward Areas, 1981).

7.2.3 Lack of Credit Facilities

Lack of finance is one of the major causes for low financial returns and also the bottleneck of the household industries (Singh and Gupta, 2005). The artisan workers need credit for his equipments, raw materials and for holding on to stocks for a favourable market. Though commercial banks and regional rural banks have provisions to finance small entrepreneurs for their capitals and production, the present coverage is negligible and involves a long hazardous process which hardly encourages the workers to go for credit. Besides, these financial institutions have not shed their traditional attachments to liquidity and safety of resources. On their part, the small entrepreneurs have no knowledge of information sought by these institutions. This, apart their lack of education and proper exposure to elementary financial management, make it difficult for them to avail credit from various sources. This calls for the removal of imperfections in financial markets and replacement of security oriented credit policy, by production oriented credit policy. There are private moneylenders like, kabuliwala, mahajans and dealers, but the interest charged by them is very high and exorbitant, as such, the small entrepreneurs can ill-afford to go in for credit available from these sources. It is therefore, vital that adequate credit facilities be extended to these workers to enable them to free themselves from the hands of trader financiers. Sometimes the trader lends money to the workers in the form of advances for purpose of purchasing raw material. When the finished products are delivered to the dealer, the advances are adjusted against the payment due to them. Although no outward strained relation between the manufacturer and dealer are marked, the fact remains that the dealers due to formers weak financial position exploit the workers.

7.2.4 Low Returns from Investment

The net returns from investment in most of the household industries are low because of the various reasons. The less efficient production system, low demand or unfavorable market mechanism etc. are generally responsible for the low returns. The obsolete tools and equipments and time consuming age-old production process have

made many household industries non-profitable. Market for the products of industries like Handloom, Rope-making, Bamboo-work and Pottery is limited from producers' point of view. As a result, the products fetch extremely low price. Similar situations are observed in Blacksmithy sector where old traditional method of production is responsible for low earning.

In fact, the crude and obsolete tools of the artisan workers chiefly operated by hand and traditional technique of production process far below the efficiency standards have considerably affected the productivity and the quality of output of household industries. For these industrial units, it is difficult to compete with relatively cheap priced machine made goods. However, it does not seem to be practical to go for complete modernisation of these industrial units in spite of their large-scale employment generation especially in rural areas.

This calls for innovative experiments for employment generation vis-à-vis, adoption of intermediate technology in the form of gradual semi-automation at least in Rope-making, Bamboo-work and Blacksmithy units. It is expected that this sort of technological improvement in the household industrial sector will fully contribute in achieving balance among the objective of maximisation of production for increasing income, diversification of products and widening the scope for employment generation. In Handloom industry, the situation appears to be worse. In this sector, the inefficient production process, coupled with low demand for the finished product, results into extremely low returns from investment.

For many industries especially Bamboo-work and Rope-making low return from investment is largely related to the adverse market mechanism. The workers mostly depend on these industries for their livelihood. Situations make them compel to sell their products to the local traders who take the advantage of the situation and pay almost half price.

7.3 Problems Related to Marketing

7.3.1 Marketing Problems of the Products of Household Industries

A good market for the products of household industries is important to promote the well-being of the artisans or small entrepreneurs. But marketing in this field has certain limitations. Firstly, due to the absence of any co-operative marketing organisations or government agency in sufficiently large numbers in most of the household industries, selling of the finished products through middlemen has been a

dominant feature (Lakshman, 1966). However, for many of the entrepreneurs, the middlemen of the system seem a savior, who purchases all their produces for big traders. Sometimes they pay some advances too to the workers. Besides, when the demand of the product is low the workers mortgage the finished products for the supply of raw materials and thus they remain always in the clutches of the traders. In this way, middlemen always pocket the lion's share of the profit which is due for the workers. This exploitative marketing structure does not encourage a worker to venture in industrial activities. Most of the tribal workers are not good in bargaining and they dispose off their produces at a very low price to the local traders, even sometimes lower than the cost of production. Some of the units of Bamboo-work and Pottery are located in remote rural areas and the workers need to walk a long distance by foot to reach the nearest hat. Workers of many villages also face the problem of non-proximity of market at convenient distance. Therefore, at times workers sell their products by hawking in villages resulting low returns. They could have fetched much higher returns had these sold in market areas.

Secondly, the demand for the various products of these industries is largely seasonal and limited to the locality as majority of their products are substandard and do not conform to the required specifications.

