

## **The Marshallian Theory of Industrial Districts and Its Italian Variant: The case of a pottery industry agglomerate in West Bengal**

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*Rightly from the days of Alfred Marshall the concept of industrial district has been assuming importance in the economic literature. Various theoretical aspects of this concept have been discussed under the genre of 'the theory of industrial districts'.<sup>1</sup> The theory has also been put into empirical tests in various countries, which have enriched the facets of the theory. In this background, the present article seeks to analyse an industrial agglomerate in West Bengal, in the neighbourhood of the Siliguri town, which has a more recent origin, the post-Partition period of Bengal. It is an agglomerate of the pottery industry, which belongs to the cottage sector,. It gives an opportunity to verify whether this cottage-industry agglomerate exhibits the traits of the theory of industrial district, which has largely been developed on the experiences of modern industries in developed countries.*

*The organisation of this article is this. Section I defines the term 'industrial districts', and then describes their features and seeks to identify the reasons for their emergence. It also cites examples of such districts in various countries along with their characteristics, along with the government interventions in those countries in this respect. The remaining sections deal with our case study. Section II describes the locational features of the study area; and Sections III discusses the status of the industry in a nutshell. Finally, in Section IV, we argue that Pal Para represents an industrial district, which belongs to the genre of Marshallian industrial districts. Section V concludes.*

### **I**

Alfred Marshall introduced the theory of industrial districts in the literature at the debut of the twentieth century.<sup>2</sup> He defines industrial districts as 'the concentration of specialized industries in particular localities.'<sup>3</sup> In his formulation of the industrial district, Marshall envisions a region where the business structure is comprised of small, locally owned firms that make the investment and production decisions locally. He further stresses that industrial agglomerates institute not only the business relationships but also various socio-cultural changes.

While agreeing with Marshall, Becattini<sup>4</sup> discusses certain additional features that give an in-depth idea about the concept of an industrial district. He emphasises that individual firms in such districts cooperate amongst themselves up to certain extent; but, beyond that level, they compete with each other. The people in those agglomerates belong to the same clan or community so that the social bondage is very prominent among them. Their sources of funds are also much identical. Similar rhythms of dynamism, including technological changes, are also common across the agglomerate. But competition crops up in the field of marketing, both in

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<sup>1</sup> For discussion on this topic, see Asheim, B.T. (1994): 'Industrial districts'.

<sup>2</sup> Marshall, Principles of economics.

<sup>3</sup> Marshall, Principles of economics.

<sup>4</sup> Becattini, G. Distretti Industriali e Made in Italy

product and factor markets, including the markets for raw materials. This is especially so because they procure their raw materials and labour from, as also sell their wares in, same regional outlets.

Harrison<sup>5</sup> further adds certain dimensions to the concept of the industrial district. While acknowledging Becattini's idea of co-operative competition, he stresses a unique social relation among the firm-owners in the industrial district, where 'mutual trust' to each other plays an important role. It helps to enrich sustained collaborations among economic actors within the districts. He emphasises that, notwithstanding wide variations in their scale of operation, there is a great amount of interdependence among firms giving rise to externalities and spread of technological innovations.

These issues are also analysed in details in Molina-Morales, Lopez-Navarro and Guialve. Their point of emphasis is that industrial districts get benefits from knowledge exchanges, norm and values promoting cooperative strategies. These factors benefit the individual firms for the exploitation of existent technologies and opportunities, providing them with indirect links to sources of knowledge from outside the district, as well as from within, which the firms operating outside the district could not enjoy.

Alberti<sup>6</sup> also agrees with how Marshall defines<sup>6</sup> an industrial district. Reading Marshall, he notes, 'What makes the industrial district model special, in Marshall's account, is the nature and quality of the local labour market, which is internal to the district and highly flexible.' He continues, 'Individuals move from firm to firm, and owners as well as workers live in the same community, where they benefit from the fact that "the secrets of industry are in the air", i.e. there is an industrial atmosphere, as he defines it.'<sup>7</sup> The classical examples of such districts are the regions of Hollywood, Silicon Valley and Orange County in North America.<sup>8</sup> In the UK, scholars have identified the area between London and Bristol; in France, Grenoble, Montpellier and Sophia-Antipolis; in Sweden, the Gnösjo district; in Germany, Baden-Württemberg; in Japan, Ishikawa and others.<sup>9</sup>

While the above examples represent prototype Marshallian industrial districts, which come up on the basis of free market forces, there is another type of industrial districts, the so-called Italian variant, where the state directly participates for their emergence and growth. Indeed, such districts represent a fundamental basis for the economy of Italy, which has developed on the basis of this organizational model. In Italy, there are more than 200 industrial districts, mainly in textile, fashion and in furniture industries. This phenomenon has attracted cross-section scholars - in such a variety of fields as economics, regional planning, geography, sociology, history and business studies - to properly understand various facets of this model.

