

# **PROBLEMS OF COTTAGE INDUSTRY IN A BACKWARD REGION OF WEST BENGAL :**

**A Study of West Dinajpur District from 1951 to 1981**

**BY**

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## P R E F A C E

From time immemorial Cottage Industries have been occupying an important place in the village economy. Cottage Industry was the other name of economic self sufficiency. In spite of its decline during the British regime, its expansion and growth was sought for industrialisation of rural and backward areas. West Dinajpur a study of whose Cottage Industries is the purpose of this volume, is a backward area in terms of its demographic characteristics and Industrial content.

The study presents a historical account of the industry in West Dinajpur, its economic relevance and the factors contrary to its growth and expansion. The study has examined the multiple problems at micro level, tested the probability of potential growth and suggested some course of action that may lead to the economic improvement of the millions engaged in the industry.

This study is the first of its kind for West Dinajpur and largely exploratory in nature. However, just one study, like the present one, cannot be adequate to cover all the gaps in our knowledge about the industry. There is always a scope for a more specific and indepth examination. Hence, the study ends with suggestions for further lines of research to examine other dimensions of the industry.

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# CHAPTER - I

1

## INTRODUCTION

### Contents :

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1.1 Cottage Industrial products of India are wellknown all over the world since long. The Cottage Industry is scattered throughout the country. It is obvious that even a partial analysis — an economic analysis — of the industry in such a vast country in one volume cannot be exhaustive. For a minute study of the industry, the work should be restricted either to a particular area or specific problems relating to the Industry. The present study embraces in its scope the Cottage Industry in general and Handloom Industry in specific in the district of West Dinajpur, a backward region of West Bengal.

## 1.2 COTTAGE INDUSTRIES IN THE GANDHIAN MODEL :

Mahatma Gandhi, the Father of the nation had rightly observed the reality of Indian economy. He was not a professional economist, but had advocated certain policies with regard to the development of Indian agriculture, industries, etc. S. N. Acharya brought out the 'Gandhian Plan' in 1944 and re-affirmed it in 1948. The publication forms the basis of Gandhian planning or Gandhian model of growth.

The basic aim of the 'Gandhian Plan' is the attainment of maximum self-sufficiency by village communities. Hence the plan emphasises the rehabilitation, development and expansion of cottage industries, side by side with agriculture. Spinning and Weaving are given the first place. The manufacturing of Khadi is important and it is placed almost on the same level as the production of wheat. "Just as villagers cook their own roti (bread) and rice, so must they make their own khadi for personal use".<sup>1</sup> The Gandhian plan outlines a scheme for making every village self-sufficient in cloth. For this, it expects every villager to take the lead in organising village industries. At the same time, the

Gandhian wants the state to consider the revival and expansion of rural Cottage Industries as the main plank of its industrial planning. "Gandhi placed maximum emphasis on Swadeshi. Swadeshi was not narrow nationalism. It implied an extended link between the villages, the nation and the Global system. It was not a limited economic concept. It at once meant the autonomy of the individual and of institutions and of the maximum of self-reliance of the nation."<sup>2</sup>

Gandhiji was not against the proposition of large industries, but what he wanted was that the supply of consumer goods should be made available through unorganised sector i.e. Cottage Sector and that large industries should by no means be allowed to produce the goods that could be produced in the household sector.

### 1.3 NEHRU STRATEGY OF ECONOMIC DEVELOPMENT :

Nehru's view of economic development was not the same as Gandhi's, though he did not completely deny the importance of cottage and village industries in national economy. According to Nehru, heavy industries are the foundation of the economy. He wanted the foundation to be strong, so that the economy is able to reduce its dependence on foreign aid. A strong foundation is also important from the point of view of national defence.

In a situation of difference of opinion between Gandhi and Nehru, the National Planning Committee was announced by the Congress President in 1938, with Nehru as Chairman. There was a Sub-Committee on cottage and village industries from which the Gandhian representatives resigned.<sup>3</sup> In spite of resignation of Gandhian representatives the report was



significant for integrating Gandhian concern for cottage and small scale industries with Nehru's concern for classification of the role of public sector.<sup>4</sup>

Problems of cottage industries have to be viewed in the context of India's industrial system. This system consists of policies, plans, regulations and agencies. Policies lay down broadly the objectives and their rationale and the strategy to subserve these objectives. The plans lay down in specific terms the targets of expenditure and physical achievements for major group of activities in private as well as Public Sector on the basis of general approach laid down in the policy frame work. Regulation connotes control over activities and agencies, the implementing authority.

#### 1.4 COTTAGE INDUSTRIES IN INDUSTRIAL POLICIES :

The first industrial policy of Independent India was declared on 6th April, 1948. This policy is the first formal official documentary that speaks for the strategies actually undertaken by the then leaders of India. The policy divided the industries into four broad categories, in view of government control, ownership and future expansion. Though the policy of 1948 assigned a very important role to cottage and small scale industries in the national economy as the basis for the development of a decentralised industrial pattern, it has not clearly mentioned the steps to be taken by the Government for the development of cottage and small scale industries. Moreover the situation was complicated by merging traditional cottage with so-called modern small scale industries. The Industrial Policy Resolution declared on April, 1956, also assigned a key role to cottage, village and small scale industries. The two paragraphs dealing with these industries are worth reproducing in full.

"The Government of India would ..... stress the role of cottage and village and small scale industries in the development of national economy. In relation to some of the problems that need urgent solutions, they offer some distinct advantages. They provide immediate large scale employment, they offer a method of ensuring a more equitable distribution of national income and they facilitate an effective mobilization of resources of capital and skill with might otherwise remain unutilised. Some of the problems that unplanned urbanisation tends to create will be avoided by the establishment of small centres of industrial production all over the country.

The State has been following a policy of supporting cottage and small scale industries by restricting the volume of production in the large sector, by differential taxation, or by direct subsidies. While such measures will continue to be taken wherever necessary, the aim of the State policy will be to ensure that the decentralised sector acquires sufficient vitality to be self-supporting and its development is integrated with that of large scale industry. The State, will therefore, concentrate on measures designed to improve the competitive strength of the small scale producers. For this it is essential that the technique of production should be constantly improved and modernised, the place of transformation being regulated so as to avoid, as far as possible, technological unemployment. Lack of technical and financial assistance, of suitable working accommodation and inadequacy of facilities for repair and maintenance are among the serious handicaps of small scale producers. A start has been made with the establishment of industrial estates and rural community workshops to make good these deficiencies. The extension of rural electrification and the availability of power at prices, which the workers can afford will also be of considerable help. Many of the activities relating to small scale production

will be greatly helped by the organisation of industrial Co-operatives. Such Co-operatives should be encouraged in every way and the state should give constant attention to the development of cottage, village and small scale industries."<sup>5</sup>

The combined model of Nehru and Gandhian Policy of development and structural plan of Nehru - Mahalanobis, continued till the Janata Party came into power in March, 1977.

In view of the failure of the Nehru's policy and plan, the Janata Government announced new industrial policy in December 1977, which is known as Industrial Policy Resolution, 1977. In the Janata Party's election manifesto, in its economic policy statement and in its new industrial policy, it is explicitly and prominently stated that the party is committed to a pattern of production, centred on small producers.<sup>6</sup> The new industrial policy put thus :

"The emphasis of industrial policy so far has been on large industries, neglecting cottage industries completely and relegating small industries to a minor role. It is firm policy of this government to change this approach. The main thrust of the new industrial policy will be on effective promotion of cottage and small industries widely dispersed in rural areas and in small towns. It is the policy of the Government that whatever can be produced by small and cottage industries must only be so produced."<sup>7</sup>

To bring about a change, the new industrial policy statement has suggested the following measures :-

- i. As against 180 items in the list of reservation operating earlier, the Government expanded it further to 807 items by May 1978;
- ii. The focal point of development for small scale and cottage industries will be taken away from big

cities and state capitals to the district headquarters. In each district there will be one agency to deal with all requirements of small and village industries. This will be called the District Industries Centre (DIC). A separate wing of IDBI would exclusively deal with the Credit requirements of small, village and cottage industries; and also co-ordinate, guide and monitor the entire range of credit facilities offered by other institutions to this sector.

iii. The statement proposed to revamp Khadi and Village Industries Commission with a view to enlarge its areas of operation. It also proposed to draw up special programmes to progressively increase the production of footwear and soaps in small sector so that their share in production of these items improved significantly.

The policy intended to give special attention to Khadi. It was hoped the polyester Khadi or Nai-Khadi would improve the productivity and earnings of Khadi spinners and weavers and proposed to amend the Khadi and Village Industries Act to permit the implementation of large scale programme in 'Nai Khadi'.

iv) Special arrangements for the marketing of products of the small sector will be made by providing services such as, product standardisation, quality control, marketing surveys etc;

v. Technical changes will be encouraged in traditional sector, as for instance, the production of 'Nai Khadi';

vi. Special legislation will be introduced to give the recognition and adequate protection to the self-

employed in cottage and household industries.

The Congress (I) Government, meanwhile, announced another industrial policy in July 1980 when it came to power. The Industrial Policy statement also emphasised on the need to promote such a form of industrialisation in the country as can generate economic viability in the villages. Promotion of suitable industries in rural areas will be accelerated to generate higher employment and higher per capita income for the villages in the country without disturbing the ecological balance. Handlooms, handicrafts, Khadi and other village industries will receive greater attention to achieve a faster rate of growth in the villages.<sup>8</sup>

#### 1.5 COTTAGE INDUSTRIES IN FIVE YEARS PLANS :

One of the constant objectives of planned development, beginning with the first five year plan, has been the rapid and widespread development of small industries, including cottage, village and household industries.

In view of the industrial policy of 1948, the first five year plan itself recommended common production programmes to ensure that while large and small units would both make their contributions to the total requirements of the community, the cottage units were enabled to fulfil the target proposed for them. The plan visualised that apart from providing positive assistance to these units through supply of raw-materials, finance assistance, organisation of marketing etc., the furtherance of a common production programme might necessitate one or more of the three main steps :

i. reservation or demarcation of spheres of production (180 goods were reserved for cottage and village and small scale industries).

ii. Non-expansion of capacity of large scale industry; and

iii. imposition of cess on large scale industry.

To implement the Government Policies some machinery were established, e.g. KVIC, Handloom Board, Handicraft Board etc.