Thirdly, the competition from the mills as well as inter unit competition is keen. For example, the Handlooms not only face competition from the factory sector but also there is keen inter unit competition. The same is the situation for Blaksmithy sector. Among certain industries like Bamboo-work and Pottery, the competition is largely from the factory made substitute. Because of this competition, the market for the products of these industries has dwindled considerably.

Fourthly, as the products vary in their nature and quality from unit to unit, several prices rule simultaneously in the market.

Thus, in the absence of any rational marketing organisation, the workers of various household industries are forced to sell the products to the local traders or middlemen who manage to get away with the major part of the profit. Hence, the present system necessitates widening of market.

7.3.2 Lack of Government Support on Marketing of Household Industrial Articles

Among the important steps taken by the government to improve the marketing structure of the household industrial products is the establishment of agency like

‘Manjusha’. But the artisan workers hardly find any encouragement on the purchase and sale mechanism it operates. The workers do not get ready cash in hand for the articles they supply. This delayed payment discourages the workers and they do not want to augment fresh investment for production. In fact, this system encourages the middleman rather than the workers. Sometimes the workers also find that the goods are returned back after a couple of months as the customer do not patronize government shops where price remain fixed. Moreover, government outlet fails to display the authentic value of the products to attract the potential buyer. Besides, bulk purchase during peak season also encourages the duplicity in the article.

7.4 Problems Related to Transport

Lack of transport facilities stand in the way of selling the products by the artisan workers themselves. As a result middlemen, traders dominate the market (SEEDS, 2006). Transport becomes a problem when the household industrial establishment is far away from the sources of inputs. Large proprietors use high quantum of raw materials and as such the overall transportation become comparatively less. But the small household entrepreneurs cannot offer more transport charges for small quantity of raw materials. Most of the household industries procure their raw materials from nearby places paying from their own pockets. This may divert the attention of the household industrial workers from production activity to raw materials collection activity. Transportation difficulties are experienced by certain category of workers like bamboo and cane workers, carpenters, potters etc. in transporting their raw materials as well as finished goods. Most of the products of the household industries are marketed outside the area of production. Movement of finished product is generally done by hired taxis or by buses, which add substantially to the cost of production. Besides, it is extremely difficult to transport finished products especially during the rainy season. Moreover, it is reported that carpenters while bringing raw materials in bulk by vehicles face some problems related to transit. They also experience similar difficulties while transporting their finished goods. Provision for transport facilities is necessary for the growth of any sector of industry and household industries are no exception to this (Narasaiah and Naidu, 2006).

7.5 Problems of Storage

The household industrial sector also faces the problems of storage of inputs and outputs. The household nature of these industries would not provide scope for storage

of bulk of inputs in their houses. Similarly, even if they produce more goods, they are not able to keep the finished goods in a right place due to lack of storage facilities (Sankaraiah, 1994). Further, this inability makes them to purchase raw materials whenever they are in need at higher prices. Besides this, they are forced to dispose off their products at cheaper prices because of inadequate storage facilities.

7.6 Obsolete Technology

One of the daunting problems facing by small household industrial units is that of obsolete technology. Obsolete technology has a very important bearing on the productivity and cost aspects. The crude and obsolete tools chiefly operated by hand and the technique of production far below the standards have considerably affected the productivity and the quality of output of household industries (Lakshman, 1966). Among the household industries, the outmoded tools such as the potter's wheel, blacksmiths anvil and a number of tools used by handloom weavers, rope makers, bamboo and cane workers, carpenters are common features. The obsolete equipment in all the household industries is accompanied by inferior technique. For example, the winding, warping, twisting and weaving processes in the handloom sector is still primitive. In the Pottery units, the traditional methods of baking pots in open hearth continue even today. Similarly in Bamboo-work, Cane-work, Carpentry and in Blacksmithy outmoded process of production and hereditary skill continue to play a vital role. This primitive and inferior technique, which is partly due the illiteracy of the small entrepreneurs and partly to his sticking steadfast to traditional methods, involves much labour and time and has led to small output and substandard products.