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<sup>5</sup> Harrison, 'Industrial districts', pp. 469-483.

<sup>6</sup> Alberti, Fernando (2007) 'The concept of industrial district', INSME International Network for SMEs

<sup>7</sup> Ibid

<sup>8</sup> Hall and Markusen, Silicon landscapes.

<sup>9</sup> Friedman, 'Money and the Stock Market', pp. 221-45

Based on those empirical studies, many policy measures have also been suggested, which are often considered relevant for other countries, including the developing countries like India.

The genesis of the Italian model lies in the industrialization policies that were adopted in Southern Italian regions from the fifties of the previous century. Since the Italian unification at the end of nineteenth century, the integration process of southern regions became a major political, as also economic, issue for Italian development<sup>10</sup>. Such North-South dualism was sought to be tackled with a strong public intervention, especially by way of subsidizing northern large firms to relocate southward, on the one hand, and, on the other, through developing the public sector industries in the south. But that industrialization process failed to stimulate any endogenous development in the country, ushering a so-called debate on ‘Mezzogiorno’ development.<sup>11</sup> The debate revolves around the State vs. Market controversy.<sup>12</sup> Although there is no unanimity in the explanation for the unsuccessful performance of the early industrialization attempts in south Italy, they basically agree on the necessity to formulate new strategies consistent with a changed national and international economic scenario. This is mainly due to two basic lessons that emerged from the early industrialization policies: one, that the State intervention in the form of financing predominantly capital intensive sectors, penalized labour intensive industries, where local manufacturing firms largely prevailed; and two, the state intervention erroneously promoted sectors that had already been in a restructuring stage when industrialization strategies were implemented. Moreover, these industries had insignificant forward and backward linkages with the local economy; hence their contributions to local employment and local economic development were minimum. Precisely, then, the local issues such as local customs and habits, local advantages, and above all, local entrepreneurs were neglected in that development process.

Attention was, therefore, increasingly paid to the flexible industrialization model emerged in the North-East and Centre (NEC) regions of Italy. Differently from North-West and South models of development, the NEC was locally embedded and characterized by highly specific social conditions.<sup>13</sup> These experiences turn to be a proper development paradigm, not just for the South of Italy alone, but for many other backward regions as well (UNCTAD, 1994). However, some scepticism has been raised concerning the viability to replicate imported models; especially when those assume highly contextualized hypotheses about cultural, political and institutional factors.

A basic point that emerged from this debate is that Mezzogiorno should not be considered as a unitary socio-cultural entity. Recognizing that the Southern regions constitute a heterogeneous area has led some scholars to suggest diversified policy interventions. In particular, a line of thought is that public actions should first be addressed to those experiences

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<sup>10</sup> This debate goes under the name of ‘questione meridionale’ (the southern issue). It roughly refers to the economic and cultural gaps existing between South and North of Italy.

<sup>11</sup> ‘Mezzogiorno’ literally means ‘noon’. In literature, it is commonly employed to indicate the South of Italy.

<sup>13</sup> [Rabellotti](#), External Economies and Cooperation in Industrial Districts

that show higher propensity to enter ‘high growth path’.<sup>14</sup> The opponents, however, underline that ‘backward regions suffer from an entrepreneurial leadership, which dedicates itself to seek for local business opportunities’,<sup>15</sup> and again that any development strategy that is based on a ‘bad social system’,<sup>16</sup> is expected to fail. Cultural issues also received a growing attention, being regarded as a structural constraint for entrepreneurial initiative. On this point, Saraceno argues that ‘industrialization requires, apart from infrastructures and institutions, a cultural change ...’<sup>17</sup>.