In the second plan also, the village and cottage industries were given prominent role. In the Mahalanobis strategy for rapid development of the economy, they were assigned a crucial position. During this plan the KARVE Committee was formed to enquire into the problem of cottage and village industries and the co-operative movement was also started to organise rural artisans.

In the successive plans, upto the 5th, there happened nothing that deserves special mention except the appointment of Hazari and Datta Committee, to examine the weakness of licensing system (I.D.R.A. Act). Following the new industrial policy of 1977, in the draft Sixth Plan, a boost was given to cottage and village industries to generate employment opportunities, to raise the level of earning of rural artisans, handloom weavers, craftsmen and other employed in these industries. About 300 products were reserved for cottage, village and small scale units.

All the village and small industries development agencies were brought under one ministry (INDUSTRY) and a co-ordination committee consisting of the Chairmen of all

these agencies and presided over by the Industry Minister and also a Steering Committee to meet at monthly interval, for a close monitoring of progress, were set up. These committees also included representatives of the Department of Rural Development, Reserve Bank of India, Industrial Development Bank of India and the Department of Social Welfare and Planning Commission. The administrative machinery, namely District Industrial Centres (DIC), at district level, and Rural Marketing and Service Centres (RMC) at block level, were set up.

#### FINANCIAL ASSISTANCE TO COTTAGE AND VILLAGE INDUSTRIES IN THE FIVE YEAR PLANS :

Cottage Industries, do not seem to have suffered on the policy formulation, rather it does seem to have suffered in the relative allocation of outlay and investment in the plans. In this context, it may be instructive to look at the allocation to cottage and village industries from plan to plan since 1951. Table No. T 1.5.1 and T 1.5.2 gives the relevant figures of the public sector outlay. Out of the outlay in public sector, outlay on industry in the first plan (1951-56) was 5%, of which cottage and village industries' share was 1.12%, large scale accounted for 3% and the rest for modern small scale industries. Of the cottage and village industries shares of Rs.21.30 Crores, categorically allocation was, Handicraft - Rs.1.00 Crores, Handloom Rs.11.00 Crores, Khadi and Village Industries - Rs.3.40 Crores, Sericulture - Rs.1.30 Crores and Coir - Rs.0.10 Crore.

With the second plan (1956-61) industry becomes the kingpin of economic growth and from that plan till 1979-80, it retains that position with industry outlays forming 20% of the total plan outlays. However the share of cottage and village industries, continued to be small, forming between 1% to 1.5% of the total plan outlays .

TABLE NO. T 1.5.1

## PLAN OUTLAY ON INDUSTRY, 1951 to 1985

(Rs. Crore)

Plan/Years	Village & Small Industries	Industry & Minerals	2 + 3	Total of All Heads	Percentage of		
					(2) to (5)	(3) to (5)	(4) to (5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. First Plan (1951-56, Actuals)	42	55	97	1,960	2.1	2.8	4.9
2. Second Plan (1956-61, Actuals)	187	938	1,125	4,672	4.0	20.1	24.1
3. Third Plan (1961-66, Actuals)	241	1,726	1,967	8,577	2.8	20.1	22.9
4. Annual Plans (1966-69, Actuals)	126	1,510	1,637	6,625	1.9	22.8	24.7
5. Fourth Plan (1969-74, Actuals)	243	2,864	3,107	15,779	1.5	18.2	19.7
6. Fifth Plan (1974-79, Actuals)	593	8,989	9,581	39,426	1.5	22.8	24.3
7. Annual Plan (1979-80, Actuals)	256	2,384	2,639	12,177	2.1	19.6	21.7
8. Sixth Plan (1980-85, Actuals)	1,945	15,002	16,948	109,292	1.8	13.7	15.5

Sources : For First and Second Plans : Tata Services Limited, Statistical Outline of India 1980, Bombay, Table 182, pp 180-81. For other Plans, Government of India, Ministry of Finance, Economic Division, Economic Survey 1986-87, New Delhi, 1987, Tables, 2.4 to 2.7, pp S-31 to S-34.



TABLE NO. T 1.5.2  
 PLAN EXPENDITURE/OUTLAY ON COTTAGE INDUSTRIES 1951-1985

(in Crores)

	(51-56) 1st	(56-61) 2nd	(61-66) 3rd	(69-74) 4th	(74-78) 5th	(80-85) 6th
1. Handicraft	1.00	4.80	4.51	9.67	14.94	111.0
2. Handloom	11.00	2.97	2643	35.68	80.83	311.0
3. Khadi & Village Industries	8.40	82.40	90.05	111.00	126.38	547.0
4. Sericulture	1.30	3.10	5.30	9.80	19.23	165.0
5. Coir	0.10	2.00	1.84	2.26	5.55	26.7
6. [1 to 5] Total	21.80	95.27	128.13	164.41	246.93	1160.70
7. Total Plan Outlay	1960	4672	8577	15779	39426	97500
8. 6 as a percentage of 7	1.12%	2.03%	1.49%	1.00%	0.62%	1.19%

Source - Plan Documents and Economic Survey.

In the draft sixth plan the share of cottage and village industries was just 1.19% of total plan outlays, of which, allocation for - Handicraft was Rs.111.00 Crores, that for Handloom was Rs.311.00 Crores, for Khadi & Village Industries it was Rs.547.00 Crores, for Sericulture it was Rs.165.00 Crores and for Coir it was not more than Rs.26.7 Crores. The proposed allocation in sixth plan, however small, was greater than that of fifth plan allocation, in which the share of cottage and village industries was just 0.62%.

Thus for the last thirty years, the cottage and village industry has remained a poor cousin of large industry, getting between 1 to 1.5% of the total plan outlays since 1951.

For a more accurate portrayal of investment in cottage industry, one must, however include private investment along with public sector outlay, as the bulk of output and investment in cottage industry sector originates in the private sector. Here, we are handicapped in that the relevant statistics on private sector investment are not easily available. But the statistics on aggregate outlay, available for the second, the third, the fourth and the 1973-33 plan suggest that the relative position of cottage industry was not very different from the one portrayed on the basis of public sector outlays.

#### 1.6 COTTAGE INDUSTRIES IN 20 POINT PROGRAMME :

The 20 point economic programme announced by the Prime Minister, Mrs. Indira Gandhi, has relevance in meeting the essential gaps in accelerating the pace of economic development. This programme basically aimed at promoting rapid economic growth with a definite orientation to raise the living standards of the weaker sections of the

society, which have so far been denied their due share of the benefit of development. The fulfilment of the objectives of the programme can eliminate the shortcomings in the development processes. According to Mrs. Indira Gandhi "the 20 point represent the core of Sixth Plan." The main plank of the 20 point programme is acceleration of rural development.

Viewed in proper perspective, the 20 point economic programme is really significant for the cottage and village industries, in the sense that some of the points are exclusively intended for the development of rural sector and for the benefit of rural people. The point which have direct relevance to cottage and village industries are as follows :

i. Strengthening and expanding the coverage of Integrated Rural Development (I.R.D.) and National Rural Employment Programme (N.R.E.P.)

ii. Liberalisation of investment procedure and streamlining of industrial policies to ensure timely completion of projects, all facilities to handicrafts, handloom, small and village industries to grow and adopt up-to-date technology.

1.7 It seems, therefore, cottage industry promotion has been one of the constant objective of industrial policies and plans. While these objectives seem to enjoy equal status on paper, in practice this sector had suffered from not having high enough priority. The point relating to the cottage industry promotion objective is highlighted by the fact of relatively meagre public sector outlay and total investment on the cottage industry sector in all the Indian Plans.

## 1.8 GOVERNMENT AGENCIES FOR DEVELOPMENT OF COTTAGE INDUSTRY

### 1.8.1 COTTAGE INDUSTRIES BOARD

This board had been established in 1947, keeping in view the government policies regarding cottage and village industries. The objective of this board was to develop cottage industries, like - Handloom, Handicrafts, Khadi & Village Industries, Coir, Sericulture etc. This board had separate wings for separate products, and was a centralised body. This agency came its end, when it was split up to form separate boards for separate wings.

### 1.8.2 KHADI AND VILLAGE INDUSTRIES COMMISSION

At first the Khadi and Village Industries Board was formed in 1952, splitting cottage industries board and in association with All-India Non-Official Institution for Khadi and Village Industries Development set up by Gandhi. It was given the status of a Commission in 1956, passing KVIC Act 1956, keeping in view its importance in the national economy. It is a centralised body, having wings in each state and union territories. By the end of 1981, it had 22 State Boards, 1039 Registered Institutions and 29003 Co-operative Societies under its organisational set up.

The Industries under the purview of KVIC are :

A. KHADI - "Khadi means any cloth woven in the handlooms in India from cotton, silk or woolen yarn hand-spun in India or from a mixture of any two or all of such yarns".

B. VILLAGE INDUSTRIES - Village Industries means

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all or any of the industries specified in the schedule (See Annexure - 1) and includes any other industry deemed to be specified in the schedule.

The Government policies in respect of Khadi and Village Industries are implemented through the State Boards. But in backward districts the Commission directly takes steps to promote these industries. This is only one, of this kind of organisation. The functions of this commission are :-

- i) to organise village artisans;
- ii) to search for local raw materials;
- iii) to develop entrepreneurship;
- iv) to train rural artisans;
- v) to carry on R - D on technology improvement;
- vi) to supply tools and equipment;
- vii) to provide loan and capital;
- viii) to arrange for subsidy etc.;
- ix) to provide employment directly in its workshops;
- x) to search for marketing opportunities, demand analysis, product improvement, quality control, new product development etc.

Considering the limited fund at its disposal, its achievement during the last 30 years, however small, is significant. By the end of 1981, it has 76 training centres, scattered all over the country. It has provided employment to 30.16 lakhs persons and its total production amounted to Rs.558.09 crores.

### 1.8.3 HANDLOOM BOARD

It was a separate wing of cottage industries Board. It came into existence in 1952. The objective of

this Board is to develop handloom all over the country. It has wings in different states and union territories. Among others, its main function consists of procurement of yarn and distribution, marketing of finished product, new product development and product improvement, export, arrangement and disbursement of subsidy, carrying on R - D for improved design and technology, training of artisans etc.

#### 1.8.4 COIR BOARD :

Like handloom board, Coir Board is also a centralised body having wings in different states. It is supposed to help the artisans who belong to this industry. It also carries on activities on new product development, technological development, market research etc. It came into existence in similar fashion as that of handloom board.

