

CHAPTER - VII

THE STUDY OF PROBLEMS OF ENTREPRENEURSHIP

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- * Growth of entrepreneurship in cotton handloom industry
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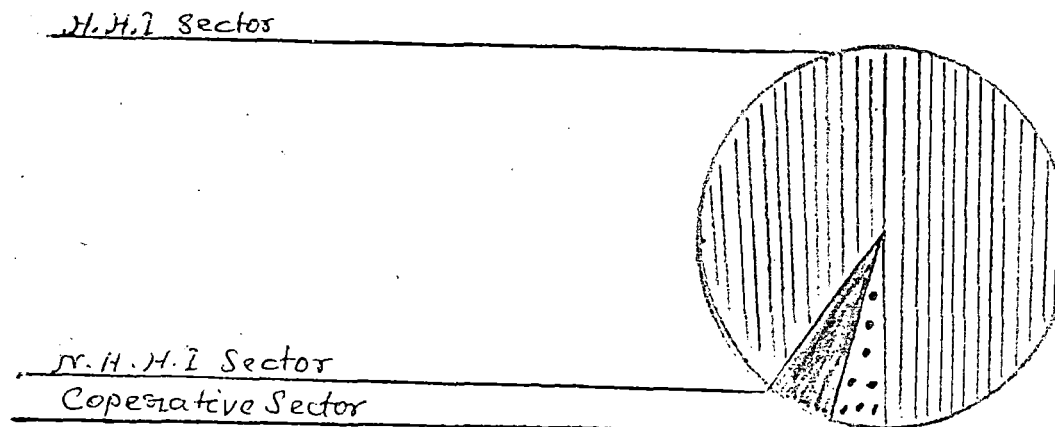
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Table - T 7.1.1

PROFILE OF ENTREPRENEURS ENGAGED IN COTTON HANDLOOM INDUSTRY IN THE DISTRICT
OF WEST DINAJPUR (1980) :

Co-operative Sector			N. H. H. I. Sector			H. H. I. Sector			T O T A L		
No. of establ- ishment	No. of Loom	No. of workers	No. of establ- ishment	No. of Loom	No. of workers	No. of establ- ishment	No. of Loom	No. of workers	No. of establ- ishment	No. of Loom	No. of workers
21	714 (26.57)	2152	36	376	1128	508	1597 (59.43)	3706	565	2687	6986

Source - Directorate of Handloom Industry
Figures within parentheses represent percentage of total



Pie-chart showing Sectorwise
establishment

7.1.1 PROFILE OF ENTREPRENEURSHIP ENGAGED IN COTTON HANDLOOM INDUSTRY IN THE DISTRICT OF WEST DINAJPUR

In the district of West Dinajpur there were 565 organisations engaged in weaving of cotton cloths during 1980 having 2687 looms and 6986 workers (artisans). Of the total organisations 21 were Co-operatives, 36 were running in non-household sector by sole-proprietors or by partnership and 508 were in household sector running by sole-proprietors or on joint Hindu family basis. It appears from the table No. T 7.1.1 that handloom in this district are mostly (59.43%) unorganised and carrying on household basis. The co-operatives constitute only 26.57% of total looms. We know that smaller the unit, greater the problems, since they do not achieve the economies of large scale. Since small producers are deprived by the so called, Mahajans, the Government has taken the policy of forming co-operatives in handloom industry. But as it is shown in the above table, co-operative movement in this district has not gone to that extent as it is achieved in other districts of West Bengal, like Nadia - where co-operatives constitute 33.72% and Calcutta - where co-operatives constitute 58.33% of the total looms (Table - T 7.4.4)

7.1.2 THE GROWTH IN ENTREPRENEURSHIP (HHI SECTOR) OF COTTON HANDLOOM INDUSTRY

It follows from the Table No. T 7.1.2 that growth in entrepreneurship during the period 1951-1981 was negligible. Entrepreneurship had decreased by a great extent from 1951 to 1971. The diminishing rate was 2.8%. The period 1951 to 1961 had greater contribution towards the depression. The rate was (-) 5.2%. But in latter period i.e. 1961 to 1971 the rate was only (-) 0.3%. The participa-

Table - T 71.2

GROWTH IN ENTREPRENEURSHIP (HHI SECTOR) OF COTTON
HANDLOOM INDUSTRY

Year	Establi- shments	Artisans	Compound Growth factor in percentage			
			Establishment		Participation	
1951	455	1690	1951-71	- 2.8	1961-81	10.0
1961	267	1030	1951-61	- 5.2	1971-81	8.9
1971	258	2972	1961-71	- 0.3		
1981	508	6986	1971-81	7.0		
			1951-81	0.2		

Source - Directorate of Handloom Industry
&

Census of India

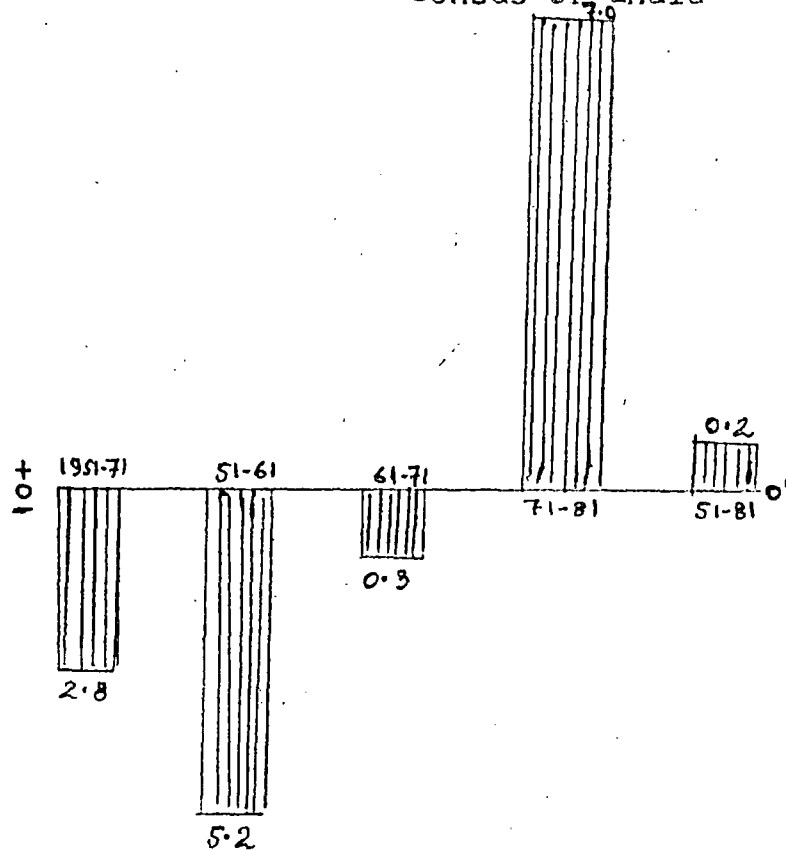


Chart showing Growth in
Entrepreneurship

tion of artisans had also decreased from 1951 to 1961 and since then it had started to increase. The major reasons for such decrease is attributable to the partition during independence, change in political shape etc.

From 1971 and then was the period of recovery. Though recovery had started before 1971 but the turmoil during 1969-70 had another barrier on the way of recovery. Since 1971 both entrepreneurship and participation rate have increased. The growth rates were 7.0% and 8.9% for entrepreneurship and participation respectively.

The decrease in entrepreneurship and increase in participation rate during the period 1961 to 1971 indicate that the artisans were started to join co-operatives and as a factor in N.H.H.I. Sector i.e. as wage earner.

One point needs to be cleared in this phase that the growth in handloom industry in West Dinajpur from 1951 and onwards was mainly due to the migrated peoples from East Pakistan (presently Bangladesh), rather than expansion of its own origin.

7.2.1 CONCEPT OF ENTREPRENEURSHIP

The concept of entrepreneurship with regard to economic activity was first introduced by Richard Cantillon in eighteenth century.¹ He used this to designate a person or an agent, who buys means of production at certain prices in order to transform them into a product that he would sale at prices that are uncertain in future. Since then the concept of entrepreneurship has undergone radical change. Jean Baptiste say, described entrepreneurship as a function of bringing together the factors of production and provision of continuing engagement as well as risk bearing.

Schumpeter (1934) was the first to introduce a dynamic concept of entrepreneurial function and described an entrepreneur as essentially a man with creative and innovative activities, who introduces something new into the economy.

Gordon (1961), however, stated that the entrepreneur are not simply innovators in the sense of innovators, they are men with the will to act, to assume risk and to bring about change through the organisation of human efforts.

Entrepreneurship is the result of four dominant factors : the socio-sphere system; the self-sphere system; the resource system; and the support system. The four systems are interlinked, interacting and constantly adjusting each other. Planned endeavours to develop entrepreneurship among people in a society therefore requires integrated efforts covering all the four system.

7.2.2 Entrepreneurship is the ultimatum that leads to the expansion of an industry. So the problems of entrepreneurship required to be studied in depth to unfold the areas of weakness. The study of entrepreneurship includes the study of :-

- * Economic Factors : This includes the study of availability of raw materials, finance, market etc. These have been studied in the subsequent chapters.
- * Socio-Personal Characteristics : The most common socio personal characteristics reported by researchers are, caste, family occupation, age, and education. To these one may add certain others, such as size and type of family, working hands, earning members, and social participation

which are likely to have an influence on entrepreneurship particularly in cases of Indian rural entrepreneurs. Economic factors, no doubt occupy a place of prominence in determining entrepreneurship success, but socio-personal factors do add to the chances of success.

a) Caste and Family Background : Caste and family background help to create entrepreneurial environment and occupational awareness for the entrepreneurs. There are certain castes which are traditionally involved in certain types of work. It was observed that the familiar tasks are easy to perform as compared to the unknown ones.

b) Education : An entrepreneur has to deal with a number of formal situations, such as, meeting officials and functionaries etc. which requires a minimum level of education. A basic level of education is reported to be important for an entrepreneur.² A World Bank Staff Working Paper (1973) referring to studies on several African economies infers that entrepreneurs who are able to read and write the minimum level of functional literacy, show significantly better performance than illiterates.

c) Working Hand : A small entrepreneur (particularly in rural areas) will depend on his family members for help in running his enterprise as he generally can not afford to hire workers. The scale and type of unit would thus depend on the assured help from within the family. The number of earning members could have a direct bearing on the responsibility of an entrepreneur

towards his family. An entrepreneur from a large family with very few earning members may feel compelled to take up wage earning job to cater to the immediate need of the family, rather than to undertake an enterprise with all its uncertainties at least in the initial stage.

d) Size and Type of family : The size of the family and the entrepreneur's position in the family may have a bearing on his entrepreneurial activity. In a large family, for instance the entrepreneur may occupy a lower position within the hierarchy resulting in his having only little of authority vested in him. However, in such a family there may be other members who would provide the entrepreneur the necessary support that would enable him to pay required attention to his enterprise.