This paradigm of economic development is what is known as the ‘Third Italy’ model, which has attracted scholarly interest as a policy alternative to promote local development in the South. Some studies advocate exporting the Marshallian industrial district model to southern regions with a view to identifying those cases consistent with such development formula.<sup>18</sup> Other scholars have sought to find out the rationale behind clusters’ emergence in the South, following the suggestion coming from the new economic geography.<sup>19</sup> Last but not the least, the neo-Marshallian studies have started paying more attention to learning processes occurring within local systems.<sup>20</sup> These two last lines of research have proposed interesting perspectives to study local development in the South.

It may not be out of place to note that developing countries have also been experiencing the development of industrial districts. A glaring example is the shoe manufacturing in the South Brazil which has developed over two decades and a half a cluster of small shoemakers to a major force in the international market. Examples are also not lacking in India. We may cite in this context the metal working and textile industries of Ludhiana in the Indian Punjab [Tewari, 1990; 1992]; the cotton-knitwear industry of Tiruppur in Tamil Nadu [Cawthorne, 1990; 1995]; the diamond industry of Surat in Gujarat [Kashyap, 1992]; the engineering and electronic cluster of Bangalore in Karnataka [Holmstrom, 1994]; the footwear clusters of Agra in Uttar Pradesh [Knorringa, 1994], Trujillo in Peru [Tavara, 1993; San Martin Baldwin et al., 1994], and Leon and Guadalajara in Mexico [Rabellotti, 1993]; the Korean textile cluster in Daegu [Cho, 1994]; sports goods and surgical equipment in Sialkot and cutlery in Wazirabad in Pakistan [Nadvi, 1992a].

## II

The case study in this article is the pottery industry that is agglomerated in Paul Para, Siliguri. It is located in the northern part of West Bengal under the Darjeeling district (see Map 1). Away by about 3 KM from Siliguri town, it is well connected by road nation-wide by the National

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<sup>14</sup> Becattini, *Distretti Industriali e Made in Italy*.

<sup>15</sup> Graziani, ‘The Theory of the Monetary Circuit’, pp.1-26.

<sup>16</sup> Centorrino *L’economia “cattiva” nel Mezzogiorno*,

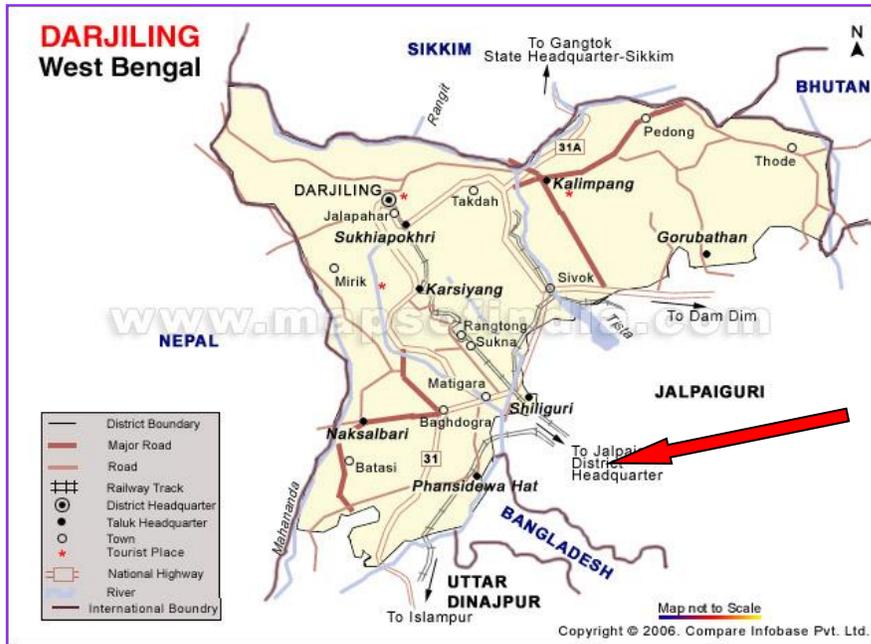
<sup>17</sup> Becattini, *Distretti Industriali e Made in Italy*.

<sup>18</sup> *Ibid*

<sup>19</sup> Viesti, *Come Nascono I Distretti Industriali*.