#### 1.8.5 SILK BOARD :

It is also a centralised body which came into existence and worked in similar fashion as the others, for the extension and development of Sericulture.

#### 1.8.6 SMALL SCALE INDUSTRIES BOARD (S.S.I.B.)

It is an organisation set up for development of modern cottage industries and ancilliary industries. It is supposed to cover those industries, that are not covered by the agencies stated above. It came into existence in 1954.

#### 1.8.7 DISTRICT INDUSTRIES CENTRES ( DIC)

In view of Industrial Policy of 1977, it is a district level centralised body set up for development of cottage, village and small scale industries. The servi-

ces provided by the DICs are - economic investigation of raw materials available; arrangement for credit facilities; entrepreneurship development; training of village artisans; exhibition of cottage products; marketing facilities etc. These centres have no production unit of their own. The main objective of DICs is to provide, different types of assistance, that are needed, under a single roof. In the two years 1978-79 and 1979-80, steps were taken to set up 300 DICs all over the country.

#### 1.8.9 RURAL MARKETING AND SERVICE CENTRES (RMC)

Like DICs, it is also an outcome of industrial policy of 1977. It is a block level organisation. Each RMC is to keep a card for every village artisan in the block and provide services such as input, credit, marketing, improved tools and techniques etc. It is intensive approach to reach the million of artisans scattered all over the country in the remote village areas. In the two years 1978-79 and 1979-80, steps were taken to set up 200 RMC all over the country.

Besides the agencies discussed above, the government proposed to set up ADAPT ( Agency for Development of Appropriate Technology) a high powered agency to cope with technological changes.

#### 1.9 SCHEMES OF GOVERNMENT FOR PROMOTION OF COTTAGE INDUSTRY

To implement the policies relating to cottage and village industries, the government has also undertaken different schemes in various plans to boost the development process of cottage, village and small scale industries.

In short, these schemes are :

- i. Common Production Programme (1st five year plan);
- ii. Co-operative movement (to organise rural artisans - 2nd Plan);
- iii. Interest subsidy scheme;
- iv. Credit Guarantee Scheme;
- v. Area Development (through Integrated Rural Development - 1978);
- vi. Pilot Project Scheme;
- vii. Self-Employment Scheme (jointly by RBI, IDBI and Nationalised Banks. Under this scheme a loan upto Rs.25,000/= per artisans is provided - December 1978);
- viii. Credit Subsidy Scheme.

1.10 West Dinajpur is a backward district. It came into existence because of partition of Bengal in August 1947. Naturally it has to accommodate a huge number of people who came over from East Bengal, presently Bangladesh. West Dinajpur is mostly an agricultural district. After agriculture, cottage industries stand next as a means of livelihood for a large number of people. Among the cottage industries, handloom industry occupies the key position in the economy of West Dinajpur. The district does not possess any heavy industry. As there is no immediate prospect of the growth of large scale industries, the development of cottage industries is the only way for growth in this district, to keep pace with expansion in the other parts of the country.



### 1.11 THE OBJECTIVE OF THE STUDY

The objective of the present thesis is to study the problems faced by the artisans and workers engaged in cottage industries; besides, it examines the relevance of this industry to the economy of West Dinajpur. In this paper, attempt has been made to highlight the economic structure of West Dinajpur, the areas of weakness and scope for expansion and development. We have studied the problems of cottage industry, the constraints to its growth and economic viability of the same. In view of Government policies and plans, we have also studied the type and amount of attention this district has received from the different agencies to support its economic base. An attempt has been made for a comprehensive and integrated study of the cotton handloom industry, in view of the role it has always played in the economy of West Dinajpur.

At present planners are talking in terms of decentralised planning or in other words district level planning. For decentralised planning, an understanding of problems and sectional view of the structure of the economy of the concerned area are necessary. We have attempted in this thesis to do this.

### 1.12 REVIEW OF LITERATURE

Unfortunately, there has not been much literature available on the cottage industry in West Dinajpur. Dr. Frances Buchannan Hamilton in his book, 'An account of the district of Dinajpur (1908) has touched on the ancient history of the industry. He has discussed the economic and social aspect of Dinajpur along the agriculture and industrial pattern. He pointed out the

problems of cotton procurement of Dinajpur weavers and how yarn had to be imported from as far away a place as Benaras. Some idea of cottage and cotton handloom industry of Dinajpur and adjoining districts are also available from the book "The Economic History of Bengal" by N. K. Singha (Calcutta 1962). He discussed, the plight of the handloom industry of Bengal and the importance of this industry in the economy of Bengal. Another book "Social and Rural Economy of Northern India" by A. N. Bose (Calcutta 1967) has also narrated the importance of cottage industries in the rural economy of this region. Some other books, namely, "Cottage Industries of Bengal" by J. K. Mazumder (1927), "Banglar Itihas" by K. Bando-padhyay have also described the role of cottage industry of rural Bengal. Lastly, the Eastern Bengal District Gazetteers by F. W. Strong (1927) and West Dinajpur District Gazetteer by J. C. Sengupta (1975) have discussed some of the related problems. It is needless to mention that no integrated study has yet been made on the cottage industries of West Dinajpur. The present study makes an attempt, within its limited scope, to meet such a need.

### 1.13 CLARIFICATION OF SOME CONCEPTS

It is necessary to clarify some of the concepts used in the present study, such as "household" and "household industry". The concepts have been defined and explained mainly on the basis of the guidelines laid down by the Census Report of 1971.

**Household :** A household is a group of person who commonly live together and would take their meals from a common kitchen unless exigencies prevented any of them from doing so. The persons are related to each other, and

they dwell in houses but not on the road side, pavement or temple, 'mandaps' and the like.<sup>9</sup>

Household Industry : A household industry is one in which an industrial unit is run by the head of the household and/or mainly by the members of the household. The Industrial Unit should be located at home or within the village in rural areas, and in urban areas within the premises of the house in which the household members live. Further, the unit does not run as a registered factory.<sup>10</sup>

#### 1.14 METHODOLOGY

The present study is an empirical one. The time period taken into consideration is from 1951 to 1981, i.e. a span of 30 years. The study is based on two types of data, viz., primary and secondary. The secondary information have been collected from different sources, both published and unpublished. The sources of secondary information were Directorate of Cottage and Handloom Industry, West Bengal; District Handloom Development Centre, West Dinajpur; District Industries Centre, West Dinajpur, District Statistics Centre, West Dinajpur; Handloom and Powerloom Development Corporation, West Bengal; West Bengal State Weavers Co-operative Society; Census Reports, Government of India and other published sources. Because of inadequate data, both in terms of quality and quantity, for integrated and comprehensive study, the need for a field survey aiming at collecting first hand information about the industry was felt. Its objective was to understand the operative condition of the industry and of the artisans. In view of the above objectives, it was felt necessary to conduct an independent field survey in order to collect a set of relevant data in the required form, suitable for the present study. A number of hypothesis are developed for experiment. Statistical tools, viz. Rank Co-relation, multiple & partial correlation & regression, chi-square test, 'F' test,

'T' test, analysis of variance etc. are used to test the alternative hypothesis and to explain the relation in between the variables whenever necessary.

#### 1.15 THE SURVEY DESIGN

The survey was conducted in two phase. In the first phase 2108 households were surveyed throughout the district. These 2108 household were selected at random, through questionnaire, prepared in the language understandable to them. The prime objective of this survey was to acquire information about the socio-economic status of the artisans engaged in cottage industries. The distribution of the household by industry group is given in annexure 2 and questionnaire used for this purpose is given in annexure 3. Annexure 2 also exhibits the major cluster of industries areawise.

In the second phase 60 sample household units were taken at random, all belong to cotton handloom industry in the district, for in-depth study. These 60 units were studied from different angles. This part constitutes the core of our present research project. Besides this sample survey, a few number of co-operative production unit and representative number of consumers were also investigated and surveyed. The study also includes a few cases studies.

It was inevitable to restrict the field survey to a manageable number, on account of practical considerations, such as, time and resource constraints, the unorganised nature of the industry, the wide

dispersion, artisan's reluctance to give information and also the absence of their account keeping habit and so on.

#### 1.16 THE INTERVIEW SCHEDULE

An interview schedule (vide Annexure-5) was used as an instrument for the collection of information during the field survey. The form of questions used were both closed and open ended. The schedule was framed with the objective of collecting quantitative data as well as securing information of a qualitative nature. Above all, it was designed keeping in mind the samples of the interviewees.

#### 1.17 INFORMAL INTERVIEWS AND OBSERVATION

Informal conversation and observation method was also used in addition to the interview schedule, to collect the requisite data from the primary sources. The field survey provided an opportunity to come in close contact with the artisans in the clusters visited. Thus their socio-economic behaviour, custom, tradition and normal working which greatly influence their activity, directly or indirectly, could be observed from close quarter. Apart from the artisans, important persons in the industry from the locality, government officials were contacted, and their matters relating to the industry were discussed. Information obtained through such informal interviews has been dovetailed properly in the study.

#### 1.18 LIMITATION OF STUDY

Apart from the inadequacy of co-ordinated information, there is a communication gap sometimes in between interviewer and interviewees. Since no records

are maintained by the household units, the information supplied by them are mostly from their memories, which does not seem to be fully correct. The most important limitation is the measurement of non-parametric variables. The scale used in this context is in most cases standard scale. However where standard scale was not available, most appropriate one was developed to explain statistical relation with maximum accuracy.

#### 1.19 PLAN OF STUDY

The study is carried on in two parts viz. Part 'A' and Part 'B'. Part 'A' is designed to have a total knowledge of the district of West Dinajpur and to study cottage industry at micro level. While part 'B' is designed for study of specific problems of the industry. Here we have studied cotton handloom industry in West Dinajpur. This industry is selected because of its size and role played in the economy of West Dinajpur.

#### 1.20 CHAPTER SCHEME

The total study compiled into 12 chapters, of which six belong to Part 'A', five belong to part 'B' and the rest is conclusion. The Chapters are as follows :

##### PART 'A' - GENERAL ECONOMIC STUDY OF WEST DINAJPUR :

CHAPTER - 1 INTRODUCTION

CHAPTER - 2 DEMOGRAPHY & AGRARIAN CHARACTERISTIC OF WEST DINAJPUR

This Chapter includes :-

- \* General characteristics of backward region.
- \* Nature of population growth.
- \* Characteristics of population.
- \* Impact of partition.
- \* Occupational structure.
- \* Nature of agrarian economy.