Similarly the type of family, i.e. joint or nuclear, also affects the unit. In a nuclear family, the entrepreneur has full command on the resources owned by the family, whereas in a joint family, he may have his command partially or may not have it at all. Also, a joint family generally has a greater risk bearing capacity, since the enterprise in this case does not become the sole source of earning for it. The entrepreneur in this case also has a greater family support.

e) Social-Participation : This determines the amount of influence the entrepreneur will be able to master outside his immediate family circle. Social-participation will have an effect on the success of entrepreneurship, as the ability to influence is an important quality of entrepreneurship.

* Human Resource Factors : Human Resource factors are the traits in the individual either inherited or acquired. Certain human resource characteristics which have been found important for entrepreneurial success are :-

a) Achievement Motivation : Achievement motivation has been found to form the basis for entrepreneurship. Entrepreneurs have high desire and activity level and struggle to achieve something which they regard as their own accomplishment. Achievement motivation leads one into the parlour of entrepreneurship.

b) Risk Taking Willingness : The term risk taking willingness in the case of entrepreneurs refers to one's seeking challenge in his activity. Challenge here means such task in which there is a reasonable chance of success. According to Mathai (1978)³ a rural entrepreneur is subject to the following four risks, namely : (i) Technical : the risk of not knowing the technical details and therefore not being able to overcome them.

(ii) Economic : The risk of market fluctuations and changes with regard to availability of raw materials and demand for finished product, etc.

(iii) Social : Risks in the development of new relationship within and outside the village; and

(iv) Environment : Risk in the social environment of the entrepreneur emerging as an outcome of new activity.

These are four types of risks that a rural entrepreneur perceives in the new activity. They may all not occur at the same time. An entrepreneur would face them from time to time and situation to situation.

c) Personal efficacy : Entrepreneurs tend to present themselves as persons striving towards goals that involve action. Being confident about their own abilities and resources, they see themselves as problem-solvers rather than problem avoiders; as initiative takers rather than followers. Such characteristics denote personal efficacy. Pareek and Rao (1978) defined personal efficacy as the general sense of adequacy in a person. It has been conceived as an important factor contributing to the entrepreneurial behaviour of a person. Personal efficacy is the tendency in an individual to accept success or failure which are within his control.

d) Aspirations : Aspirations are goal statements concerning future level of achievement, according to Preston and Bayton (1941). Experimental studies on level of aspirations reviewed by Frank (1941) reveal that individuals with lower socio-economic background have a higher discrepancy between their aspiration and achievement than individuals from a better one. This suggests that low socio-economic groups are unrealistic in their aspiration levels. A potential entrepreneur would therefore have a reasonable level of aspiration.

A number of other human resource variables such as independence, leadership, self-confidence, initiative etc., have been reported by various researchers as correlates of entrepreneurship.

* Support System : This includes the activities or policies of Government agencies to promote an aspect.

The importance of support systems were, emphasized by the expert study group which evaluated the Gujarat Entrepreneurial Development Programme. According to their report, to accelerate growth of entrepreneurship, it is absolutely necessary to develop various support system, at least at the initial stage of growth. Such support system was also recommended by Sivraman Committee for development of handloom industry. Support system includes :-

- a) Training facilities,
- b) Facilities for raw-materials and finance,
- c) Monitoring and follow up.

7.2.3 THE DESIGN OF THE STUDY :

Objective of the study : It is appearing from the profile of entrepreneurship, that the entrepreneurship in household sector has not been expanding rather decreasing. The phenomena of decreasing entrepreneurship, accompanied by increasing participation of artisans indicates that the artisans prefer to join as wage earner rather than of having their own enterprise. Again the progress of co-operatives is limited. So also their utilization of installed capacity. The objective of the present study is to identify the reasons, contrary to the growth of

entrepreneurship in household sector and distressful position of co-operatives and co-operative movement.

Hypotheses : The reasons for such distress phenomena are many. There may be lack of entrepreneurial traits in the artisans or lack of proper support. Hence we developed the following hypotheses :

i) The artisans of West Dinajpur have no entrepreneurial traits, they are not willing to take any risk nor they have any efficacy. Hence they are joining the class of wage earner (H_{01}).

The alternative hypothesis to H_{01} is :-

The artisans of West Dinajpur have the required attributes of a successful entrepreneur, but they are not getting proper support. Hence they are joining the class of wage earner.

ii) The co-operatives have failed because they were co-operatives and co-operatives have no prospect in handloom (H_{02}).

The alternative hypothesis to H_{02} is :-

The co-operatives have failed because of lack of efficient management and that the co-operatives could be succeeded, if proper cares were taken for them.

In the following paragraphs these hypotheses will be tested and various reasons for their acceptance and rejection will be discussed.

Methodology :

* Since nature of functioning varies with the types of entrepreneurship. We have gone separately through entrepreneurship in household sector and co-operative sector. The study of entrepreneurship in nonhousehold

sector has not been carried out since non-household sector mainly run by the mahajans with employed artisans. Development of entrepreneurship in household sector and co-operative sector is our main objective, hence we have gone only through them.

* The study carried out in two phase. In the first phase information was collected through test questionnaire (given in annexure - 5) and analysed and in the second phase selected cases were studied in depth, to disclose problems from the point of view of entrepreneur.

* 60 samples were taken from household sector and 4 from co-operative sector.

* The artisans were selected at random. Efforts were, however, made to take every shed of artisans within the fore of Survey as far as practicable.

* The data was collected through field investigation and interview. The investigator contacted the artisans on the spot, put them the questions given in the schedule in the language understandable to them and recorded their replies under prescribed heads.

* To ensure better communication between the artisans and the investigator, special effort was made to take the help of local candidates for assisting investigation work as far as possible.

* The study was conducted during 1986-87 in the villages of the district, West Dinajpur. The villages namely 'Thangapara', 'Nayabazar', 'Patiram', 'Itahar', 'Domohana' and 'Hemtabad' having concentration of handloom establishments and 'Chopra', 'Raiganj', 'Kunor' 'Hili' with low concentration of establishments were taken up for study.

7.2.4 LIMITATION OF THE STUDY :

The data supplied by the artisans is generally the approximation of their memories. What they supplied is their rough estimates, since most of them do not maintain any accounts.

7.2.5 VARIABLES AND THEIR MEASUREMENT :

V a r i a b l e s	Emperical Recording
A. Socio-Personal Factors (Annexure 5.1)	
* Age	Schedule prepared for this purpose.
* Education	Same as above
* Caste	Same as above
* Family occupation	Same as above
* Size of family	Same as above
* Type of family	Same as above
* Earning member	Same as above
* Working hand	Same as above
B. Material-Resource Factors	
* Duration of entre-preneurship	Same as above
* Annual turnover	Same as above
* Variety produce	Same as above
* Unit of production (Number of loom)	Same as above
* Income	Same as above

Variables

Emperical Recording

B. Material-Resource Factors

- | | |
|---|-------------------------------------|
| * Assets in possession | Schedule prepared for this purpose. |
| * House | Same as above |
| * Capacity utilization | Same as above |
| * Average work day per year | Same as above |
| * Economic status
(standard of living) | Same as above |
| * Workers composition | Same as above |

C. Human-Resource Factors

- | | |
|---|--------------------------------------|
| * Risk taking willingness
(Annexure - 5.5) | Test develop for this study |
| * Personal efficacy
(Annexure - 5.2) | Locus of control |
| * Aspiration
(Annexure - 5.4) | Test develop on the line of Muthayya |
| * Achievement motivation
(Annexure - 5.3) | Thematic Appreciation Test |

D. Support System

- * Training facilities
- * R & D activities
- * Motivational activities

ANNEXURE - 5.1

INTERVIEW SCHEDULE FOR SOCIO-PERSONAL AND MATERIAL RESOURCE-FACTORS

Village _____ Block _____
 Name _____
 Caste _____
 Age - Family members - Relation - Education - Earning Member _____

Occupation of other members of family _____
 Agri - Agri. Labour - Day Labour - Others _____
 Type of family - Joint - Nuclear - _____
 Income per annum - i) From Handloom - _____
 ii) Other Source - _____

Assets possession :

Type	Expected value
House - Packka - Kaccha - No. of room - Workshop.	
Annual Turnover - No. of looms -	
Items produce - Saree - Lungi - Dhuti - Gamsa - Net -	
No. of workers :	
Family - Male - Female - Child -	
Hired - Male - Female - Child -	
Average day worked in last year -	
Reasons of Discontinuation :	
Lack of Finance - Lack of Demand - Natural calamity -	
Skilled Acquired - Parents - Other source -	
Source of Finance - Mahajan - Govt - Bank -	
Amount of Loan -	
How you sale your product - Self-Mahajan -	
How much finance do you need -	
Purpose - Consumption - Working Capital - Fixed Capital -	

TEST MATERIAL FOR PERSONAL EFFICACY TEST

Instructions :

Given below are ten statements. Every statement has two choices - 'a' and 'b'. Please choose one which reflects your correct feelings/ideas and put a mark.

I strongly believe that :

- i) a. Most of the tragic incidents in one's life happen because of one's bad luck.
- b. Most the tragic incidents happen due to lack of courage and effort. If proper efforts are made these can be avoided.
- ii) a. Usually I see that whatever will be, will be.
- b. I believe that my life is in my own hands and one shape, own's life.
- iii) a. Success depends on hard work and destiny has nothing to do with it, if at all to a very small extent.
- b. It is very important to have good luck to succeed in anything.
- iv) a. Having a recommendation is very important to get a job or some work done.
- b. Qualification and skill is very important for getting a job.
- v) a. Getting help from Government Officials will depend on their moods.
- b. Getting help from Government Officials depends on how you present your case.
- vi) a. People get their due respect sooner or latter.
- b. Whatever one may do, one's personal qualities are never respected.
- vii) a. It is not possible to be an influential leader without getting the right opportunity.
- b. Capable people do not wait for opportunities but create them and become influential leader.