<sup>20</sup> See Deborah Tappi, *The Neo-Marshallian Industrial District: A Study on Italian Contributions to Theory and Evidence*, <http://www.druid.dk/conferences/winter2001/paper-winter/Paper/tappi.pdf>, retrieved on 27.2.2017

Highway 3. The Bagdogra airport is also nearby, at a distance of only 7 kilometres. The nearest railway station, the Siliguri Junction, is about 5 KM far from the cluster.

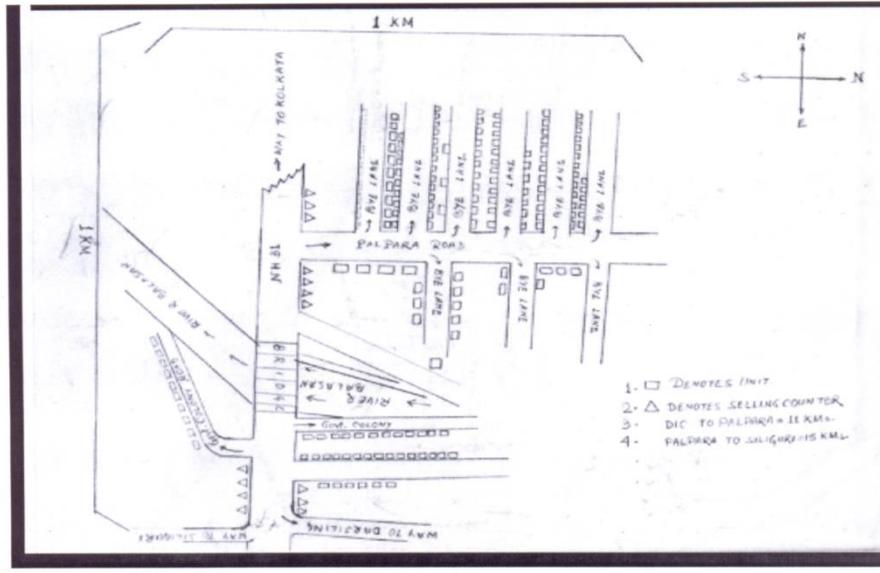


Map 1: Location of the study area

Lying in the outskirts of Siliguri in Matigara, Pal Para is famous for the handicrafts of pottery. It belongs to a rural-urban continuum where there is no sharp demarcation where the city ends and rural area begins. As a result, the region enjoys the influences of both urban and rural lifestyles. Following the traditional art and skill, people in this belt carry out the pottery industry employing every family member, females and clad included, as also hired labour in most instances. In fact, such pottery agglomerate is found in or at the outskirts of every town in West Bengal so that a nomenclature as ‘Pal Para’ is found in various places in this province.<sup>21</sup> But the distinction of our study area is that, whereas most of those pottery clusters cater to needs of the nearby urban habitats, the Pal Para at Siliguri has gained access to far-off markets in other provinces, including Delhi and Haryana, on the strength of its extensive product-mix, the artistic designs of their products and their utilities. Because of its extensive market in national outlets, this agglomerate has grown rapidly and has assumed a character of industrial district, as described in the literature. The following map displays the lay-out of the Siliguri Pal Para.

Map 2: Lay-out of the Siliguri Pal Para

<sup>21</sup> For the analysis of the pottery industry in other province, see Akilandeewari, S.V. and Pitchai, C (2016) ‘SWOT Analysis’.



Source: Diagnostic report on Clay Pottery by Central Glass & Ceramic Research Institute, Jadavpur, 2008

### III

The Pal Para industrial area manufactures various types of household utensils that are in great demand among low income groups in and around the town of Siliguri. They include mainly various cookerries, tea cups, water pots and earthen pots for serving food to domestic animals. These apart, the artisans manufacture various decorative items that cater to the taste and preference of consumers in far-off markets. Different sizes of flower tub are made with hand-grave works all over their bodies. Though made of earths, they are very strong as well as highly durable. In addition to the regional markets in North Bengal, these products are regularly sent to distant markets including Delhi, Haryana and Punjab. Different types of flower vases are another line of the product-mix. These products are made highly colourful and decorated with various designs along their lengths and breadths. These flower vases are highly esteemed all over India, especially in the markets of Assam and Mizoram. Well designed, water-filter containers are also manufactured in different sizes, which find extensive outlets in Gujarat, Rajasthan and Uttar Pradesh. Another line of their artistic items is various wall-hangings and models of religious figures. These products have unique beauty, but involve high cost prices because of extensive labour and a high degree of skill that such products call for. Major markets of these products are Mizoram and Nagaland. Among other artefacts, we should mention candle-stands, stands for insane sticks and night lamps that are in good demand both in local and national markets.