The objective of this chapter is to highlight the economic structure and sectoral relation of the district.

### CHAPTER - 3 COTTAGE & OTHER ORGANISED INDUSTRIES OF WEST DINAJPUR

This chapter includes :-

- \* The role of cottage industry in an economy.
- \* Description of cottage industry of West Dinajpur
- \* Composition of small and large scale industry of West Dinajpur.

The objective of this chapter is to give an account of cottage industry of the district.

### CHAPTER - 4 GROWTH OF COTTAGE INDUSTRIES IN WEST DINAJPUR - A DESCRIPTIVE ANALYSIS

This chapter includes :-

- \* Growth of cottage industry in the district.
- \* Sectoral growth.
- \* Ownership pattern.
- \* Wage pattern.
- \* Capital output ratio.

The objective of this chapter is to measure the dynamic characteristics of cottage industry of the district.

### CHAPTER - 5 THE SOCIO-ECONOMIC CHARACTERISTICS OF ARTISANS

This chapter includes :-

- \* The general condition of artisans.

- \* Rural background of artisans.
- \* Ancilliary and subsidiary occupation of artisans.

This chapter aimed to expose of the living condition of the artisans, their miserable situation and their socio-economic status.

#### CHAPTER - 6 THE ROLE OF GOVERNMENT AND OTHER AGENCIES FOR THE DEVELOPMENT OF COTTAGE INDUSTRIES

This chapter includes the role of different agencies and steps taken by government to promote cottage industries of the district.

#### PART 'B' - STUDY OF THE PROBLEMS OF COTTON HANDLOOM INDUSTRY OF WEST DINAJPUR :

#### CHAPTER - 7 THE STUDY OF THE PROBLEMS OF ENTREPRENEURSHIP :

This chapter includes the study of the problems of entrepreneurship of representative number of sample. It includes the study of household sector and co-operative sector, besides few cases studies.

#### CHAPTER - 8 THE STUDY OF THE PROBLEMS OF INPUT AND TECHNOLOGY

This chapter deals with inputs and technology of handloom product, cost structure, product mix, and product design, production trend and constraints of input and technology, for understanding the problems of one of the factors of production, i.e. raw materials.



## CHAPTER - 9 THE STUDY OF THE PROBLEMS OF FINANCE

Finance is one of the main constraints to the growth of an industry. This chapter deals with the financial need of weavers; its nature and pattern; sources of supply; demand and supply gap and also the steps taken by the government and the bank through different policies and programmes to meet the financial need of small entrepreneurs.

## CHAPTER - 10 THE STUDY OF THE PROBLEMS OF MARKETING

Cottage industrial sector faces difficulties in a world of mechanised production system. Its production cost is high in comparison to production cost of the organised sector. This chapter deals with the problems facing by Dinajpur Weavers in marketing their product, their marketing technique, magnitude of competition, product fault from marketing point of view, besides sale composition and trend analysis.

## CHAPTER - 11 THE ROLE OF TRADE UNION IN THE UNORGANISED SECTOR - A CASE STUDY OF WEST DINAJPUR

This chapter deals with the nature of Trade Union movement in this nearly unorganised sector.

## CHAPTER - 12 SUMMARY AND CONCLUSIONS.

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## CHAPTER - 2

DEMOGRAPHY & AGRARIAN CHARACTERISTICS  
OF WEST DINAJPUR

## Contents :

- \* General Characteristics of backward region.
- \* Identification of backward districts in industrially backward States and Union Territories.
- \* Introduction to West Dinajpur.
- \* Population and its growth.
- \* Sex ratio.
- \* Age composition.
- \* Density.
- \* Urbanisation.
- \* Literacy.
- \* Religion.
- \* Backward Class - Scheduled Caste and Scheduled Tribes.
- \* Impact of Partition.
- \* Labour Participation ratio.
- \* Occupational Structure.
- \* Change in Sectoral distribution of workers.
- \* Nature of agrarian economy.
- \* Topography.
- \* Introduction to economy.
- \* Land utilization.

## Contents :

- \* Vertical Utilization of Land.
- \* Irrigation.
- \* Use of agriculture equipments.
- \* Use of fertilizer.
- \* Joint farming.
- \* Problems of Land.
- \* Land holdings.
- \* Size of farm & fragmentation of land.
- \* Employment of Bargadar.
- \* Vested land and its distribution.
- \* Land re-claimed.
- \* Land position.
- \* Agricultural unemployment.
- \* Major crops and area under cultivation.
- \* Yield.
- \* Summary.
- \* Table showing distribution of population ('51-'81)
- \* Table showing growth of population.
- \* Table showing Sex ratio.
- \* Table showing distribution of population by age group.
- \* Table showing employment of Bargadar.
- \* Table showing density of population.
- \* Table showing percentage of Urban population.
- \* Table showing rate of literacy.

## Contents :

- \* Table showing distribution of Scheduled Caste & Tribes.
- \* Table showing occupational pattern.
- \* Table showing workers participation.
- \* Table showing change in occupational structure.
- \* Table showing use of land.
- \* Table showing Irrigation position.
- \* Table showing use of agricultural equipments.
- \* Table showing use of chemical fertilizer.
- \* Table showing land under main crops & yield.
- \* Table showing production of principal crops.

### 2.1.1 GENERAL CHARACTERISTICS OF BACKWARD REGION

Backward areas are deficient of industrial infrastructure and establishment. In backward areas the individuals are trapped in what has been termed "absolute poverty". They are caught up in a malaise of malnutrition, illiteracy, disease, underemployment, unemployment and low life-expectancy. They, in fact, are condemned to exist beneath any rational definition of 'fair standard' of living.

Backwardness may be of many types. What we are talking about here is economic backwardness — both industrial and agricultural. Again backwardness is a relative term. The magnitude of backwardness is measured within a few sets of attributes.

The "absolute poor" in the world number about 1200 million individuals. They constitute as much as 40% of the entire population in most developing societies. Unless specific efforts are made to help them release their own productive potentials, no degree of traditional welfare, designs or redistribution of inadequate national wealth can fundamentally alter the circumstances that impoverished them. Unless they are engaged in a suitable industry, they can neither contribute to their country's economic progress nor can they share equitably in its benefits. They stand largely outside, isolated and untouched by the entire developing process. In the light of every reasonable human value they need not and should not be continued to live in such wretched condition. Absolute poverty can be substantially reduced through industrialisation. Given the requisite resources and the sustained efforts it can even finally be eliminated. It follows from this that the main thrust of Government policies and planning in the years to come should harmonize with the

growth and development and improvement of the quality of life for those who live in backward rural sector.

#### 2.1.2 IDENTIFICATION OF BACKWARD DISTRICTS IN INDUSTRIALLY BACKWARD STATES AND UNION TERRITORIES.

The first attempt to determine backwardness of an area was made by the Committee on Dispersal of Industries which was set up following the decision taken at the meeting of Small Scale Industries Board held in April 1960.<sup>1</sup> The Committee recommended two criteria viz. (i) Poverty of the people as indicated by low per capita income and per capita consumption (ii) High density of population relative to development of productive resources and employment opportunities, for determining the backwardness. Then the whole question of backward areas was reviewed by the National Development Council in 1968. Lastly, under the Chairmanship of Shri B. D. Pande, the then Secretary, Planning Commission, Pande's Working Group was set up for identification of backward districts and states. This Working Group laid down the criteria as follows :-

- \* Districts outside 50 miles from large cities or large industrial project.
- \* Poverty of the people indicated by low per capita income starting from the lowest to 25% below the state average.
- \* High density of population in relation to the utilization of productive resources and employment opportunities as indicated by : (a) Low percentage of population engaged in secondary and tertiary sector (25% below the state average) may be considered as backward. (b) Low percen-

tage of factory employment (25% below state average) (c) Non or under utilisation of economic and natural resources.

- \* Adequate availability of electric power or likelihood of its availability within 1-2 years.
- \* Availability of transport and communication facilities or likelihood of their availability within 1-2 years.
- \* Adequate availability of water of likelihood of availability during 1-2 years.

#### 2.2.1 INTRODUCTION TO WEST DINAJPUR - A BACKWARD DISTRICT

The District of West Dinajpur is a product of partition of Bengal in August, 1947. But since then the district has undergone several significant changes in its geographical appearance. It has expanded in area and reorganised in administrative structure. After the partition, the district was formed with that portion of the old Dinajpur district of undivided Bengal which fell to the western side of the International Boundary.<sup>2</sup>

District West Dinajpur has taken its present shape in 1956 when a portion of Bihar was transferred to Bengal (under Transfer of Territories Act 1956)<sup>3</sup> and included in this district. The district is divided into three Subdivision viz. Balurghat (Sadar), Raiganj and Islampur, which are further divided into sixteen Police Stations (C.D. Block); 157 Gram Panchayets and 3133 Mouzas (Annexure - 4)<sup>4</sup>



The district lies between the parallels  $25^{\circ}10'55''$  and  $26^{\circ}35'15''$  north latitude and  $87^{\circ}48'37''$  and  $89^{\circ}0'20''$  east longitude. The length of the district is 153 miles i.e. from Chopra (north) to Hili (south east) and the highest and lowest breadth are 50 and 8 miles respectively. According to Census report the total area of the district is 2061.9 (5206 Sq. Km.) Square mile, which is 6.03 percent of the area of the State of West Bengal.

The district is bounded on the north east by the district of Darjeeling and the Rongpur district of Bangladesh, on the south and south-east by the Rajsahi and Bogra districts of Bangladesh, on the south-west by the district of Malda and on the west by the Purnea district of Bihar (India).

#### 2.2.2 POPULATION AND ITS GROWTH

The distribution of population in the district over four successive census has been given in Table No. T 2.2.1, P.S. and Rural-Urban wise.

The district had a population 24, 02, 763 in 1981 and ranked ninth among all the districts in terms of population. The decadal growth for 71-81 was 29.19%. The statement (T 2.2.2) reveals that West Dinajpur has a steady and gentle growth of population. The decade 1941-51 witnessed a big increase in the population of the district inspite of the great famine of 1941. This was due to the large migration into the district during partition. The stream of immigrants from across the borders in the early sixties and again during the Bangladesh turmoil on the eve of 1971, has swelled the population of the district enormously during the decades.