Due to lack of information the artisan workers know very little about modern technologies, which have revolutionised production in small industrial units in advanced countries. Any new information available in the related fields is not easily transferred to them due to lack of satisfactory technology delivery mechanism, such as arrangement for demonstration regarding their use, cost etc. There is rarely any agency to provide venture capital to cover risks in connection with the introduction of new technologies. As a result, today most of the artisan workers are struggling for the survival of their skills, evolved over thousands of years and now getting dissipated and blunted. Their progeny is neither willing, nor able to carry on the family tradition and thus a rich culture is on the verge of extinction (Solanki, 1997). An associated component of technological advance is the introduction of training in modern

technologies to learn them and to overcome the obsolescence in skills. This too is conspicuous by its absence. It is no wonder that primitive technologies persists in a large part of traditional household industrial units in the study area. Besides, it is also true that all the processes of production cannot be changed with the introduction of modern tools as it destroys the artistic value. However, there is every possibility of mechanising certain processes keeping intact the artistic value of the articles. More research in optimum technology to suit the stage of development of these industries is to be undertaken instead of indiscriminate application of techniques (Vepa, 1969).

7.7 Competition from Different Sectors and Lack of Competitive efficiency

7.7.1 Competition from Organised Sector

The household industrial sectors suffer strong competition from the organised sectors. Industries like Handloom, Cane-work and Carpentry suffers mostly. Cheap mill-made clothes have captured market of traditional handloom clothes and as a result the handloom industry is facing a slump in the market for sale of cheap and coarse variety of clothes. The large proprietors of Cane-work and Carpentry sectors with strong financial base are more organised than the small household sector. They have bulk purchase of raw materials and have bulk sale. Therefore, people always prefer to purchase articles from them at relatively low price. Although some of the products of a few household industries are known for their individuality and artistic excellence, a large number of products of most of the household industries are of low quality and lack in standards. Such low standards are partly due to obsolete equipment and inferior technique and partly low quality raw materials. This necessitate for innovative works in search of appropriate intermediate technology. In most cases, household industrial sector has failed to keep with the changes in demand of present generation. In some urban areas machine operated units have been established which are producing articles similar to those produced in the rural blacksmithy and in this way are capturing the markets with goods at low price. Many articles produced by household industrial units are not competitive in the open market as these are costlier and are not considered as fancy goods. Instances in which traditional household industries have collapsed in the competition with modern organised industry have been cited often in articles and reports. For example, Gadgil (1974) refers to the collapse of household industries and village artisans with the increase of imported goods and the growth of modern industry. During the later half of the 19th century, Buchanan (1934) refers to the decline of hand

weaving, metal work (especially blacksmithy), ceramics (especially pottery), vegetable oil industry, rice and flour industries. Rao (1957) states that village industries declined in the face of competition from modern industry.

7.7.2 Competition from Substitute Goods

At this age of globalisation, cheap machine made goods have captured the market of goods produced by household industrial sectors. Though there is fairly moderate demand of the goods produced by the household industrial workers, but the variety of articles face very stiff competition in the market from their substitutes which are relatively cheaper. Cheap plastic articles from the highly mechanised sector introduced unhealthy competition to the detriment of decentralised production of household industrial articles by Rope-making, Bamboo-work, Cane-work, Carpentry and Pottery sectors. In such situations, the aspect like cheapness of the synthetic plastic goods of the organised sector emerged as the strongest competitor of the un-organised household industrial sector (Subrahmanya, 1991). Moreover, the goods produced by the workers of various household industrial units are typical and traditional and these have failed to keep changes according to the demand of present generation. Many of these items are similar to those produced by the household industrial workers. So the demand of articles (mostly utilitarian articles) made by handloom weavers, rope makers, bamboo workers, potters have decreased largely.

7.7.3 Lack of Competitive Efficiency

It is well known that the industries in the household sector cannot survive in competition with industries of the factory sector partly because of their higher cost of production and partly because of the inferiority and non-standardisation of products. The higher cost of production and sub-standardized products in turn are chiefly due to inefficient technique and equipment, and these have considerably lowered the competitive efficiency of these industries. Unless their competitive efficiency is improved by providing financial, commercial and technical facilities and by initiating thus the process of modernisation so as to increase their productivity, their survival and development are difficult.

7.8 Seasonal Fluctuations of Production

Most of the household industries suffer from low production during the rainy season. There is acute crisis of raw materials for industries like Rope-making and

Pottery in this season, which results low production. Food-processing units need sunny weather to dry paddy at certain stage of its production. Potters also need sunny weather to dry up their pots. Moreover, it becomes very difficult for the potters to burn their products in the hearth in rainy season. A rainy weather, therefore, becomes unfavourable for these industries as it disturbs their production.