- viii) a. Masses can affect the government decisions.
 b. Political power is limited in a few hands and masses can not do anything about it.
- ix) a. Political corruption can be rooted out by sincere efforts.
 b. Corruption will remain in this country whatever one may do.
- x) a. Whatever happens to me is the result of my own doings.
 b. I feel that I do not have full control over my life.

Scoring key :

i.	a=1 b=2	vi.	a=2 b=1
ii.	a=1 b=2	vii.	a=1 b=2
iii.	a=2 b=1	viii.	a=2 b=1
iv.	a=1 b=2	ix.	a=2 b=1
v.	a=1 b=2	x.	a=2 b=1

ANNEXURE - 5.3

TEST MATERIAL FOR ACHIEVEMENT MOTIVATION TEST

Instruction :

This is a test of your creative imagination or story telling. Two pictures will be shown to you, you have to tell that you think of it. While telling, please keep in mind the following four questions :

- i. What is happening ?
- ii. What has led to this situation, i.e. what has happened ?
- iii. What is being thought ? What is wanted by whom. ?
- iv. What will happen ? What will be done?

Picture - 1

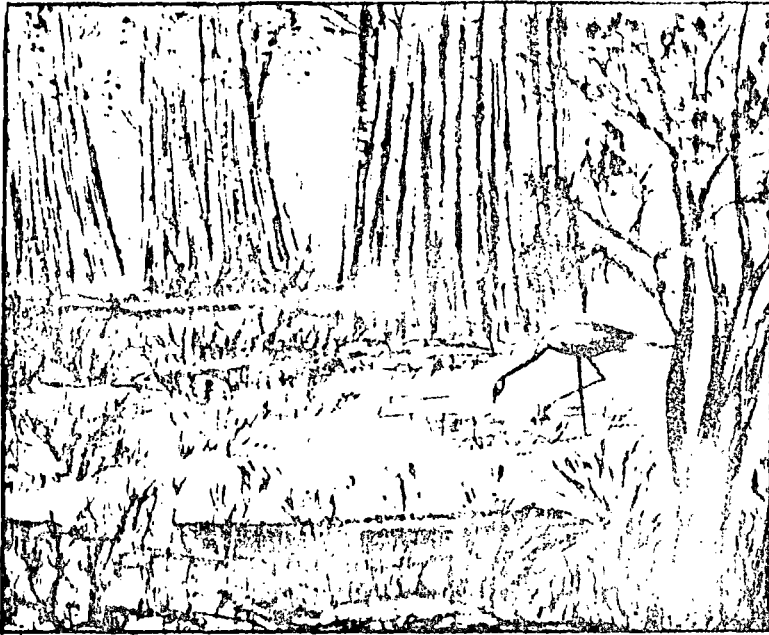
(Given in the next page)

Picture - 2

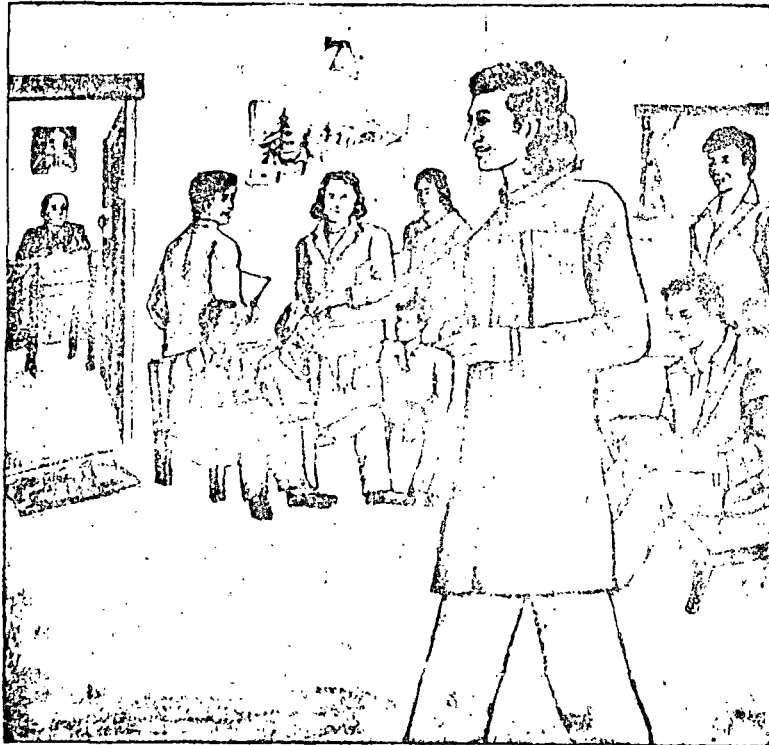
(Given in the next page)

- Sentences :
- 1.
 - 2.
 - 3.
 - 4.
 - 5.
 - 6.
 - 7.
 - 8.

[PICTURE - 1]



[PICTURE - II]



JAT - TEST

ANNEXURE - 5.4

TEST MATERIAL FOR ASPIRATION TEST

Instruction :

All of us have some expectations in life. Given below are some questions, which are closely connected to yours expectations. Please state without hesitation your aspirations in this connection.

Aspirations :

- a. We all want to educate our children but the level may be different. To what level would you like to educate your children.

Level	Son	Daughter
Primary	:	
Middle	:	
High School	:	
College/University	:	
Technical/Professional	:	
Others	:	

- b. All of us earn something for our livelihood. We also try to increase our income in many ways. As compared to earlier years, to what extent would you like to increase your income in coming years.

In one year	Rs
In two years	Rs
In three years	Rs

- c. In next three years what are the household items that you would like to purchase.

Year	Item	Value
Next two year		
Next three year		

- d. You must have been thinking and trying to expand your sources of income. Please mention to what extent do you wish to extent yours sources of income.

Year	Expected increase
Next one year	-
Next two year	-
Next three year	-

Scoring key :

1. Education of son :	3. Increase in Income in 3 year				
Level	Score	Below 1000	1000 to 2000	2000 to 3000	3000 and above
High School	34	Rupees	5000 to 10000	10000 to 15000	15000 to 20000
Graduate	48	Score	36	50	54
High School + Profession	57				
Graduate + Profession	69				
2. Education of daughter :	4. Increase in Material possession				
No education	29	upto	5000	10000	15000
Middle	44	Rupees	5000 to 10000	10000 to 15000	15000 to 20000
High School	49	Score	36	50	54
Graduate	52				
Middle + Professional	58				
High * Professional	67				
Graduate + Professional	77				
	Highest Score	269			
	Lowest Score	137			
	Standard Score	171			

ANNEXURE - 5.5

TEST MATERIAL FOR RISK TAKING WILLINGNESS

Instruction :

Given below are few situations, which most of us go through in life. Putting yourself in the particular situation please state decisions from the given choices :

- a. Rabin Barman has a job which gives him an income of Rs.400 p.m. A friend advises him to take up a business, which does not require much investment. If the business does well he will earn Rs.1000 p.m. If it fails he would not earn anything and would also forgo his job.
 - i. If chances of failure are 90%, should Rabin take up the business - Yes/No
 - ii. If chances of failure are 60%, should Rabin take up the business - Yes/No
 - iii. If chances of failure are 40%, should Rabin take up the business - Yes/No
 - iv. If chances of failure are 20%, should Rabin take up the business - Yes/No
- b. Sam Murmu is a potter who earns Rs.2400 every year by making 200 pots per month. He does not make pots in July because of monsoon. Once he gets an order to supply 4000 pots to a firm in the month of July. If he is able to meet the order, he would earn a total income of Rs.3000 in that month. This is possible only if he replaces his old wheel with a new ball-bearing potter's wheel. The cost of the wheel is Rs.2000 for which he can get a loan. With the new wheel he would earn extra income and can also repay the loan and thus own the wheel. This would also increase his earnings. But there is a

risk in it. The month of June-July is the monsoon period. If it rains at the time of putting the mud pots in the furnace the pots will be completely destroyed. In that case it will be difficult to replay the loan and business would also fail.

- i. If the chances of rains destroying pots are 30%,
should Murmu take up the order - Yes/No
- ii. If the chances of rains destroying pots are 60%,
should Murmu take up the order - Yes/No
- iii. If the chances of rains destroying pots are 40%,
should Murmu take up the order - Yes/No
- iv. If the chances of rains destroying pots are 20%,
should Murmu take up the order - Yes/No

Scoring key :

Risk Level	Score
0 - 20	1
20 - 40	2
40 - 60	3
60 - 80	4

Maximum Score	3
Minimum Score	2

7.2.6 THE STATISTICAL FINDINGS :

A. Socio-Personal Factors

* Age : The average age of the respondents was found 32.37 years. It appears from the Table No. T 7.2.6.1 that 70% of the entrepreneurs are in the age group of 30 to 40 years. The lower percentage of the age group 15 to 25 (which is 15%) is a matter of serious concern to the future of the industry, since it implies that the youngsters are no longer attracted by this profession. So specific efforts required to be taken for development of entrepreneurship among youngsters.

* Caste : Of the total respondents 90% belong to backward classes and the 90%, 70% belonging to Scheduled caste community namely 'Jallia', 'Tati', 'Rajbanshi', 'Palia' and 20% are Scheduled tribes, namely 'Santhals', etc. It appears that backward classes are closely associated with this industry. So to improve the economic condition of the backward community, this industry deserve special concessions and protection from the extra sources (Table No. T 7.2.6.2).

* Education : Table No. T 7.2.6.5 shows that 85% of the respondents have no formal education. Only 15% have gone to school. But of the 15%, 67% i.e. 10% of the total have only primary education.

* Family occupation : Of the total respondents, as per Table No. T 7.2.6.3, 40% are small and marginal farmer, 40% agricultural labourer and 15% are day labour. Only 5% have some other source of income. This indicates the financial constraint of the entrepreneurs, which is contrary to the success of entrepreneurship.