TABLE NO. T 2.2.1  
DISTRIBUTION OF POPULATION (1951 TO 1981) IN WEST DINAJPUR DISTRICT - P.S. WISE

Name of P.S.	1 9 5 1			1 9 6 1			1 9 7 1			1 9 8 1		
	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban
Hili	38787	30441	8346	37145	31213	6032	43565	37469	6096	50115	44054	6061
Balurghat	101471	83350	18121	120848	93849	26999	189138	122050	67088	257554	145023	112531
Kumarganj	55905	55905	-	68998	68998	-	86217	86217	-	104635	104635	-
Gangarampur	61307	61307	-	86506	76835	9671	115867	101058	14807	153347	130580	22767
Tapar	70644	70644	-	89851	89851	-	121564	121564	-	147570	147570	-
Raiganj	101870	86397	15473	150072	117782	32290	208274	165083	43191	270357	204669	65688
Kaliyaganj	67366	67366	-	93911	79433	14478	122407	101238	21169	153608	126852	26756
Hemtabad	34680	34680	-	46769	46769	-	62000	62000	-	76896	76896	-
Itahar	80953	80953	-	104709	104709	-	142855	142855	-	182184	182184	-
Kushmandi	56314	56314	-	73448	73448	-	95165	95165	-	120077	120077	-
Islampur <sup>1*</sup>	57317	57317	-	87942	78443	9499	133949	118234	15715	173794	147442	26352
Karandighi	47165	47165	-	75191	75191	-	122232	116610	5622	169304	161902	7402
Chopra	52858	52858	-	68868	68868	-	101570	101570	-	126434	126434	-
Goalpokhar	98969	98969	-	63118	63118	-	116653	116653	-	171103	171103	-
Chakolia <sup>2*</sup>	-	-	-	-	-	-	97210	97210	-	114367	114367	-
*Bangshihari	51276	51276	-	72414	72414	-	101221	101221	-	131418	131418	-
West Dinajpur	976882	934942	41940	1323997	1224828	98696	1859887	1686197	173690	2402763	2135206	267557

1\* Attached to West Dinajpur in 1956, cutting from Benar.

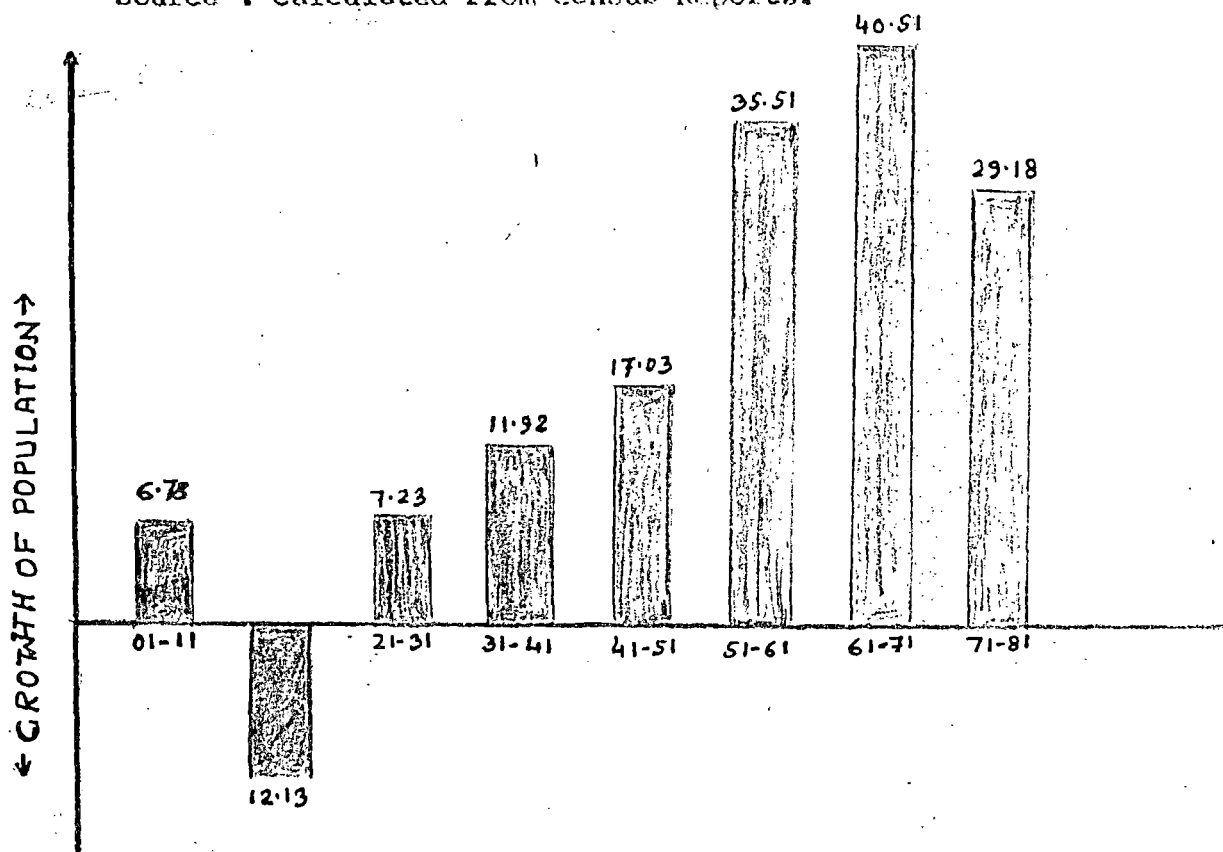
2\* Created in 1964, breaking Goalpokhar

Source - Census Reports of 1951, 1961, 1971 and 1981

TABLE NO. T2.2.2  
GROWTH OF POPULATION DURING THE CENTURY IN WEST DINAJPUR

Year	Population	Decade Variation	Percentage of Variation	Major Reasons
1901	741284	-		
1911	791512	+50228	+6.78	
1921	695536	-95976	-12.13	Great epidemics
1931	745821	+50285	+7.23	
1941	834724	+88905	+11.92	Migration Famine
1951	976882	+142156	+17.03	Migration
1961	1323797	+346915	+35.51	Migration
1971	1859887	+536090	40.51	Migration
1981	2402763	+542876	29.18	

Source : Calculated from Census Reports.



### 2.2.3 SEX RATIO

Out of the total population of 1981 in West Dinajpur 12,40,353 were males and 11,62,410 were females. The sex ratio therefore comes to 937, which is appreciably higher than the ratio of 911 in the State. The sex ratio has moved in the district in an irregular manner over the decades since 1901. (*Sex ratio = Females per 1000 males*).

A substantial reduction in child, and maternal mortality since the late forties is one of the factors making for the upward movement of the sex ratio as observed in the State. In spite of the immigrants from East Pakistan and neighbouring State, the Sex ratio has obviously been favourable in the State as a whole and also in districts like West Dinajpur, which received a large number of migrant families (Table No. 2.2.3).

### 2.2.4 AGE COMPOSITION

Along with a gently rising Sex ratio, the age composition of the population is also undergoing a slow change in the district. West Dinajpur has a larger proportion of children and infants in the total population than the average of the State. The proportion of the old people (age 60+) is on the other hand, slightly higher in the State than in the district. The high proportion of the young is a natural corollary of the continuous and steep rise in the population, which the district has witnessed during the last 3 decades. The population of the working age 15 to 59, consequently has to bear a heavier burden of dependency in the district as compared to the State, which indicates a greater constraint on the economic development of the region (Table No. T 2.2.4).

### 2.2.5 DENSITY

West Dinajpur is one of the relatively thinly popu-

TABLE NO. T2.2.3  
SEX RATIO (Female per 1000 males)

	1951	1961	1971	1981
West Dinajpur	884	906	913	937
West Bengal	865	878	898	911

Source : Census of India

TABLE NO. T2.2.4  
DISTRIBUTION OF POPULATION BY AGE GROUP

	Age 0-14	Age 15-29	Age 30-39	Age 40-59	Age 50-59	Age 60+
West Bengal	42.89	24.39	12.59	9.05	5.57	5.30
West Dinajpur	46.35	22.54	12.38	8.62	3.38	4.72

Percentage in terms of total Population

Source : Census Report.

TABLE NO. T2.2.5  
DENSITY PER SQ. KM. : WEST BENGAL & WEST DINAJPUR

Year	West Bengal	West Dinajpur
1951	296	187
1961	393	254
1971	504	357
1981	614	449

Source : Census of India

lated areas of the State. The density of population of this district was 449 per square Km. in 1981 as against 614 per square Km. in the whole of West Bengal. Being a function of population, density is moving upward quite rapidly in the district, with the steep rise in population from decade to decade (Table No. T 2.2.5).

#### 2.2.6 URBANISATION

West Dinajpur is overwhelmingly a rural district. In 1981 the district had a rural population of 21, 35, 206 out of total population 24, 02, 763 i.e. 89 percent. If urbanisation is an indicator of development, then, with a tenth of its population in the urban areas, West Dinajpur may be regarded as a typical example of an underdeveloped area. Not only the degree of urbanisation is low in the district, the progress of urbanisation was also very slow (Table No. T 2.2.6).

#### 2.2.7 LITERACY

West Dinajpur is one of the most backward of all districts from the point of view of literacy and education. The overall rate of literacy was just 50% of that of the State in 1951 (24.42% of the State West Bengal and 12.77% of West Dinajpur). However during 30 years it has improved to 26.92 percent as against 40.88 percent of the State. The low rate of literacy and non-availability of educational facility is one of the major constraints to economic development. The qualitative aspect of education is not satisfactory either. The increase in the rate of literacy is not only due to establishment of more institutions, but due to success of Adult education Programme in the remote village areas. There is dearth of vocational training centres. The district possesses only two vocational schools, namely, Industrial Training Centre and Junior

TABLE NO. T2.2.6  
 URBAN POPULATION : WEST BENGAL & WEST DINAJPUR  
 (Percentage of Total Population)

Year	West Bengal	West Dinajpur
1951	23.88	4.29
1961	24.45	7.45
1971	24.75	9.33
1981	26.49	11.13

Source : Census of India.