Some of the household industries are linked to some extent with agricultural activities and they suffer adversely if crop productions are hampered by natural or other inconsistencies. For example, blacksmiths are highly profited from their servicing activities in the years of better agricultural prospects. But in the years of crop failures, they are largely affected due to less work and it results lower income. Bamboo-work and Carpentry units also suffer due to fluctuations in agricultural activities. One of the resultant effects of this is that any fluctuation in the agricultural sector, either in its output or in employment generation may adversely affect these particular sectors. However, seasonal fluctuation has direct effects on the traders, middlemen, retailers and customers on which the artisan workers depend and this brings sufferings to them.

7.9 Shift of Occupation from Household Industries to Other Sectors

The artisan workers skill is mostly community oriented and the skills, which are related to group of workers, remain confined to a particular community due to its inheritance. Due to low income, the workers are shifting to other occupations leaving their traditional work. Besides, artisans are giving up their occupations for agriculture or for ordinary labour (Gadgil, 1974). This switching over of the workers from their original industrial activity to any other activity like agriculture leads to a deterioration of production (Chakraborty, 1980). Manufactured commodities of the factory sector are relatively cheap and refined as compared with articles produced by the household industrial sector. With decreasing demand of the articles of this sector, the workers have no option but to gradually shift to other occupations. Thus retaining those workers who inherit the working skill but want to leave the sector due to low productivity and low returns poses a serious problem. The switching over to non-traditional employment by many artisan workers leads to the deterioration of skill. This sector is facing not only low level of skill but also a gradual lowering of skill among the workers.

7.10 Problems Related to Training of the Workers

Prevalence of outmoded production techniques coupled with low traditional

skill is the order of the day of the artisan workers in the study area. Even if some of the workers are interested to improve their efficiency through training hardly any training facility is provided to the workers involved in Bamboo-work, Rope-making, Food-processing, Pottery and Blacksmithy. Organisation like DIC is imparting training in Cane-work, Handloom and Carpentry, but most of the workers are hardly motivated in right way to join them and acquire skill.

Though the majority of the workers are illiterate, some of them are educated and have done graduations too. However, none of the workers has formal training or qualification on the household industries. Though some training are provided by District Industries Centre, but such limited trainings do not provide required skill formation. This necessitates the establishment of vocational based institutes in the region.

7.11 Lack of Entrepreneurship and Follow-up Programmes

Entrepreneurship is a purposeful activity indulged in initiating, promoting and maintaining economic activities for the production and distribution of wealth. Traditional household industries are caste-specific and hardly attracted entrepreneurship from other occupation (Sinha, 1988). The inadequacy of entrepreneurship talent is an inhibiting factor to accelerate the process of development in our country (Rao and Misra, 2005). Achievement motivation, an important component of the psychological basis of entrepreneurship is supposed to be high among the workers but unfortunately, this does not get reflected in the industrial enterprises of the workers due to their lack of exposure to market economy and traditional value system. It may be due to the absence of a large number of successful entrepreneurs. In fact, the economy of the workers of this sector presently is in transition and demands successful entrepreneurs. To promote further entrepreneurship among workers the first step would be to take up the skillful youths for generating achievement motivation through proper guidance.

Lack of follow-up actions is one of the causes of low popularity of training programme. Lack of capitals for investment, non-availability of raw materials and difficulties in marketing the finished goods etc. forced many youths remaining idle even after training. For example, a large number of youths belonging to Rava and Mech communities even after getting training on weaving from the cluster centres are sitting idle because of the lack of follow-up programmes. Same is the situation in Cane-work

and Carpentry sectors. The absence of organisations to look after the supply of raw materials and sale of finished goods are responsible for this situation. Any attempt to venture for setting new units may not be successful under this condition. Therefore, the need of the hour is to promote appropriate machineries to organise the supply of raw materials and purchase of finished goods so that the poor artisans are not put to further hostilities in the market.

7.12 Problems Related to Exhibitions Organised by the Government

The state and central government organise various exhibitions to exhibit and sell the household industrial products at various important centres with the view of promoting and upgrading the household industrial products of various regions. It is reported that the schedules for such exhibitions do not reach the entrepreneurs beforehand. Therefore, in most cases, the workers do not participate in the exhibition due to lack of stock in hand. Another difficulty faced by the workers in 'mela' or big exhibition is low sale due to lack of salesmanship. Besides this, the workers are also faced with the interaction problem due to difference in language, customs and habits. As the exhibition is overshadowed by the selected workers for few selected products, a large number of the workers remain unaware for most of the time. Many of the eminent works even do not find its due place.