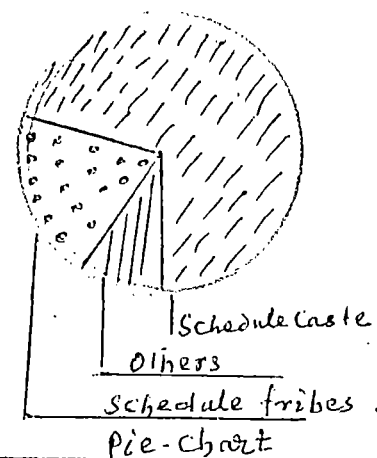
Table T 7.2.6.1
AGE DISTRIBUTION

Group	No. of artisans (f)	% of Total	Mid point (x)	fx
15-20	3	5	17.5	52.5
20-25	6	10	22.5	135.0
25-30	6	10	27.5	275.0
30-35	4	40	32.5	780.0
35-40	8	30	37.5	675.0
40-50	3	5	45.0	135.0
50 +	-	-	-	-
	60	100		2542.5

Source : Field Survey $x =$ $= 32.37$

Table T 7.2.6.2
CASTE DISTRIBUTION

Caste	No. of artisans	% of total
Scheduled Caste	42	70
Scheduled Tribes	12	20
Others	6	10
Total	60	100



Source : Field Survey

Table T 7.2.6.3

FAMILY OCCUPATION

No. of artisans	Small Farmer	Agri. Labour	Day Labour	Others
60	24(40%)	24(40%)	9(15%)	3(5%)

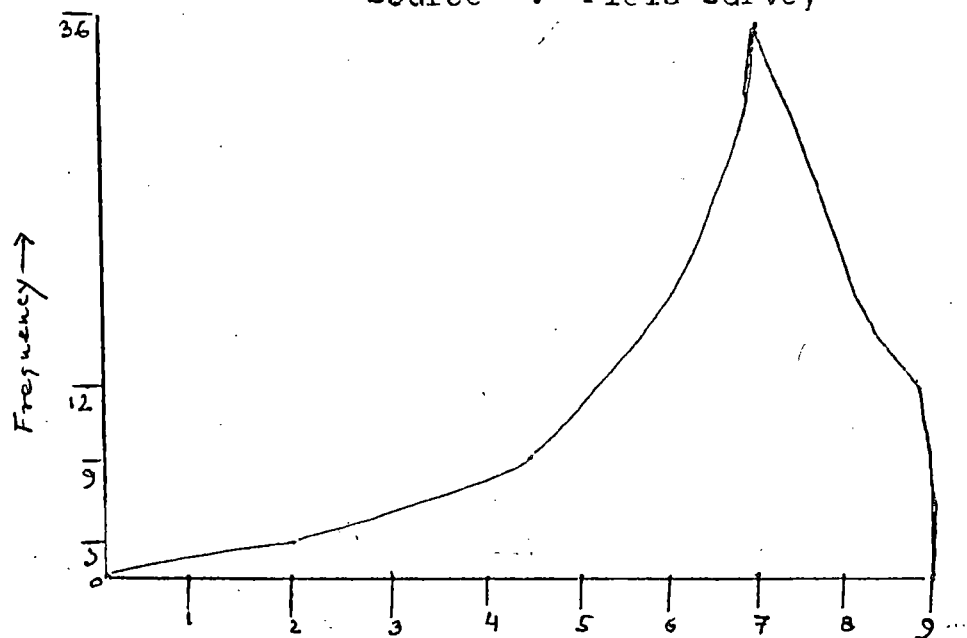
Source : Field Survey

Table T 7.2.6.4

FAMILY SIZE

No. of member per family	No. of artisans	% of total
1-3	3	5
4-5	9	15
6-8	36	60
9 and above	12	20
Total	60	100

Source : Field Survey



Frequency Polygon for Distribution of Family Size

Table T 7.2.6.5

EDUCATION

No. of artisans	Illiterate	Literate	Primary	Middle	Higher
60	51(85%)	9(15%)	6(10%)	3(5%)	-

Source : Field Survey

Table T 7.2.6.6

TYPE OF FAMILY

Type	No. of artisans	% of total
Joint family	36	60
Nuclear	24	40
Total	60	100

Source : Field Survey

Table T 7.2.6.7.

EARNING MEMBERS
(Other than entrepreneur)

No. of earning member	No. of artisans	% of total
0	24	40
1	24	40
2	12	20
Total	60	100

Source : Field Survey

Table T 7.2.6.8
WORKING HAND IN FAMILY

Proportion of child	Proportion of Adult (1-child)	No. of Artisans	% of total
25%	75%	30	50%
30%	70%	12	20%
40%	60%	12	20%
50%	50%	6	10%
More than 50%	Less than 50%	-	-
Total		60	100

* Child = Less than 11 years Source : Field Survey

Table T 7.2.6.9
DURATION OF ENTREPRENEURSHIP

Years	No. of artisan	% of total
1-2	0	-
3-4	0	-
5-6	9	15%
7-8	6	10%
9-10	21	35%
Above 10	24	40%
Total	60	100

Source : Field Survey

* Size and type of family : Most of the families bear heavy dependents. According to Table No. T 7.2.6.4, 80% of the respondents' have family member more than five head. Table No. T 7.2.6.6 shows that 60% of the families are joint and 40% are nuclear.

* Earning members : It appears from Table No. T 7.2.6.7, that 40% of the respondents are the only earning member in their families. Another 40% of the respondents have one earning member in their family, and the rest have two.

* Working hand : Table No. T 7.2.6.8 shows the families having helping hands in their family. 50% of the respondents have 75% of the family members as helper, 20% of the respondents have 70% of the family members as helper, 20% of the respondents have 60% of the family members as helper and the rest have 50% of the family members as helper.

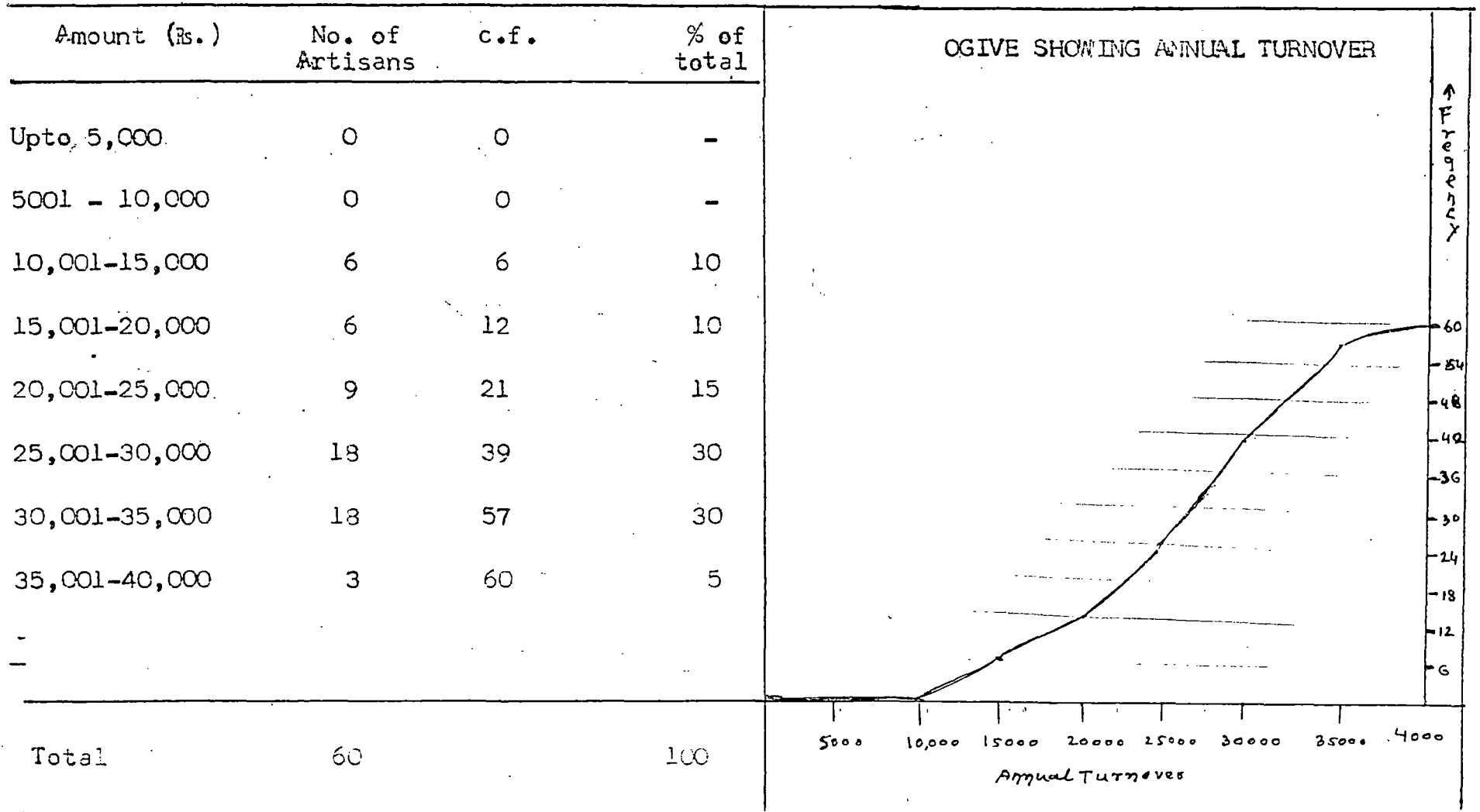
B. Material Resource Factors

* Duration of entrepreneurship : It follows from table No. T 7.2.6.9 that 75% of the entrepreneurs are being continuing their business for more than 7 years. No entrepreneurs were reported to have their business for the duration 1 to 4 years. This indicates the stagnation in the expansion of the entrepreneurship in recent years.

* Annual turnover : Table No. T 7.2.6.9/1 gives the distribution of annual turnover of the respondents. According to the respondents 60% have annual turnover of more than Rs.25,000. The establishment having turnover more than Rs.35,000 is only 5%.

Table T 7.2.6.9/1

ANNUAL TURNOVER



Source : Field Survey

Table T 7.2.6.9/2

VARIETY PRODUCE

No. of variety	No. of artisans	% of total
1	24	60
2	18	30
3	12	20
4	06	10
Total	60	100

Source : Field Survey

Table T 7.2.6.9/3

INCOME (P.A.)

Income group	No. of artisans	% of total
Less than 1000	9	15
1000 to 1500	27	45
1500 to 2000	21	35
2000 & above	3	5
Total	60	100

Source : T 7.2.6.9/4 Field Survey

Table T 7.2.6.9/4

ASSETS POSSESSION

Among (Rs.)	No. of artisans	% of total
Less than 5000	18	30
5000 to 10,000	27	45
10,000 to 15,000	09	15
15,000 and above	06	10
Total	60	100

Source : Field Survey

Table T 7.2.6.9/5

HOUSING CONDITION

No. of Artisans	Resident	Resident -cum- workshop	Kaccha	Pakka	Members per room			
					2	3	4	above 4
60	54(90%)	6(10%)	60(100%)	-	-	18(30%)	36(60%)	6(10%)

Source : Field Survey

Table T 7.2.6.9/6

CAPACITY UTILISATION

Capacity	No. of artisans	% of total
Above 90%	0	-
80% to 90%	06	10%
60% to 80%	27	45%
40% to 60%	24	40%
Less than 40%	03	5%
Total	60	100

Source : Field Survey

Table T 7.2.6.9/7

DISTRIBUTION OF LOOMS

No. of loom	No. of artisans	% of total
1	18	30
2	24	40
3	09	15
4	09	15
Total	60	100

Source : Field Survey

* Variety produce : 40% of the entrepreneurs produce only one variety of cloths, namely Sarees, 30% produce only two varieties namely Gamsa & Sarees, 20% produce three varieties namely gamsa, sarees, dhuti or lungi and only 10% of the entrepreneurs produce more than 3 varieties at a time. (Table No. T 7.2.6.9/2).