TABLE NO. T2.2.7

LITERACY AMONG POPULATION : WEST BENGAL & WEST DINAJPUR (Percentage in terms of Total Population)

Year	West Bengal		West Dinajpur			Total No. of Institutions		Vocational Institutions		Training Centre		
	Total	Male	Female	Total	Male	Female	Pr.	MP + HS	No.	Std	No.	St per session
1951	24.42	34.14	12.74	12.82	19.92	3.58	504	54	-	-	-	-
1961	29.28	40.08	16.98	17.06	25.96	7.24	1136	125	6	78	2	90
1971	33.20	42.81	22.42	22.12	31.09	12.37	1998	182	5	NA	2	NA
1981	40.88	50.49	30.33	26.92	36.13	17.08	2509	255	5	NA	2	NA

- Source - 1. Census Report of 1951, 1961, 1971 & 1981. 2. Education Directorate, Govt. of West Bengal
1. Training Centre includes : Basic Training and Junior Basic.
  4. Vocational includes : Industrial Training Centre : Junior I.T.I. : Dhokra Training Centre and others, Handloom & Sericulture Training Centre.
  5. Not included 784 Adult Education Centres and : Deaf and Dumb School.

Industrial Training Centre. Non-availability of vocational training is one of the major reasons for slow growth of entrepreneurship among the people. This district needs effort to develop vocational quality and entrepreneurship among people (Table No. T 2.2.7).

#### 2.2.8 RELIGION

Hindu and Muslim are the two major religions in the district. The Hindus are the majority community and account for 63.07 percent of the population. The Muslims constitute 35.89 percent. The Christians are small in number comprising about 0.95% of the population.

#### 2.3.1 BACKWARD CLASS — SCHEDULED CASTE AND SCHEDULED TRIBES

No account of the population will be complete without a discussion on scheduled castes and scheduled tribes of the area. The scheduled castes and scheduled tribes being almost synonymous with backwardness. The proportion of these communities to total population are often an indicator of the backwardness of the area. In our society, caste pattern is the other name of occupational pattern. The people, who are engaged in manual work and less value added work (though value is a relative quantity) fall within the category of "lower caste". So a study of cottage industry remains vague without the study of scheduled caste and scheduled tribes.

In Dinajpur district scheduled caste and scheduled tribes taken together constitute 35% of total population i.e. more than one-third. It is a compact area of concentration of scheduled caste and tribe. The distribution of this class given in Table No. T 2.3.1 (Blockwise) shows



TABLE NO. T2.3.1  
 DISTRIBUTION OF Schedule Caste and Scheduled Tribes  
 P.S. Wise.

Police Station	SC % of Total population	ST % of Total population
West Dinajpur	23.10	11.90
Hili	19.75	20.10
Balurghat	17.89	18.91
Kumarganj	24.41	21.11
Gangarampur	21.62	17.40
Tapan	28.06	25.75
Raiganj	32.29	6.79
Yaliyaganj	51.50	4.45
Hemtabad	38.50	6.59
Itahar	26.64	9.99
Kushmandi	45.34	9.38
Banshihari	22.14	22.60
Islampur	10.76	2.77
Karandighi	6.57	5.73
Chopra	9.59	11.34
Goalpokhur	4.74	5.85
Chakolia	12.62	7.38

Source - 1981 Census Report.

that the two-third of the blocks viz. Hili, Balurghat, Kumarganj, Gangarampur, Tapan, Kushmandi, Raiganj, Hemtabad, Itahar, Banshihari and Kaliyaganj have scheduled castes and scheduled tribes more than 50% of the total population at an average.

Of the total population belonging to the scheduled castes Rajbanshis and Poliyas account for 33.46 and 24.13 percent respectively. The other castes are Bagdi (8.12), Namasudra (3.73), Bhuimali (2.39), Doai (3.63), Gonrhi (2.96) Polia-Kaibarta (1.64), Hari (2.77), Chamar (2.12), Nuniya (1.07), Dosadh (1.19) and Dhoba (0.20). Santhals constitute 60% of total tribes population. The others are Karmali, Korwa, Lohar, Parhoiya and Savar.<sup>5</sup>

#### 2.4.1 IMPACT OF PARTITION

West Dinajpur is one of the districts that were affected seriously by the partition. It was affected in two ways. First, the most fertile portion of the total agricultural land area of this district has gone to East Pakistan (presently Bangladesh) and secondly, a huge number of refugees came to this district leaving East Pakistan. It is one of the major recipients of migrated people in West Bengal from East Pakistan. The migration started from partition and is continuing still now. This immigration was further boosted by the turmoils in East Pakistan on the eve of 1971. According to 1951 Census 1, 15, 510 persons reported migrated from East Pakistan which is 16 percent of the then total population. This immigration amounted to 1, 72, 237 in 1961, 1, 97, 266 in 1971 and 2, 56, 023 in 1981, which are 13 percent, 10% and 11% of the total population respectively.<sup>6</sup> The influx of the

huge amount of displaced persons caused serious dislocation to the economy of West Dinajpur.

The study of last residence of immigrated people is very much important from the point of view of economic study since these people mostly adopt the same occupation as they had before. Thus, immigration does not affect all forms of occupation symmetrically. For example, if a person was in a village and migrated to another place, he might either join as agricultural labour or may start any cottage industry, thus, affecting agriculture and cottage industry. Though no specific study has been made in this respect, by studying a moderate number of samples we came to know that most of the immigrated people of West Dinajpur had come from the villages of Pabna, Jessore, Khulna, Dinajpur, Rongpur and Rajshahi districts of East Pakistan. These districts were once famous for cottage industry, specifically for handloom products. Thus it follows that partition on the one hand overcrowded the district, and on the other, caused in structural imbalance.

#### 2.5.1 LIVELIHOOD : LABOUR PARTICIPATION RATIO

Labour-participation-ratio is the ratio of workers to total population. This ratio is very much significant for study of employment or productive capacity of an area. This ratio indicates, how many people are engaged in production and how many people are sharing their (workers) yield. The higher participation-ratio indicates the economic well being of an area and vice-versa. The trend of participation is also an indicator of economic developmental effort. The participation ratio acts in two ways :-

- \* it acts as an indicator of poverty or backwardness and
- \* it acts as an indicator of economic growth.

TABLE NO. T2.5.1  
 WORKERS PARTICIPATION RATION ; PERCENTAGE OF WORKERS  
 & NON-WORKERS TO TOTAL POPULATION

Year	India		West Bengal		West Dinajpur	
	Workers	Non-workers	Workers	Non-Workers	Workers	Non-Workers
1951	40.31	59.69	27.68	72.32	26.26	73.74
1961	42.97	57.03	33.10	66.90	32.71	67.29
1971	34.17	65.83	28.09	71.91	27.97	72.03
1981	37.55	62.45	30.98	69.02	32.05	67.95

Source: Census Reports

The participation ratios of West Dinajpur were much lower in comparison to that of the State (West Bengal) and the Country (India) as a whole (Table No. T 255.1). It shows a higher degree of poverty (or backwardness) against the average condition in the State and Country as a whole. This ratio was 32.71% in 1961 against 33.10% of the State and 42.97% in the country. This ratio came down to 32.05% in 1981. But in comparison to State, it is a bit higher (State 30.98). This reflects the general economic condition of the State and economic stagnation in the district.

Non-workers are those who are dependent upon workers. This includes students, infants, retired persons, employment seeking persons etc. The portion of non-workers of the age group of 15 to 59 indicates the presence of unemployment problem. In West Dinajpur it is 35 to 40 percent of the total non-workers.<sup>7</sup>

#### 2.5.2 LIVELIHOOD : OCCUPATIONAL STRUCTURE

Occupational pattern shows distribution of workers in different occupations. The tracing of workers, industry-wise, helps in understanding the nature of the economy. The study of occupational pattern is also essential for future planning of development. It assists in identification of neglected sectors, areas having employment potential and so on.

The economy of West Dinajpur is predominantly agricultural. The percentage of workers engaged in agriculture through the decades were 63.95, 84.74, 85.35 and 81.37% of total workers in 1951, 1961, 1971 and 1981 respectively (T 2.5.2)

TABLE NO. T2.5.2

## OCCUPATIONAL PATTERN : Sectoral Distribution of Workers.

	I	II	III	IV	V		VI	VII	VIII	IX
ar	Culti- vators	Agricultural labours	Live Stock & Forestry	Mining & Quarry	Manufacturing House- hold	Other than House- hold	Construc- tion	Trade & Commerce	Transport & Communica- tion	Other Services
51	28.06	35.89	Neg	Neg	4.44	NA	NA	4.73	Neg	10.23
51	63.63	21.11	.50	Neg	2.25	1.55	0.47	4.13	0.66	5.65
71	57.04	28.31	.60	Neg	1.34	1.71	0.25	3.71	1.14	5.93
51	47.17	34.25	1.05	Neg	2.08	2.27	0.031	6.19	1.09	5.85

o : Calculated from Census report.      o : Percentage of Total Workers

\* The District has no Mining & Quarry.

For the State as a whole the proportion of cultivators and agricultural labourers were much lower, being 30.64 and 24.82 percent in 1981 respectively. Excessive dependence on agriculture is an indicator of :

- \* backwardness of the district and;
- \* low development in the industrial sector.

According to Table No. T 2.5.2 Primary Sector<sup>8</sup> employs as much as 82.42% of total worker against 61.58 in the State in 1981. The Secondary Sector<sup>9</sup> accounts for a small proportion of 4.35% and tertiary sector<sup>10</sup> 7.31% of the workers in West Dinajpur in 1981.

### 2.5.3 CHANGE IN SECTORAL DISTRIBUTION OF WORKERS

7, 17, 225 persons were recorded in the district as workers in 1981 as against 4, 33, 144 in 1961. There was thus a net addition of 2, 84, 081 to the total number of workers although the participation rate as already observed, came down from 32.71 to 32.05 during this period. The growth rate of the working population fell far short of the growth of total population. But what is more important is the shift in the distribution of workers in between the different sectors of the economy.