7.13 Lack of Awareness Regarding Government Schemes and Programmes

The central and state government has numerous schemes, projects and development programmes in connection with the revival, up-gradation, improvement and innovation of small industries. But unfortunately, most of the workers are unaware about such government ventures as there are no arrangements for co-ordination and monitoring of these government schemes and projects. In fact, there has been very low dissemination of the information among workers. Therefore, the workers of different sectors should be made aware so that they can be benefitted by the various schemes, projects and development programmes provided by the government.

7.14 Lack of Publicity

Although the articles produced in household industrial sector of the district is covering a distant market, its prominence is not directly linked to the immediate customer as it is linked to retailer, dealer and customer only. These situations are due to lack of adequate publicity. There is no planned provision for effective publicity through

advertisement in various media. It is due to lack of concept of advertisement of the concerned development agency and lack of sponsoring agency. Lack of publicity is a curse to workers as it loses the potential customer.

7.15 Poor Living Condition of the Workers and Lack of Medical Assistance

Due to poor living condition, some workers are in constant health hazards. The workers either in the village or even in the town live in poverty and congestion. They generally live in thatched house built up by themselves. A large number of workers, especially in the town live in rented accommodation. Due to their poor capability to pay high rents, the area of accommodation is generally small. Some of them though have cemented construction but most of houses are dilapidated and situated in narrow lanes in dark and dingy conditions. There is no proper sanitation and majority of houses are without any water supply and electricity. These accommodations of the workers serve both living and working in the villages or in towns. In such an environment, there are always the risks of damaging the piece of work in the hand.

It is observed that most of the workers are not able to spare required fund out of their poor earning for their medical care. Though there are some community health services at the village level, the service is very poor. Illness of the workers aggravates his misery as it reduces the workdays in one hand and necessitating unforeseen expenditures on the other.

7.16 Lack of Co-operation among the Workers

Individualism from other communities and even within the same community is a problem of the household industries in connection with the development of the sector. The problem becomes prominent in respect of improvement of product quality and joint marketing efforts. The workers neither want to disclose their knowledge nor accept the concept of improving their own competitiveness in a co-operative manner.

7.17 Lack of Research and Development Efforts

Adequate research and development efforts are needed to increase the output or find out the higher value alternative items for many of the products (Sao and Chhetri, 2008). Due to lack of this, household industries could not develop in spite of their potentiality. There is no organisation or institution for introducing different designs or new articles in the processing of the raw materials and production process. Though workers of Rope-making, Bamboo-work, Cane-work, Carpentry and Pottery can

produce various utilitarian articles, utilitarian cum decorative or decorative articles, there is no organisation to conduct various experiments required for development in this regard.

7.18 Conclusion

The development of household industries is constrained by certain operational problems and this tendency prevents among units of various household industries in varying degrees. It is evident from earlier accounts that there is a good potentiality for growth of household industries in the study area but unless the deterrents and bottlenecks of development of these sectors are mitigated by appropriate measures, their growth and expansion cannot be ensured. It is evident that all the household industries are afflicted with a multitude of problems. The major obstacles for the growth and development of the household industries are – tiny units, non-availability of raw materials, age-old method of production, lack of finance, fluctuating market demand, presence of intermediary agents etc. As a result of these, numerous problems have cropped up in the household industrial sector. It is true that there are some variations in the nature and extent of the problems experienced by the different household industries. It has been found from earlier analysis that performances of the household industries are not quite satisfactory. Though the government policies in some measures have been encouraging but in reality these have become rather symbolic. One of the reason is that these industries are not truly recognised as an important sector for providing employment and income to the millions of unemployed and destitute (Jain, 1980).

Further insight into the problems of household industries demands formulation of a model of the process of raising production and income generation in this informal sector. For this, an attempt has been made in the next chapter to conceptualise the process of raising production and income generation and to identify the factors regulating the above mentioned process and hence finding out interrelationships among responsible variables. It has also necessitated the identification of the factors of entrepreneurial ability among the workers so that the desired development goals could be retained well within the approachable limits and workers adaptability. Direction and magnitude of the relevant policy variables have been determined by regression analysis using least square methods.

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