It should be noted that the firms here are specialised in one line of the above product-mix, manufacturing other products in insignificant amounts. Table 1 brings out the nature of specialisation of 88 firms that have been surveyed. It appears that as many as 30 firms are specialised in making flower vases, 23 in water containers and one in vases for candle stick.

These are the products that are in good demand both at local markets and outsid. There are 34 firms that manufacture other fancy items described above.

Table1: Frequency of firms producing different products

Products	Frequency
Flower vases	30
Vases for candle stick	1
Water containers	23
Other fancy items	34
Total	88

Source: Field Survey

During the festive seasons, especially on the occasion of the *Durga puja* and the *Deewali*, the demand for various items essential for rituals - such as earthen pots of different sizes and lamps - increases substantially. In those periods, the firms concentrate only on those products.

Our survey has, however, revealed the fact that the firms sell their products mainly through whole-sellers who frequently visit the place. Table 2 indicates that only nine out of 53 firms regularly participate in various fairs and exhibitions that are organised under government initiatives at different locations in the country. These represent only 16.67 per cent of total firms under survey. The rest 84 per cent sell out their products to the whole-sellers.

Table 2: Frequency of firms with different channels of sale

Channels	Frequency
Fair	7
Exhibition	2
Wholesaler	44
Retail sales	1
Total	54

Source: Field Survey

Artisans in Pal Para have, therefore, limited scope for understanding the choice and preferences of the market. They are rather fed with those information by the whole-sellers. In fact, it has been revealed in course of the field survey that the artisans receive the orders from the whole-sellers who in turn pay them cash in advance. The potters generally design their products as specified by the wholesalers at the time of placing the orders. The dependence on the whole-sellers on the advance payment system minimises the risks associated with sales, and hence, their profit pay-offs. But it also reduces their profit margins, and deprives them of market feedbacks regarding their products.

#### IV

We argue that the Pal Para pottery agglomerate belongs to the genre of the Marshallian industrial district, as opposed to its Italian variant where the state participation is prominent. Similar to the Marshallian concept, all the firms in this locality are involved in a single industry, the pottery, employing local labour force, family and hired workers alike. They bear a similar set of social traits, religion, customs, values and culture as they belong to a particular caste line. Almost all of them bear a surname 'pal' indicating in the Hindu caste system a job classification of manufacturing earthen-wares (*Kumbhakar*). In the present-day scheduled caste system, it falls in the category of Other Backward Class (OBC).

The *Kumbhakars* worship the gods and goddesses of the wider Hindu pantheon and participate in all Hindu religious festivals. Although low in the Hindu caste hierarchy, they have access to all the sacred shrines of pilgrimage for Hindus. Families may choose to give importance to a deity. Similar to other Hindu workmen, they regard the tools of their trade as the cause of their prosperity and worship them accordingly. Lord Shiva is, however, their caste deity as they believe that there are the heirs of Rudra Pal (Lord Shiva). As the birth day of their ancestor, they celebrate the *Shiva Chaturdashi*. From the last day of the month *Chaitra* in the Bengali calendar, known as *Chaitra Sankranti*, till third day of the month of *Jaistha* for over a month, they worship the potter's wheel as the image of Lord Shiva. Obviously they stop all the works during the period. The festival is known as the *Abal Gajan*. We may note that different forms of Lord Shiva are also worshiped by the *Kumbhakar* community of the Uttar Pradesh and Rajasthan.<sup>22</sup> An identical religious faith has, however, inculcated social cohesiveness among the people at Pal Para.