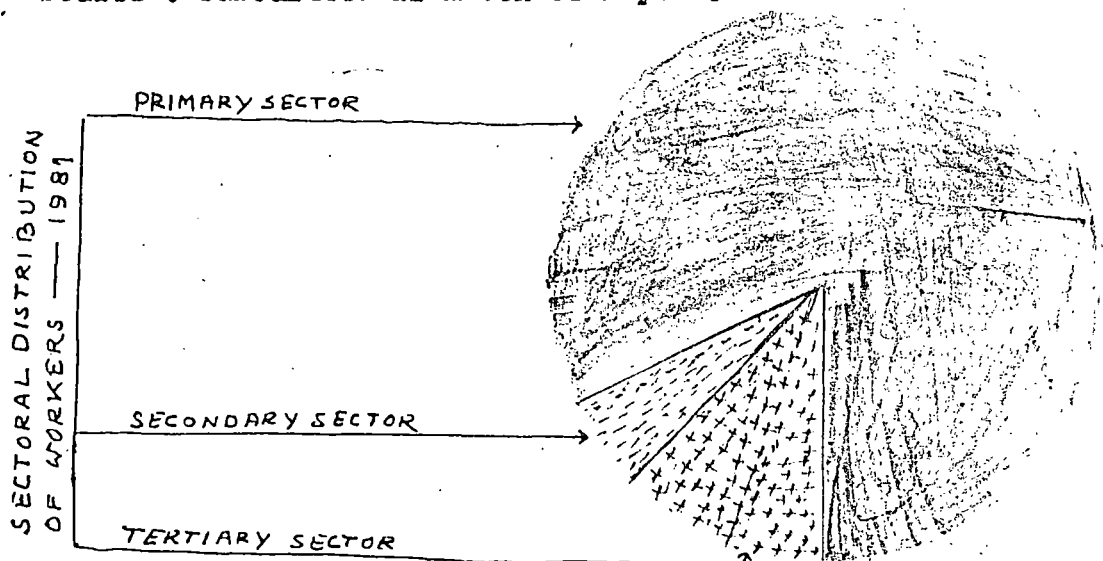
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( 1951 and 1971 figures were not considered for comparison. Since 1951 is just after partition and 1971 is just after Bangladesh turmoil. So for comparison we have considered the period 1961 and 1981.)

TABLE NO. T2.5.3  
Change in occupation pattern in West Bengal.

Categories		% in 1961	% in 1981
Primary Sector	I	63.63	47.17
	II	21.11	34.25
	III	.50	1.05
	IV	Neg	Neg
Secondary Sector	V(a)	2.25	2.08
	V(b)	1.55	2.27
	VI	0.47	0.31
Tertiary Sector	VII	4.18	6.19
	VIII	0.66	1.09
	IX	5.65	5.86

Source : Calculated from Census Report.





According to Table No. T 2.5.3 agriculture has been the main occupation of the people of the district for decades. It has occupied the same dominant position in 1981 as it was in 1961, though this Sector has witnessed marginal decrease in terms of percentage of total workers. The agriculture sector accounts for 81.42% in 1981 as against 84.74% in 1961. Further, the composition of the agriculture sector itself has also undergone a significant change. In 1961 the proportions of cultivators and agricultural labourers in the district were 63.63% and 21.11% respectively. The proportion of cultivators has come down quite sharply to 47.17% in 1981 while that of the agricultural labourers ~~again~~ climbed upward to 34.25%. In absolute terms the number of cultivators has increased from 2, 67, 636 to 3, 38, 383, only during the period; that is, by 70, 747 only. But the agricultural labourers added 1, 54, 307 to their numbers as they totalled 2, 45, 709 in 1981 as against 91, 402 in 1961. The sharp increase in agricultural labour in this district is to a great extent attributable to migration of people from East Pakistan, though increase in the number and proportion of agricultural labourers is universal throughout West Bengal and in the country as well. In 1961 the proportion of agricultural labourers in the state was 15.30%. It has reached 24.82% in 1981. The proportion of cultivators has correspondingly come down to 30.64% in 1981 as against 38.50% in 1961. Besides migration, it is also observed that the new entrants in the rural labour market have joined and swelled the rank of the agricultural labourers because of lack of employment opportunities in non agricultural sectors.

As the Primary Sector retained its position, the Secondary and tertiary sectors witnessed a marginal increase in their proportion in comparison to 1961. The proportion of

secondary and tertiary sector in 1981 were 4.35 and 7.59% as against 3.90 and 5.31% in 1961. The only industry which has suffered is household industry; the proportion of which came down to 2.03% in 1981<sup>11</sup> as against 2.35% in 1961. The decline of this industry deserves some analysis to overcome the situation in view of its importance in the economy of rural as well as backward areas.

## 2.6 NATURE OF AGRARIAN ECONOMY

### 2.6.1 TOPOGRAPHY

The district, West Dinajpur, is situated in the Gangetic plain between the Himalayas and the Ganges. The district has been formed mainly by the actions of the rivers 'TISTA-KARATOYA' and the 'MAHANANDA' and the offshoots of the 'TISTA-KARATOYA' which are the 'TANGON', the 'PENARBHAVA' and the 'ATRAI'. The Country slopes gently from north to south and the general trend of the rivers is in the same direction. The soil of West Dinajpur is alluvial in the western part and non-alluvial in the eastern half.

### 2.6.2 INTRODUCTION

The district, West Dinajpur is predominantly agricultural. In old days, Dinajpur was agriculturally very prosperous. It was primarily due to the favourable formation of the land that agriculture prospered. In recent years the district still remains one of the big rice procurement centres of the state though with the partition of Bengal in 1947, only the less fertile agricultural land came over to the Indian side.

### 2.6.3 LAND UTILIZATION

The total area of the district as it is constituted to-day, is 13, 18, 567 acres (5, 34, 019 hector). Out of this during 1981 the net area sown amounted to 11, 46,716 acres (4,64,419 hectars). This means that 87% of the total area of the district was used for agriculture. The total cultivable area and net sown area of the district during 1961 were 13,13,280 acres (5,31,878 hectars) and 11,32,800 acres (4,58,784 hectars) respectively. It indicates a land utilization of 86% for agricultural purpose. Thus, no significant change is noticed as regard to the horizontal utilization of land.

Land reclaimed during 1961 to 1981 is reported to be 13,916 acres, which is only 1.21% of total cultivated land of 1981. Thus, we may conclude that the district has already reached the saturation point of horizontal extension of land utilization. For agricultural development, the only way available is to improve vertical use of land i.e. intensive ~~and~~ cultivation, multiple cropping, irrigation, use of fertilizer etc.

### 2.6.4 VERTICAL UTILIZATION OF LAND

The land utilization of West Dinajpur is by and large dependent upon rainfall. So most of the land is sown just once in a year. Because of inadequacy of irrigational facilities, only lower land is available for cultivation twice in a year. So the efficiency of land utilization is far behind the average standard. During 1951-61 only 9% of the cultivated area is sown twice in a year. However this situation is improving following progress in irrigational facilities. During 1981 the double crop land reached to 40% of the then cultivated land (T 2.6.1)<sup>12</sup> (In course of investi-

TABLE NO. T2.6.1

## USE OF LAND

Year	Total Cultivable Land	Total Cultivated Land	Single Crop Land (%) of 3	Double Crop Land (%) of 3
1	2	3	4	5
1961	13,13,280	11,32,800 (a=86.25)	91%	9%
1981	13,18,567	11,46,716 (a=86.96)	60%	40%

\* No Tripple Crop Land      Source - PAO -West Dinajpur.

\* Figures in bracket indicate

a = Percentage of Total Cultivable Land

gation we found neither any tripple cropped land nor infrastructure for this type of utilization of land). The increase in the utilization of land is made possible by the efforts of the Government, particularly under Comprehensive Area Development Project (CADP).<sup>14</sup>

#### 2.6.5 IRRIGATION

The scope for bringing virgin land under plough in this district is limited. Agricultural productivity will have to be maximised through intensification and diversification of agriculture by the introduction of multiple cropping. Irrigation is a vital input for such intensification. Rainfall in West Dinajpur is concentrated in a few months of the year and the available moisture in the weather is not adequate to support multiple cropping. Hence there is the need for having assured irrigation facilities.

In normal years when rainfall is adequate irrigation is a minor problem to the agriculturists especially for Kharif Crops in this district. But often monsoon either comes too early or too late. The irregularity of monsoon causes serious loss of production and accordingly production moves up and down.

The irrigation department of the Government has not yet executed any major scheme for supplying water for the purpose of irrigation in this district. Hence cultivation in this district, mostly is dependent on rainfall except for some volume of water which is available for irrigation from tanks improved under the Bengal Tanks Improvement Act 1939 and from the lift irrigation with the help of pumpsets

TABLE NO. T2.6.2  
IRRIGATION IN WEST DINAJPUR

Year	Area irrigated in Acres	% of Total Cropped area	S o u r c e					Main Crops Irrigated	
			Govt. Canal	Private Canal	Tank under TI Scheme	Private Tank & Pump Set	Deep & Shallow Tubewell		Others
1951	6,908	1.00	-	-	-	6,908	-	-	Main Crops irrigated in order are : Wheat, Oil seeds, Paddy, Sugarcane and other Non-food Crops.
1959	39,200	3.46	-	17,700	500	19,300	-	1,700	
1971	1,17,508	10.24	-	14,300	2,116	50,338	45,089	5,665	
1981	3,06,172	26.00	-	12,200	4,938	1,22,367	1,60,494	6,172	

Source : P.A.C., West Dinajpur on 31.3.81 - No. of deep Tubewells and Shallow Tubewells are 142 and 8816 respectively (published report).

purchased with the loan granted by the Agriculture Department. In recent years the Irrigation Department has emphasised on the use of underground water in areas where tanks are not available. Accordingly the department has been sinking deep tubewells and shallow tubewells.

Prior to 1959, irrigation in this district was negligible. Just some amount of land were irrigated using 'Dongas' made of Bamboo for cultivation of pulses. According to the report of the Agriculture Department, the amount of irrigated land in the district was just 39,200 acres in 1959, which was only 3.46% of the total cropped land. However this situation improved over the years and reached 26% in 1981 (Table No.T2.6.2

The only major project, that the Govt. has undertaken for irrigation in North Bengal is 'TISTA PROJECT'. It is expected that on successful completion of the Project, this district will be benefited to some extent.