* Income (per annum) : 25% of the respondents have their per capita income of less than Rs.1000 p.a., 45% have in between Rs.1000 to 1500 p.a., 25% have Rs.1500 to Rs.2000 p.a. and the rest have more than Rs.2000 p.a. (Table No. T 7.2.6.9/3).

* Assets possession : So far assets possession is concerned 30% of the respondents have a total assets (including equipment or production, land & buildings, if any) of Rs.5000 at an average, 45% of the respondents have Rs.5000 to Rs.10,000; 15% of respondents have Rs.10,000 to Rs.15,000 and the rest 10% have more than Rs.15,000. This shows the miserable situation of the entrepreneurs (Table No. T 7.2.6.9/4).

* House : 90% of the respondents have no separate workshop and none of the respondents were reported to have their houses as 'Pakka' (i.e. house made of bricks and cement). More over the respondents are suffering from acute shortage of space. 30% of the respondents have 3 members per room, and 60% of the respondents have 4 members per room. This shows the acute problems of space that is contrary to the development of entrepreneurship (Table No. T 7.2.6.9/5).

* Production units : Of the total respondents, 30% have only one loom; 40% have two looms and the rest have 3 to 4 looms per unit. So far capacity utilization

Table T 7.2.6.9/8
AVERAGE WORKING DAY

Months	No. of artisans	% of total
Less than 6	0	-
5 to 7	24	40
7 to 9	30	50
9 and above	06	10
Total	60	100

Source : Field Survey.

Table T 7.2.6.9/9
REASONS OF DISCONTINUATION

Reasons	No. of artisans given response	% of total	Total artisans
Lack of Finance	54	90	60
Lack of Demand	18	30	60
Natural Calamity	36	60	60

Source : Field Survey

Table T 7.2.6.9/10
WORKERS COMPOSITION

No. of Unit	Total workers	Family workers	Hired workers	Male workers	Female workers	Child workers
60	210	195	15	96	78	36
Percentage		91.54%	8.46%	45.71%	37.14%	17.14%

Source : Field Survey

Table T 7.2.6.9/11
STANDARD OF LIVING

Standard	No. of artisans	% of total
Starvation	12	20
Above starvation	36	60
Below Comfort	12	20
Comfort	0	-
Total	60	100

Source : Field Survey

is concerned, 85% of the respondents can utilize 40% to 80% of their installed capacity. The units having of capacity utilization of more than 80% and less than 40% are negligible (Table No. T 7.2.6.9/6 and T 7.2.6.9/7).

* Working days and reasons of discontinuation : As reported by the respondents (Table No. T 7.2.6.9/8), 40% of them do work for 5 to 7 months; 50% of them do work for 8 to 9 months; and only 10% have worked from 10 to 11 months. The major reasons of discontinuation as reported by the entrepreneurs were given in Table No. T 7.2.6.9/9. According to the table, 90% of the entrepreneurs have failed to keep up their production due to the dearth of finance. In 80% of the cases, it was due to natural calamity, caused by monsoon and 30% due to lack of demand.

* Workers composition : As per Table No. T 7.2.6.9/10, 60 units have a total of 210 workers, of which 195 i.e. 91.54% are family members and 8.46% are hired workers. Of the total workers 45.71% are male, 37.14% are female and 17.14% are child (i.e. less than 15 years).

* Economic status (standard of living) : The entrepreneurs are mostly poor. Actually they do not get adequate value of their labour and art. The power machines in factories practically have sucked their blood. According to a rough estimation (shown in table No. T 7.2.6.9/11). 20% of the respondents are below starvation level; 60% are above starvation level; and 20% are below the comfort level. The artisans are mostly simple. They weave cloth, but practically they have no wrapper.

C. Human Resource Factors

* Personal efficacy : Personal efficacy was measured by a modified version of Potter's "Locus of Control",

Table T 7.2.6.A

SCORES OBTAINED BY RESPONDENTS IN PERSONAL EFFICACY TEST

Score (x)	Entrepreneurs (y)	xy
10*	0	0
11	0	0
12	3	36
13	15	195
14	6	84
15	18	270
16	9	144
17	3	51
18	6	108
19	0	0
20**	0	0
	Σ 60	Σxy 888

Source : Field Survey $\bar{x} =$ = 14.8

* Minimum

** Maximum

which has been defined as the tendency in the individual to attribute success or failure to external factors. According to Rao and Meheta (1978) a person, who scores high on external control is like a fatalist and believes that things may happen because they have to happen and that he does not have any control in shaping his environment in the way he wants. On the other hand a person scoring high on internal control is a person who strongly believes in his capacity to control and shape his environment.

Ten pairs of statement were developed for this purpose. Each pair represents internal and external locus of control. The statements representing internal control were given a score of 2 and external, a score of 1. Thus an individual locus of control score ranged between 10 to 20 (Annexure 5.2). A respondent can get a minimum of 10 and maximum of 20 score.

According to the given response, the highest score obtained is 19 i.e. 8 more than minimum and lowest 12 i.e. 2 more than of minimum compulsive score (10 with no efficacy). The average score obtained is 14.8 representing a fair level of efficacy of the artisans (Table No. T 7.2.6.A).

* Personal achievement motivation : A Thematic Appreciation Test (T.A.T.) was used to measure personal, social and influence motivation. The respondents were given 2 TAT type picture developed like Mehta (1978) and asked to told, what they thought about these picture. Their thinking

Table T 7.2.6.C
 SCORE OBTAINED BY RESPONDENTS IN THE TEST
 OF ASPIRATIONS

Score group	No. of Entrepreneurs	% of total
137-157	6	10
157-177	18	30
177-197	24	40
197-217	06	10
217-237	03	5
237-257	0	0
TOTAL	60	100

Source : Field Survey

Table T 7.2.6.D
 SCORE OBTAINED BY RESPONDENTS IN THE TEST OF
 RISK TAKING WILLINGNESS

Score	No. of Entrepreneur	% of total
2	9	15
3	27	45
4	15	25
5	09	15
6	0	0
7	0	0
8	0	0
Total	60	100.00

Source : Field Survey

Was then written on paper and scoring was done just like examination paper. The respondents were found to have very low achievement motivation irrespective of the group (caste, creed, religion or assets possession) to which they belong.

Aspirations : Aspirations are goal statements concerning future level of achievement. These can be regarded as an individual's concept of his future prospect and as a form of self-motivation.

Questions covering certain areas of individual aspirations such as education to son or daughter, income and material possessions were developed based on a scale by Muthayya (1971). The respondents were asked to indicate their aspirations. Then the standard scores were calculated following the method given by Garret (1969) for each of the three areas of individual needs (See Annexure 5.4).

The aspirations of the respondents were found to be at reasonable level. 30% of the respondents scored in between 157 to 177 and 40% have scored in between 177 to 197 against a maximum score of 273, minimum score of 137 and standard score of 171 (Table No. T 7.2.6.C).

* **Risk taking willingness :** This denotes the ability of taking up challenge in a given situation, where a person is not satisfied with the present outcome and strives for some additional pay off.

The behaviour of an entrepreneur is guided by his own subjective estimate of the degree of risk involved in the venture. Two persons may view the same venture as involving different degree of risk. The 'Choice-dilemma' procedure used by Wallach et al (1962) for measuring risk taking willingness was adopted and a semi projective instrument was developed.⁴ Considering the

risks a entrepreneur encounters, risk situations were identified and depicted in a story form to evoke responses from the respondents. Two stories thus formed (Annexure 5.5) presented situations in which varying degrees of probability of success were given to the respondents. They were then asked to choose a course of action which best represented their desire to achieve success in the given situation. For quantification of the responses, a scoring key (Annexure 5.5) according to the extent of risk involved was used. The possible total score out of two stories is maximum 8 and minimum is 2.

The score obtained by the 60 respondents are tabulated in table No. T 7.2.6.D, which shows that most of the entrepreneurs willing to take risk at moderate level. The willingness of taking risk is greater in urban areas than in rural areas.

D. Support System

We have already noted that, the need of support to rural entrepreneurs, is essential. Unless proper supporting devices are design to encourage the village entrepreneurs, they are bound to be non-existent in a situation of present competitive market. Accordingly the government has designed a scheme of supporting, which includes among the others :-

* Training : Training is an essential step for imparting technical knowledge to the villagers. The government has specifically given emphasis on E.D.P. (entrepreneurship development programme). The training to rural peoples is arrange under I.R.D.P., R.I.P., and TRYSEM Programme and is conducted jointly by D.I.C. (District Industries Centre)

and Industrial Extension Officer of Blocks. In handloom Industry, District Handloom Development Centre, in co-operation with Block Industrial Extension Officer do arrange for training programmes of 30 days duration. On investigation it has been found that during last 5 years the D.H.D.C. has conducted 7 of such training programmes which benefited in all 84 weavers. As regard to the training of the existing entrepreneurs, they have not yet developed any training programme for them. We have also come across the information that of the 84 villagers so trained in weaving, 12 artisans (14%) have started production in their own unit, of which only 4 are still continuing and all others have discontinued.

The partial failure of E.D.P. in the district may be outcome of a lot of defects. According to the Project Officer of D.H.D.C. and Block Industrial Extension Officers, it is lack of follow-up action and monitoring that resulted in such failure. Some of the officers, on the other hand were of the opinion that the beneficiaries are interested in only white collared job and not in self-employment. They further added that the loan provided for purchase of raw-materials were frittered away by the youths.

In the district there is no R/D Centre of any of the Agencies for the development of new design or new technology and neither they have yet undertaken any programme to impart knowledge in new design and distribution of modern equipments to the artisans of the district.