A uniform marriage institution in this locality also vouches for its social cohesiveness. The *Kumbhakars* are monogamous though polygamy is permitted if the first wife is barren; and such cases are rare. Remarriage is permitted for widowed persons; and this is performed simply by exchanging garlands without any ritual encircling the sacred fire. Endogamy is practiced at community and subgroup level. Exogamy is practiced among clans as a rule for marriage. However, marriages between subgroups are now more common. Marriages are arranged by negotiation between the elders of both parties. Though divorce is permissible, it is uncommon as it is looked down upon by their society. Child marriage is now less prevalent. In child marriages, consummation takes place only after the girl has attained puberty at the age of twelve to fifteen. Bride price used to be the norm but it has been replaced by a dowry which is both in cash and

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<sup>22</sup> The practice is different among the *kumbhakars* in other provinces. Thus, for example, in Himachal Pradesh, a provincial deity called Guga is propitiated for eight days all over the state. Nahar Singh— the whistling deity who lives in the pipal (Indian fig tree) is considered to be a great benevolent god and benefactor of all. In Haryana a regional deity is worshipped for the fulfillment of wishes. In Uttar Pradesh the Kumhar revere Mahadeva, another form of Shiva and worship the potter's wheel on Diwali. In Himachal Pradesh, the god of their choice is Vishwakarma (the great architect of the universe.) They observe a three day fast when they do not make any pots. In Maharashtra the Kumhar worship Sant Gora Kumbhar (White Saint Kumhar), the god Vitthala (an aspect of Vishnu) and goddess Yellamma. In the desert state of Rajasthan the main deity of the Kumhar is Surya Deva (Sun god) as well as Bhairava (a particularly fearsome incarnation of Shiva).

kind. Practice of bride price and clan exogamy show their linkages with the Austric group. The use of mahua branches in their marriage rituals also shows their Austric link. However, only male heirs have an equal share of the inheritance and the eldest son succeeds as the head of the family.

Another important reason that qualifies the Siliguri Pal Para as the Marshallian industrial district is that this agglomerate has emerged out of the market forces, independent of any state aid. Just after Partition of India in 1947, a good number of potters migrated from the erstwhile East Bengal (now called Bangladesh), and started their traditional economic activities at Pal Para near Siliguri. Presently the migrants have reached their third generation. A field survey has been undertaken for this study among the people at Pal Para. The caste-wise migration pattern in this locality is understood from Table 3 below.

TABLE 3: Caste-wise distribution of migration in Pal Para in the year 2012

Caste	No. of Household	Original Inhabitants	Inter-district Migration	Inter-State Migration	International Migration
S.C	15	9	-	-	6
GEN	3	2	-	-	1
O.B.C	158	74	-	10	74
TOTAL*	176	85 (48.29)	-	10 (5.68)	81 (46.02)

N.B.: The bracketed numbers represent percentage in total.

It appears from Table 3 that more than 50 per cent of the population in this locality is migrant people. In fact, only after the arrival of those people did the pottery making start at Pal Para. The incidence of cross-border migration is very high among them – it is as high as 46.02 per cent. Among the international migrant, however, 91.36 per cent belong to the OBC category, 7.41 per cent to the Scheduled Caste category and the rest 1.23 per cent are upper class people.

The feature of ‘cooperative competition’, as noticed in the Marshallian industrial district, is also evident in Pal Para. While discussing about the market competition, all firms under the survey, 57 in number, revealed that they met competition from the plastic products, and 56 of them underscored additionally that there was stern competition among them. Only one firm reported to have been facing competition from their sister concern outside the agglomerate.

The character of labour force in this agglomerate also justifies that it belongs to the prototype of the Marshallian industrial district. Our field survey reveals that out of 733 workers there are 370 males and 363 are females so that the gender ratio is almost 50:50. The industry, however, employs a large number of skilled manpower – among the workers under survey, the number of skilled and unskilled workers are 597 and 136 respectively suggesting their proportion at 81.45:18.55. Thus, more than 80 per cent of its workforce belongs to the skilled category.

What is more important in our context is that almost all of them reside at that locality itself. Our survey reveals that the industry employs 462 family labour, constituting of 244 males and 218 females, and thus shares more than 63 per cent of workers under survey. As family members, they are the residents of that locality. Representing about 37 per cent of the surveyed workers, the number of hired labour is 271 with 126 males and 145 females. These hired workers also reside at or nearby this industrial agglomerate.