To motivate the artisans engaged in weaving, they occasionally arrange exhibition of product produce by them. They have also prize scheme for skill artisans. According to the concerned officials, the supporting agencies are so scattered and their activities are so irregular (due to scarcity

of finance) that a total harmony is almost impossible. They remarked that the facilities they have neither adequate enough to do this type of work nor sufficient to take up proper monitoring and follow-up activities satisfactorily. Thus we came to the conclusion that the supporting agencies in the district are not effective. Had they worked effectively and implemented the Government policies, it was possible to expand the base of entrepreneurship in this district. To have the system effective, the findings indicate a need to provide training to the officials with an objective of inculcating in them, (a) a confidence in their client's abilities to develop into entrepreneurship; (b) a development orientation conducive enough to shake them of the procedural compulsions; and (c) the ability to win over the beneficiaries by developing confidence in them of the officials' intension.

They study also indicates the need of a separate monitoring and follow-up cell for systematic monitoring and follow up action of the projects to be undertaken by the implementing agencies.

STATISTICAL ANALYSIS OF THE FINDING :

With a view of better understanding of the factors effecting entrepreneurship, a multiple and partial correlation and regression analysis has been carried out. The variables and the result of the analysis presented below :-

* Dependent variable : $Y =$ Annual turnover of the sample units. This is considered as an indicator of successful entrepreneurship.

- * Independent variables :
- X1 = Asset possession of the units.
 - X2 = Duration of entrepreneurship.
 - X3 = Family size of entrepreneur (no. of family member).
 - X4 = Literacy of entrepreneur.
 - X5 = Aspiration of the entrepreneur.
 - X6 = Personal efficacy of the entrepreneur.
 - X7 = Risk taking willingness of the entrepreneur.

L I N E A R R E G R E S S I O N

* About variables :

<u>Sl. No.</u>	<u>Name of variable</u>	<u>Mean</u>	<u>Variance</u>	<u>Standard deviation</u>	<u>Coefficient of variance</u>
1	Y	25975.	.49644E+08	7045.9	0.2713
2	X1	9325.0	.14218E+08	3770.6	0.4044
3.	X2	8.8000	2.1684	1.4726	0.1673
4	X3	6.8000	3.1158	1.7652	0.2596
5	X4	1.1500	0.1342	0.3663	0.3186
6	X5	181.30	542.01	23.281	0.1284
7	X6	14.800	2.9053	1.7045	0.1152
8	X7	3.4000	0.8842	0.9403	0.2766

CORRELATION COEFFICIENT MATRIX IS

1.00000								
0.69369	1.00000							
0.58032	0.49575	1.00000						
0.89884	0.60731	0.61150	1.00000					
0.26660	0.42006	0.35122	0.13022	1.00000				
0.35090	0.35586	0.43477	0.43314	-0.04258	1.00000			
0.38522	0.37916	0.65424	0.42334	0.21915	0.58915	1.00000		
0.27963	0.32509	0.44091	0.36783	0.12223	0.48708	0.70930	1.00000	

PARTIAL CORRELATION COEFFICIENTS AND THEIR T WITH D.F = 12

<u>ASSOCIATE VARIABLE</u>	<u>PARTIAL CORR.N. COEFF.</u>	<u>T</u>
X1	0.3593893	1.3341
X2	-0.0260721	-.90347E-01
X3	0.8202316	4.9671
X4	0.1659418	0.5829
X5	-0.0900691	-0.3133
X6	0.0932203	0.3243
X7	-0.1965354	-0.6944

SQUARE OF THE MULT. CORR.N. COEFF. (R) = 0.8573371 R = 0.9259250

TOTAL RESIDUAL SUM OF SQUARES = 0.13456E+09

ROOT MEAN SQUARE DEVIATION DUE TO RESIDUAL=3348.7 WITH D.F.=12.

CALCULATED F = 10.302 WITH D.F. 7 AND 12

ABOUT COEFFICIENTS

<u>SL.NO.</u>	<u>VALUE</u>	<u>ST.ERROR</u>	<u>T WITH D.F.= 12</u>
1	863.63	8183.5	0.1055
2	0.3877	0.2906	1.3341
3	-75.249	832.89	-.90347E-01
4	3215.6	647.37	4.9671
5	1492.6	2560.5	0.5829
6	-13.855	44.225	-0.3133
7	261.60	806.58	0.3243
8	-318.81	1179.2	-0.6944

* ABOUT VARIABLES

<u>Sl.No.</u>	<u>Name of variable</u>	<u>Mean</u>	<u>Variance</u>	<u>Standard deviation</u>	<u>Coefficient of variance</u>
1	Y	10.118	0.1162	0.3408	.33685E-01
2	X1	9.0477	0.2192	0.4681	.51742E-01
3	X2	2.1587	.37326E-01	0.1932	.89498E-01
4	X3	1.8779	.91708E-01	0.3023	0.1613
5	X4	0.1040	.64482E-01	0.2539	2.4423
6	X5	5.1924	.16411E-01	0.1281	.24672E-01
7	X6	2.6884	.13085E-01	0.1144	.42550E-01
8	X7	1.1863	.80838E-01	0.2843	0.2397

CORRELATION COEFFICIENT MATRIX IS

1.00000							
0.77068	1.00000						
0.51213	0.58025	1.00000					
0.92151	0.72324	0.60632	1.00000				
0.25156	0.38610	0.32102	0.14235	1.00000			
0.45813	0.51415	0.45728	0.53923	-0.04088	1.00000		
0.34283	0.42879	0.67163	0.42000	0.21641	0.59065	1.00000	
0.24629	0.32274	0.45337	0.33367	0.12514	0.51100	0.66238	1.00000

PARTIAL CORRELATION COEFFICIENTS AND THEIR T WITH D.F. = 12

<u>ASSOCIATE VARIABLE</u>	<u>PARTIAL CORR. COEFF.</u>	<u>T</u>
X1	0.3739923	1.3969
X2	-0.2547565	-0.9126
X3	0.8522107	5.6425
X4	0.2205647	0.7834
X5	-0.0748548	-0.2600
X6	0.0281410	.97522E-01
X7	-0.1196076	-0.4173

SQUARE OF THE MULT. CORR. COEFF. (R) = 0.8933108 R = 0.9451512

TOTAL RESIDUAL SUM OF SQUARES = 0.2355

ROOT MEAN SQUARE DEVIATION DUE TO RESIDUAL = 0.1401 WITH D.F.=12.

D.W.STATISTICS = 2.2156

CALCULATED F = 14.354 WITH D.F. 7 AND 12

ABOUT COEFFICIENTS

<u>SL.NO.</u>	<u>VALUE</u>	<u>ST.ERROR</u>	<u>T WITH D.F.=12</u>
1	7.8009	1.6489	4.7309
2	0.1611	0.1153	1.3969
3	-0.2431	0.2664	-0.9126
4	0.9715	0.1722	5.6425
5	0.1193	0.1523	0.7834
6	-.96617E-01	0.3716	-0.2600
7	.46716E-01	0.4790	.97522E-01
8	-.62484E-01	0.1540	-0.4173

It appears from the value of R^2 (Square of multiple co-relation co-efficient) that 85% of the phenomena can be explained, if linear relation among the variables is taken into consideration. But loglinear relation appears more effective as it explained 89% of the phenomena. Hence loglinear relation is considered for interpretation of the statistical relation. The value of D. W. Statistics at reasonable level indicates the reliability of analysis (as absent of auto correlation appears from D.W. value). It seems from the value $R (=0.9451)$ that there exist a strong correlation between entrepreneurship and variables which are considered. From the result of the partial correlation coefficient, it appears that, it is X_1 and X_3 i.e. Assets possession of the Units and Family Size, which are positively and strongly influencing the success of entrepreneurship. It also appears from the correlation coefficient Matrix (linear) that the other variables i.e. X_1 , X_5 , X_6 and X_7 are marginally related to the success of entrepreneurship. It would be interesting to know whether, there exist any relation in between Aspiration (X_5), Personal efficacy (X_6) and Risk taking willingness (X_7). It appears from the value of $r_{6,7}(=0.59)$, $r_{6,8}(=0.51)$ and $r_{7,8}(=0.66)$ that Aspiration is not so strongly related to Personal efficacy and Risk taking willingness, as Personal efficacy and Risk-taking-willingness are related. This shows the irrational behaviour of artisans so far their aspiration is concerned.

To the end, we conclude that the non-material and non-economic factors e.g. Literacy, Aspiration, Personal efficacy and Risk-taking-willingness, though constitute the basic ingredients of entrepreneurship but the material and economic factors are the essence of entrepreneurship.

7.3.1 ENTREPRENEURS SANS ENTERPRISE

Some typical cases studies : The previous section presented the existing scenario of entrepreneurship in handloom industry in household sector. For a still closer study and a deeper understanding of entrepreneurship it was thought desirable from the point of view of beneficiaries. Here twelve cases of entrepreneurship are thoroughly studied. Every cases are analysed and then conclusions are drawn.

* Case-1 : Nabin Mandal is a resident of village Thangapara, situated 12 Km. away from Gangarampur P.S., which is the main centre of handloom industry. He was a resident of Pabna district of Bangladesh (formerly East Pakistan) and was came to India as refugee during Bangladesh turmoil in the year 1970-71. He has 10 family members including his brothers family. Mr. Mandal's has no formal school education but can read and write. Weaving is his hereditary occupation. Mr. Mandal started his occupation with a single loom in the year 1975, taking a loan of Rs.2500 from a Mahajan of Gangarampur, with the promise to purchase raw materials from that mahajan and to sale the product to him. Mr. Mandal said that he had no alternative way at that time. Gradually Mr. Mandal has installed another two looms. Now he has three looms in his resident. Mr. Mandal said, "had the sufficient fund, I could produce goods worth Rs.1,00,000 a year". But due to shortage of fund, they hardly can utilise 60% of the installed capacity. Mr. Mandal till 1984 had no marketing venture. Now they also market their products. Mandal produces mainly 3 variety of goods, namely Dhuti, Sarees and Gamsa. When I told about government help if any, Mr. Mandal answered that they have not received any government help. He also said that they have recently approached to a bank for finance. Since they have not sufficient assets, they are facing problems. When we told about the commercial viability of their profession. Mr. Mandal pointed out that two looms is sufficient enough to maintain a family having 7 to 8 members, provided looms run. So far as market demand is concerned, Mr. Mandal opined that handloom products are basically meant either for higher income class or for lower income class. Here our target is lower income class of villages. Mr. Mandal told about the inferior design of their product and said if he got any

chance for learning the new design, he would avail of it. According to him price of yarn going up, day by day. If the supply of yarn could be made available through controlling system, most of the household could be benefited by large extent. As regard to the future prospect, Mandal is ambitious. He said very soon he would be escaped off from the grip of the Mahajan.