To understand the higher incidence of domestic labour in this industry, we present in Table 4 the literacy status in this industrial agglomerate. It appears in the last row of the table that 33.77 per cent of people in the households under survey are illiterate, and together with the number of persons who passed up to the standard of Class IV, this percentage comes to 52.28. The caste-wise incidence of illiterate population is seen at 34.65 per cent among the OBC, 30.26 per cent for the SC, and 25 per cent for the general caste. Such a high proportion of illiterate/low education standard has taken place among the local populace because of the fact instead of formal education, the parents of this locality are more interested to inculcate practical training for pottery so that they would carry out their traditional line of economic activities. In fact, a high incidence of child labour is noticed in course of the field survey.

TABLE 4: Caste-wise literacy status at Pal Para

Caste	No of House Hold under survey	Illiterate		L.W.S		Primary up to Class IV		Secondary		H.S		Graduate and above		Total
		M	F	M	F	M	F	M	F	M	F	M	F	
		S.C	15	12	11	1	2	7	2	13	8	8	8	
GEN	3	-	4	-	-	2	1	6	2	-	-	1	-	16
OBC	158	122	132	15	15	54	48	188	105	21	18	11	4	733
TOTAL	176	134	147	16	17	70	51	207	115	29	26	15	5	832

Let us note in this connection that a very insignificant number of people in this area is interested in higher education. The percentage of people having acquired the graduate degree and above is as low as 2.40. The scope of their mobility to other services, especially government and corporate services is therefore very low. The employment of local labour, as also their low

mobility to other jobs, also suggests that this industrial agglomerate belongs to the Marshallian type of industrial district.

But the question arises: why did such a large number of people flock together at this place? A number of factors should be identified to this end. In the first place, we should note that a strong push factor played behind the flow of migration in this place. When India was partitioned in 1947 on the basis of religion, a large number of people belonging to the Hindu faith migrated to West Bengal. The Hindus who settled here were trained hereditarily in making earthen pots, and they knew no other skill for earning their livelihood. They, therefore, searched for a suitable place for making pottery. The pull factors at Pal Para played an important role in this context. Of various pull factors, the urban market at Siliguri was surely important. The town has been rapidly expanding since the days of Partition as it is the gateway of North-east India, Nepal, Sikkim and the state of Bhutan. It has, therefore, emerged as a business hub in this part of the country attracting people from various parts of India. A large number of migrants from the erstwhile East Pakistan also settled in this town. The emerging market for pottery was thus a great attraction for the *Kumbhakar* migrants from Bangladesh. Secondly, the pottery industry requires ample supply of water at various stages of manufacturing. In this respect, the Balason River on the bank of which Pal Para is located is a great source of water. It has a total length of 46.40 km with an origin from Lepchajagat, and an important right-bank tributary of the river Mahananda (2361 meter above the sea level). Thirdly, the industry also requires good quality of soil, and in this respect also, this area was very promising. The river Balason provides a good quality of clay for manufacturing pottery. There are two other varieties of clay that the artisans of Pal Para make use of, one from Kalagachh, Raigunj of Uttar Dinajpur, and the other from Malda. Because of good road transport facilities, the artisans could have easy access to those raw materials. This analysis thus agrees with what Schmitz concludes: 'The development of small-scale industry is not just an outcome of pressure and constraints but also opportunities and initiatives.'<sup>23</sup> The opportunities that favoured their settling at Pal Para were proximity to raw materials, market accessibility, transport facilities and above all geographical advantages to further their industry. We thus conclude that both the push and pull factors played together for the migration of pottery artisans at Pal Para.

## V

Thus the study shows that in his formulation of the industrial district, Marshall envisions a region where the business structure is comprised of small, locally owned firms that make the investment and production decisions locally. Similar to the Marshallian concept, all the firms at Pal Para are involved in a single industry, the pottery, employing local labour force, family and hired workers alike. They bear a similar set of social traits, religion, customs, values and culture as they belong to a particular caste line. Further, the agglomerate has emerged out of the market forces, independent of any state aid that qualifies Pal Para as the Marshallian industrial district and it is different from Italian variant. Finally, the reasons for this agglomeration have been

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<sup>23</sup> Schmitz, 'Collective efficiency', p.471

identified not only as the push factors arising out of migration caused by the political and social causes but also pull factors such as proximity to raw materials, market accessibility, transport facilities and above all its locational advantages.

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