As to the labour problems, Mr. Mandal said 'No', we have no employed labour. All of our family members took part in the process of production. Present earning of Mr. Mandal is Rs.950 per month (approx.) which varies from month to month.

Analysis : The following are the points that are appearing from the case of Mr. Mandal :-

- * The handloom is commercially viable.
 - * Entrepreneurs are suffering from lack of finance.
 - * Yarn is a major problem to the artisans.
 - * Target market is village people.
 - * Design is a area in which entrepreneurs want training.
 - * Mahajans play an important role in supplying raw materials and finance.
 - * If entrepreneurs can be escaped off from the grip of Mahajans, they will be benefited by great extent.
- * Case-II : Mrs. Kajalata Das, a widow engaged in 'Pari' bleaching and rilling) works, a resident of Banshihari P.S. Mrs. Kajalata has 2 children in her family and has no other earning member. All of the members of her family (two children) help her in work. Mrs. Kajalata gets work from factory. She said, very little margin left for her work. In a day she could earn hardly Rs.6 to Rs.8. Mrs. Kajalata used very old indigenous model of 'Charka'. When I said, 'why you

are using such 'Charka'. In reply she just up her head, where I saw fullmoon from uncovered roof of their room.

Analysis :

- * The equipments are in use mostly indigenous and old.
- * Handloom gives self-employment status to women.
- * Lack of finance; and
- * Dearth of Government help.

* Case-III : Rusailal, a 58 years old weaver, resident of Nayabazar of Gangarampur P.S. He is in this field for more than forty years and has been supporting a family of 8 members. Previously he was a resident of Dhaka and has come to India at the time of Independence. He has three looms but only two are in operation. Mr. Lal cannot read or write. Rusailal is a veteran artist, and can produce fine quality of cloths, namely 'BUTI', 'TANGAIL', etc. Rusailal told that his entire production is purchased by a Mahajan of 'Malda district', 125 Km. away from his residence. Mr. Lal told, "Since long I am working under Mahajan and I have never thought of my own loss or profit". He added that the product he produced could not be sold in local market. He said his art came to an end since his sons are not at all interested in his profession, and they have joined some other profession. When I said did you faced any problems. He replied yes, a lot e.g. (i) Mahajan does not release finance regularly, (ii) often the price of yarn goes up, but Mahajan rate remains the fixed, (iii) quality yarn often not available etc. When I told, 'have you got any financial assistance(?)'. Mr. Lal told, 'no, I have never approached to bank or any other bodies since I afraid of them'.

Analysis :

- * The young generation are not coming to this trade.
 - * There is a gap in between the artisans and officials of any agency.
 - * Artisans are so simple that they never think of profit or loss or in other words the artisans have no proper commercial outlook.
 - * Artisans are in true sense helpless.
 - * Government assistance is limited.
 - * Bank finance is not available.
- * Case-IV : Kartik Das is a 38 years old artisan of Thangapara village, P.S. Gangarampur. He has been working as weaver in a factory since seven years. Weaving was not the profession of his forefathers, but he has acquired this knowledge, getting training from local bodies. He told us that he earns Rs.20 to Rs.25 daily. His wife also works in a factory. In normal times they have no problem, but when the factory remains closed, they even have to starve for days. During that time Mr. Das does the work of a rickshaw puller. When we asked him why he did not try to have a workshop of his own, Mr. Das asked us in return, from where he could get the money, when he could hardly manage two meals a day.

Analysis :

- * The artisans have the desire of having their own workshops.
- * But, Finance is the main problem.
- * Having merely a training is not enough.

* Case-V : Sarat Barman is a 32 years old youngman of Gangarampur. We has a four membered family including his wife. He has a loom of his own. He produces cloth on wage basis for the Mahajan, who supplies the raw-materials and bears other expenditures. Mr. Barman told us that this loom was purchased by him with the financial assistance of a local bank but he cannot run his own production due to lack of working capital. He said, in near future he will stop working for the factory and will start his own production. Sarat Barman's father was not a weaver, but he has learned this technique from his neighbours.

Analysis :-

- * Bank finance is inadequate.
- * The artisans are suffering from insufficient working capital.
- * Inspite of having their own looms, the existing condition compelled them to work for the Mahajan.

* Case-VI : Mr. Chandrakant and Suryakant are two brothers of 45 and 38 years old. They have 14 members in their family. They were resident of Pabna. (Presently in Bangladesh) and came over to India in 1972, as penylesse refugee. Weaving was the profession of their previous generation. They have their own workshop at Pabna. But here initially they have worked in a factory. Now they have four looms and accessories. All the members of their family do work for their own factory. They have started this factory by selling the ornaments of their wives. Now they have no problem. They have also got loan from bank of Rs.10,000. They buy yarn from wholesaler market for their own and also for sale. They themselves market their own products. According to them, their annual sale is about Rs.60,000. When we asked to what extent wholesale market is cheaper than local market for yarn. They said,

"it is business secret, but we know, local mahajans make a profit of 30 to 35% on cost including transport".

Analysis :-

- * Handloom enterprises have a optimum size. After attaining the same one can successfully run it, by purchasing raw-materials from whole-sale market. For this sufficient capital is necessary.
 - * Small entrepreneurs are not in a position to purchase raw materials from whole-sale market which is significantly cheaper than local market price.
 - * Marketing is not at all a problem.
 - * If raw materials bank is created the small artisens will be benefited by great extent.
 - * It is useless to say that handlooms have no commercial viability.
- * Case-VII : Mrs. Durga Das is famous for her Jari work, a resident of Naya Bazar, Gangarampur. According to her quality fabrics are not produce in the district of West Dinajpur, as it is produce in Santipur, where she spend her pre-marriage life. According to her, there is no competition for quality fabrics. A skill artisans never died.

Analysis :-

- * West Dinajpur is a centre of low and medium fabrics.
- * High quality goods are not subject to tough competition, hence have assured market.
- * Artisans have enough self-confidence.

* Case-VIII : Kanu is a 10 years old child working in a factory of Tarangapur village, P.S. Kaliyaganj. His father is a wage labour. He is working here since two years ago. He does the work of Pirn winding by Chakra and earns Rs.4 per day. In future he wanted to produce 'Muslin' a famous produce of India.

* Case-IX : Lalu is 25 years old youngman of Ratol village P.S. Kaliyaganj. He is not a weaver but does the work of 'dye'. According to him, price of dye day by day increasing and weavers are concentrating in inferior dye, which is the defect of product produce here. He told the importance of dye and wanted to learn the technique of producing rare colour. He is experience enough in mixing of colour. According to him dyeing of yarn is an art as well as science. For quality fabrics skill hand is necessary for dyeing of yarn.

Analysis :-

- * Dyeing of yarn is an important element in handloom.
 - * Use of inferior dye makes the cloth inferior.
 - * The technique is not easily available.
 - * A knowledge of use of dye is must for production of quality fabrics.
- * Case-X : Mr. Joyram Ghatak a 62 years old man and is a master weaver. He can't move loom but trained the artisans about the artistic produce. He knows about 25 designs, which include a few master piece design. According to him, artisans themselves are responsible for loss of Market. Fine art never died. It is the duty of the artisans to attract the customers towards their product. He wanted

to open a school of design. He agreed with the view that there is need for new art and designs to attract new customers.

Analysis :-

- * Design is an important element in handloom production.
- * There is a need for a school of design.
- * It is profitable to produce artistic goods than plain fabrics.

* Case-XI : Mrs. Tara Das is a 22 years old young girl. She with her sister Minu (20) works in a factory. They are weaver by tradition, and earn Rs.25 daily. They are supporting a family of five members. They have lost their father, who was a master weaver, 5 years ago. They wanted to have their own loom, because going to factory which is about 3 Km. away from their residence is a matter of difficulty during the rainy season. They are trying for bank finance but are yet to get ~~same~~ the same.

Analysis :-

- * Women have equal job opportunity in handloom as that of man.
- * It is very difficult for women to work in a factory.

* Case-XII : Md. Nasiruddin is a youngman of 32 years of Itahar of Raiganj Sub-division. Weaving is his only profession. His late father was also a weaver. They produce only 'Lungi'. They have 4 looms in their own workshop, of which 2 are not in operation. They produce cloth for the mahajan only. The Mahajan advances cash for purchase of raw materials and on delivery makes the full payment.

According to them, little margin is left for them. But had they sold the goods in open market, they would have twice the margin in case given to Mahejan. But they can't do so, for lack of finance. Md. Nasiruddin is also a village tailor. During off season he maintains his family by tailoring. We asked him, as he knew tailoring, why did not he leave weaving. Md. Nassiruddin replied that maintenance of family by weaving only (small quantity) or by tailoring only in a rural area is almost impossible since work is not available equally throughout the year.

Analysis :-

- * For small size entrepreneurs dual occupation is compulsory, since;
- * Demand moves up and down throughout the year.
- * During off season one has to stock goods to continue production. Hence there is need for sufficient cash as working capital. Most of the small entrepreneurs discontinue their production during off season and joined some other profession.

PROFILE OF HANDLOOM CO-OPERATIVE IN WEST DINAJPUR 1980

Total Co-Optv.	Total loom	Running Co-Optv.	Total looms	Running looms	Capacity Utilization
21	714	8	214	73	36.44%

Source : Directorate of Handloom Industry,
West Bengal

7.4.1 STUDY OF CO-OPERATIVE SECTOR

Handloom industry mainly carried on in household sector, who are mostly scattered and unorganised. In view of their miserable situation and exploitation, the government had taken a policy of launching co-operative movement among artisans, so that they can be relieved from those bottlenecks. There are two Apex body of Co-operative in the State of West Bengal, namely

(i) West Bengal State Weavers' Co-operative Society;
and

(ii) National Handloom and Powerloom Development Corpn.
Any Co-operative established in this sector in this State either has to be a member of West Bengal State Weavers' Co-operative Society or of National Handloom and Powerloom Development Corporation.

It is the policy of the Government to execute every development plans meant for weavers through the Co-operatives. Government assistance to these Co-operatives includes :

- * Supply of raw materials
- * Purchase of finished goods and marketing of the same
- * Supply of loan at a reasonable rate
- * Participation in capital
- * Bear cost of establishment
- * Training of artisans
- * Loan at reasonable terms for workshed and residence, in case 'no separate factory' Co-operatives
- * Financial assistance for equipments, etc.

Table T 4.4

DISTRIBUTION OF HANDLOOM CO-OPERATIVE AND CO-OPERATIVE
LOOMS IN WEST BENGAL AS ON 1980

Sl. No.	Name of District	No. of Co-Optv.	%	No. of looms	Weavers
1	Calcutta & 24 Pgs.	231	19.36	11016	18884
2	Howrah	35	2.93	980	4433
3	Hoogli	104	8.71	11383	19382
4	Burdwan	102	8.54	9592	18199
5	Midnapore	257	21.54	13711	42920
6	Bankura	32	2.68	4413	10718
7	Purulia	35	2.93	2716	7386
8	Birbhum	47	3.93	3470	7173
9	Murshidabad	34	2.84	5132	21058
10	Nadia	194	16.26	14955	44341
11	Malda	57	4.77	3910	8645
12	West Dinajpur	21	1.76	714	2686
13	Cooch Behar	24	2.01	2145	4399
14	Jalpaiguri	16	1.34	202	998
15	Darjeeling	04	0.33	86	267
Total		1193		84480	211990

Source - Directorate of Handloom Industry, West Bengal

In view of the Government Policy, in this district, till 1980, 21 Co-operatives were established with 714 looms, which are respectively 1.76% and 0.345% of the total Co-operatives and Co-operative looms in the State of West Bengal. This shows that Co-operative movement in this district has not gone to that extent as it is in the other districts of West Bengal (Table T 7.4.4).

Again the Co-operatives so established are not running at full-fledged. It appears from the table T 7.4.5 that of the total 21 Co-operatives, only 8 Co-operatives are actually running at a capacity utilization of 36.44% of the installed capacity.

In view of the discouraging and distressing situation of Co-operative movement and existing Co-operatives, an attempt in this study has been made to unfold the major reasons of failure of Co-operatives.

The present study has been carried on in two steps. At first we have studied, why existing Co-operatives have failed (?). This is done through investigation into two Co-operatives and then we have studied, why Co-operative movement has not succeeded (?). In this case, 50 artisans operating in household sector having not more than one loom are interviewed and reasons are identified.

7.4.2 WHY EXISTING CO-OPERATIVES FAILED

* Case-I : Kaliyaganj Handloom Co-operative Society :- This Society was established in 1982 and registered under National Handloom and Power loom Development Corporation. This Co-operatives has 12000 square feet factory and 50 looms with complete accessories. This Co-operative mainly produces Janata Sarees and not any other products.

The capacity utilization of this Society during last few years was as follows :

Table T 7.4.1

Year	Total Loom	Working loom	% of utilization	% of quota fulfilled
1982	50	42	88	35
1983	50	36	72	30
1984	50	24	48	60
1985	50	07	14	15
1986	50	25	50	60
1987	50	05	10	12

Source - Field Survey.

It appears from the above table, that the capacity utilization of this society has been decreasing significantly and has reached to death level in recent years.

During investigation following are the reasons identified by the management and artisans :

- * Supply of inferior quality of yarn
- * Irregular supply of yarn
- * Sometimes the price of yarn charged is greater than open market price
- * Little margin for wage payment
- * Production of single variety of goods

- * Shortage of working capital; This is mainly because, Apex body takes at least 3 months for payment for the goods procured by them.
- * Management policies
- * Burden of management expenditure
- * Personal interest

* Case-II : Gangarampur Weavers' Co-operative Society : This Co-operative was established in the year 1972 and is still continuing. It is registered under the West Bengal State Weavers' Co-operative Society. This Society is situated in the urban area of Gangarampur and is near the procurement Centre of the Apex body at Gangarampur. The number of looms installed with accessories in this Society was 36 and only 12 are still running.

The capacity utilization of this Society, during last few years was as follows :

Table T 7.4.2

Year	Installed loom	Working loom	% of utilization	% of Quota fulfilled
1982	36	9	25	30
1983	36	9	25	30
1984	36	10	28	35
1985	36	11	30	35
1986	36	12	33.33	40
1987	36	12	33.33	40

Source - Field Survey

The capacity utilization of this Society is also distressing. During the investigation the reasons identified were as follows :

- * Shortage of working capital,
- * Shortage of yarn supplied,
- * Very little margin for wage payment,
- * Burden of management expenditure and
- * Management policies

The above analysis brings out that the overall picture of Handloom Co-operatives is rather discouraging and distressing. A fairly large number of these Societies are lying defunct and simply adorn the records of the Co-operative department. Many of the active Societies are also non-viable units as they have poor membership, meagre sales and inadequate working capital.

7.4.3 The main reasons for such a situation, as it appears from the cases studies are as follows :-

- I) Problems of Raw-materials : The non-availability of quality yarn at reasonable price is a problem facing by most of the handloom societies. The problems in this context are :
 - (a) Irregular supply,
 - (b) Inadequate supply,
 - (c) Fluctuation of price,
 - (d) Vacillating policy etc.
- ii) Problems of Finance : Non-availability of cheap and adequate finance has been a big hurdle in the progress of these societies. This situation has been made more acute

by the Apex body by not releasing payment as and when finished goods are procured. Timely release of payments may dilute the situation marginally.

- iii) Inefficient Management/Burden of management expenditure :- Most of the Co-operatives are being run by inexperience and untrained managers and personnel. It is also seen that Chairs of Board are occupied by the Political Personnels, who have no interest nor any knowledge of the organisation, in which he is a Board member. Hence prompt decision or any development scheme to meet the challenge of situation is a matter of non-preferential. The management personnel not only a doll of the organisation but wasteful. A reorganisation of these Co-operatives is, therefore, necessary. This should be done in such a way, that the artisans can take part in major decision making and can influence the same.
- iv) Vested Interest : Certain unhealthy and highly unco-operative trends have also been reported in the working of some of the Co-operatives. It has been noticed that certain Private Units have been converted into Co-operatives. This has been done, not because the entrepreneurs are genuinely interested in promoting welfare of the workers, but because of consideration of personal gains. Some

of the Societies are dominated by Mahajans and traders, who are depriving the artisans for their own ends.

- v) Hostility from the Mahajans : Some of the Societies have also suffered due to hostility of the mahajans and traders. It is alleged that mahajans and big independent traders often misguide the workers saying that if they join Co-operative Societies, the Government would ultimately take over all their houses and they would have no freedom of working independently.

No doubt Co-operative form is the most appropriate for organising the rural artisans but they are to be regularly supervised and monitored, to get effective performance. The most appropriate step in this context would be creation of a special cell be attached to either D.I.C. or to District Handloom Development Centre.

7.4.5 WHY CO-OPERATIVE MOVEMENT FAILED :

In earlier paragraphs we have already noted that Co-operative movement in the district of West Dinajpur has totally failed. In view of this massive failure of Co-operative movement this study carried out taking the opinion of 50 artisans, operating in household sector having not more than one loom.

The artisans were given 9 reasons and they were asked, to mark the reasons, that they think appropriate, for which they have not joined any Co-operative. Their responses given in the table below :

Table T 7.4.3

Pre-identified reasons	Total artisans	Artisans' destination response	% of total artisans
Lack of Co-operation	50	45	90
Lack of awareness	50	36	72
Lack of interest	50	22	44
Absence of numerical strength	50	35	70
Lack of fund & facility	50	-	-
Lack of leadership	50	42	84
Illiteracy	50	30	60
Unemployment of family workers	50	36	72
Absent of artistic work	50	46	92

Source - Field Study.

In view of the above table, the reasons that restricted Co-operative movement are, in chronological order of importance, as follows :

- i) Absent of artistic work
- ii) Lack of Co-operation
- iii) Lack of leadership
- iv) Lack of awareness
- v) Unemployment of family workers
- vi) Absent of numerical strength
- vii) Illiteracy and
- viii) Lack of interest

To find out the probability of forming a Co-operative the small artisans were also asked to state whether they are willing to form a Co-operative or not. Their responses tabulated below :-

	B a c k g r o u n d		
	Urban	Rural	Total
Willing	8	24	32
Un-willing	12	06	18
Total	20	30	50

It would be interesting to know whether the background of the artisans have any impact on the Co-operative movement or not. For this we have carried out the Square (χ^2) test of the above attributes, which is as follows :-

* Null Hypothesis in our test is that the attributes are independent (H_0) i.e. background of artisans and willingness of forming Co-operative is not associate.

* The expected frequencies are calculated as follows :-

	Urban	Rural	Total
Willing	$\frac{32}{50} \times 20 = 12.8$	$\frac{32}{50} \times 30 = 19.2$	32
Un-willing	$\frac{18}{50} \times 20 = 7.2$	$\frac{18}{50} \times 30 = 10.8$	18
Total	20	30	50

$$* \chi^2 = \frac{(8-12.8)^2}{12.8} + \frac{(24-19.2)^2}{19.2} + \frac{(12-7.2)^2}{7.2} + \frac{(6-10.8)^2}{10.8} = 8.3333$$

* Degrees of freedom = $(2-1) \times (2-1) = 1$

* Tabulated value of χ^2 at 5% & 1% level of significance for 1 d.f. are 3.84 and 6.63 respectively.

* Since the observed value of X^2 exceeds table value even at 1%. It is highly significant. Therefore we reject the null hypothesis and conclude that probability of forming a Co-operative depends upon the background of the artisans and rural small artisans are more interested in formation of Co-operative than the artisans with urban background.

SUMMARY :

In the preceding paragraphs we have studied all the factors that influence the entrepreneurial traits of an individual. We have also studied the reasons of failure of existing Co-operatives and Co-operative movement.

It appears from the study that the artisans of West Dinajpur have moderate level of risk taking willingness and have also all the other traits favourable, except some of the factors like assets possession, housing space, finance etc. The facilities of the supporting system are inadequate and not well-organised. Given the proper support to the artisans entrepreneurship in household sector can be expanded. Hence our hypothesis - H_0 i.e. the artisans of West Dinajpur have no entrepreneurial traits is unacceptable. Thus the alternative hypothesis i.e. the Dinajpur artisans have the required entrepreneurial traits and given the proper support, entrepreneurship can be expanded is acceptable.

As to the Co-operative institutions we conclude that the Co-operatives have failed, not because they are Co-operative, but Co-operatives have failed because of inefficient management and faulty policies of Master bodies. Therefore, re-structuring of the policies is necessary. So far Co-operative movement is concerned, a systematic and comprehensive programme can boost the movement of Co-operative.

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