#### 2.6.7 USE OF AGRICULTURE EQUIPMENT

The agricultural equipment used in this district is extremely primitive in nature, and the description of these was given by Dr. Buchanan Hamilton in early nineteenth century. This may perhaps be used with a fair degree of accuracy even to-day in describing it. According to Dr. Buchannan, "the plough is of the wretched construction usual in India, and has neither to cut the soil nor mould board to turn it over". "The 'MOYI' is an instrument made of two bamboos about six feet in length, which are joined together by some cross bars like a rolling stone ....." "The 'BIDA' or 'NANGOL' is made with wooden teeth, which is drawn by two oxen and is employed only in free Soils, ....." 14

TABLE NO. T2.6.3  
USE OF AGRICULTURAL EQUIPMENT

Year	E Q U I P M E N T I N N U M B E R									
	Tractor	Plough wooden	Plough Iron	Harrow	Spade	Small Items	Combiners or Harvestors	Pump Set	Deep & Shallow Tubewells	- Carter
1951	1	128059	95	55414	119465	3,31,786	-	-	-	NA
1956	7	192722	61	-	398395	-	-	43	-	58089
1971	42	NA	NA	NA	NA	-	-	1723	709	NA
1981	89	NA	NA	NA	NA	NA	-	4123	8958	NA

- : Statistical abstract, West Bengal 1960.
- : State Water Investigation Directorate, Govt. of West Bengal.
- : Lead Bank Offices, West Dinajpur
- : Home (Transport) Department.



According to the report of the Agriculture Department, there were only 7 tractors for use in cultivation in 1956 in the district. The number of tractors has reached to 89 in 1981. No other modern equipments like, 'Harvestor', 'Combinor' are in use, according to the report of the Agriculture Department (Table No. T 2.6.3).

Mechanised cultivation in this district is neither possible nor feasible as the plots are very small. No significant effort has been made for land improvement or for establishing joint farming societies as is evident from the report.<sup>15</sup>

#### 2.6.2 USE OF FERTILIZER

Fertilizer is an important input for production of crops. According to a report of a Settlement Officer, "The Cultivators of Dinajpur are well aware of the value of manure".<sup>16</sup> In course of journey one could see neat cones of cowdung and also of gala, earth dug out from tanks, pitted throughout the paddy stubbles, ready for ploughing in, as soon as the monsoon starts. The use of indigenous manure is indeed, very small. The use of chemical fertilizer in the district is also meagre. The availability and the use of it is gradually increasing following its benefit. According to a report of State Warehousing Corporation 220.47 Tones of Chemical Fertilizers were released for this district in 1961. The quantity of fertilizer used in the district reached to 15,705 Tones in 1981 (T 2.6.4). Though the quantity used

TABLE NO. T2.6.4  
USE OF CHEMICAL FERTILIZERS  
(In Tonnes)

Year	Nitrogen	Phosphate	K Potassium	TOTAL
1961	167.567	19.295	33.620	220.47
1981	9753.000	3967.000	1985.000	15705.000

Source : i) P.A.O., West Dinajpur  
ii) Report of West Bengal State Warehousing Corporation.

is not significant enough in comparison to volume of land, we can not have any comment on it, because the information relating to the volume of indigenous fertilizers used is not available.

#### 2.6.9 JOINT FARMING

Joint or Collective Farming Societies in this district is reported to be non-existent. This is perhaps due to ignorance of the farmers as to the benefit of joint farming. (Agriculture Survey Report - 1980 - P.A.O., West Dinajpur).

#### 2.6.10 PROBLEMS OF LAND

Land is the major factor of production in agriculture sector. Though total land is constant by nature, but agricultural land is variable. The quantity of agricultural land depends upon its use, conversion of non-cultivable land into cultivate land etc. Land problem, labour relation and agricultural production are closely linked. In the last few decades a large number of research work have been carried out by Economists, Scholars and Research Institutes on agriculture in India. Some of the pioneers in this area are :- S. R. Sen - The strategy of Agricultural Development; G. D. Agarwal - "Size of Agriculture Holdings - Actual and operational"; A. Rudra - Indian Agricultural Economics Myths and Realities; C. H. Hanumantha Rao - "The optimum firm - a comment;" G. R. Saini - "Holding Size, Productivity and some related aspects of Indian agriculture" A. M. Khusro; A. K. Sen; A. K. Dasgupta; P. Bardhan; P. C. Joshi, M. L. Dantwala and D. R. Gadgil. They have seen that the size of land holdings (ownership and operational), fragmentation, size of firm, 'Land-Man' relation, Labour relation

technology of production, are important factors in agricultural productivity and production. They have also seen that these factors have their impact on agricultural employment and unemployment. Many studies have been carried out on agricultural employment, unemployment, disguised unemployment, surplus labour and they have seen that there are acute problems of unemployment, disguised unemployment; and surplus labour in Indian agriculture. The study of agricultural labour is important for study of cottage industries, since agriculture sector provides flow of labour to industry. Hence the need for study of land problems.

#### 2.6.10.1 LAND HOLDINGS

Small land holdings or small size farms are one of the main hindrances for agricultural development. Like all other parts of India, agriculture in West Dinajpur is characterised by predominance of small size farms. The study of settlement records (of 1951) shows that, out of total number of farmers, 55% were holding landless than 5 acres (i.e. marginal and small farmers); and 26.5% were medium farmers holding land 5 to 10 acres. In other words 81.45% of farmers belonged to small and medium group. Their total holding of land was 40% of total cultivable land. Being a function of ownership (which is again a function of hereditary division) and transfer (sale of land), it is natural that land holding gradually decreases. According to the report of P.A.C.; of the total cultivators as on 1980, about 93% belongs to marginal and small farmers category, holding landless than five acres. The sharp increase in the number of marginal and small farmers category, was not only due hereditary division or transfer of land but also includes those landless labourers, who were given the vested land. This category of farmers were holding

30% of total cultivable land.

#### 2.6.10.2 SIZE OF FIRM AND FRAGMENTATION OF LAND

Most of the agricultural firms in West Dinajpur are small. According to the report of P.A.O.; 90% of farms are in between 1.5 to 3 acres. Fragmentation of land is also an acute problem in this district. At an average one acre of land is divided into 7 to 10 plots. Not only fragmentation, but ownership of farms, have wide dispersion. Sometimes it is 5 to 7 Km. from their place of residence. In some cases, the dispersion is due to donation of land as dowry to daughter at marriage, who have married at a long distance.

#### 2.6.10.3 EMPLOYMENT OF BARGADER

The land cultivation system, i.e., owner cultivation vs tenancy cultivation is very important from the point of view of productivity. Ownership plays an important role in the progress of agriculture.

In this district, employing of bargaders or share cropping is also an important factor, which is noticed. It appears from the Settlement records of 1951, there were 47737 (about 80% of total cultivators) bargaders of different size in the district. Proportion of cultivators employing bargaders to total cultivators was 21.47%. In case of higher holdings of land (more than 15 acres), it was 54.82%. According to the Settlement record of 1980 the employment of bargaders has sharply fallen. But this does not mean that the total number of bargaders have fallen. Now bargaders are employed on unwritten basis and they are changed by rotation. This change in attitude is due to the

TABLE NO. T2.6.5  
PERSONS CULTIVATING OWN LAND OR EMPLOYING BARGADAR WITH SIZE OF LAND OWNED/OR GIVEN IN BHAG ON 1951

Areas of cultivated land owned in Acres	Total No. of cultivator	No. of cultivator employ- ing No. of Bargadar	Employing Bargadar	NUMBER OF PERSONS EMPLOYING BARGADAR FOR THE FOLLOWING CUT OF TOTAL LAND OWNED															
				0.15 to 1.00	1.01 to 2.00	2.01 to 3.00	3.01 to 4.00	4.01 to 5.00	5.01 to 6.00	6.01 to 7.00	7.01 to 8.00	8.01 to 9.00	9.01 to 10.00	10.01 to 15.00	15.01 to 20.00	20.01 to 25.00	25.01 to 33.33	33.34 and above	
TOTAL	50794	47737																	
0 to 1.00	3735	3291	444	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1.01 to 2.00	7225	6516	739	132	607	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.01 to 3.00	8143	7131	1012	160	183	669	-	-	-	-	-	-	-	-	-	-	-	-	
3.01 to 4.00	8089	6932	1157	173	248	139	597	-	-	-	-	-	-	-	-	-	-	-	
4.01 to 5.00	6215	5305	910	87	208	142	95	378	-	-	-	-	-	-	-	-	-	-	
5.01 to 6.00	4203	3411	792	50	115	183	86	64	254	-	-	-	-	-	-	-	-	-	
6.01 to 7.00	4339	3519	820	75	102	117	129	50	48	299	-	-	-	-	-	-	-	-	
7.01 to 8.00	2553	1849	604	44	93	71	123	56	35	18	164	-	-	-	-	-	-	-	
8.01 to 9.00	2206	1664	542	29	79	62	72	70	24	37	17	151	-	-	-	-	-	-	
9.01 to 10.00	2773	2031	742	62	70	81	88	105	34	60	27	25	190	-	-	-	-	-	
10.01 to 15.00	4608	2993	1615	40	145	151	215	180	140	150	97	66	89	342	-	-	-	-	
15.01 to 20.00	1962	1703	1253	46	57	72	87	74	72	114	77	71	182	147	254	-	-	-	
20.01 to 25.00	1312	568	744	27	23	27	45	41	35	48	50	38	60	127	94	129	-	-	
25.01 to 33.33	1209	434	775	13	13	23	28	34	36	34	38	47	69	135	112	79	114	-	
33.34 and above	1147	284	863	13	09	24	17	12	16	14	11	14	41	70	99	84	126	313	

\* Excluding Islampur Sub-division  
\* Source DIST. IC Settlement Report.

Percentage of Cultivators to Total number of Cultivators Holding Land upto 5.00 acres = 54.95  
 Percentage of Cultivators to Total number of Cultivator Holding Land 5.00 to 10.00 acres = 25.61  
 Percentage of Cultivators to Total number of Cultivator Employing Bargadar = 21.47  
 Percentage of Cultivator to Total number of Cultivators Holding Land more than 15.00 acres Employing Bargadar = 54.82

legislation, which has been enacted for converting tenants into owners. Though this legislation has confirmed the right of bargaders on land they are cultivating, but in majority cases bargaders have been discharged from land, due to this legislation, by the owners. Therefore, new form of contract emerged, in which, bargaders are more uncertain about their future.

#### 2.6.10.4 VESTED LAND AND ITS DISTRIBUTION

In view of gigantic number of landless cultivators in one hand, and large holdings of land on the other, Government has fixed the upper ceiling of land holding. Cultivators having land more than ceiling are vested and distributed among the landless. In this district upto 1980 only 32282.6 hectares of land were vested, which is only 6% of the total agricultural land. These land have been, distributed to 126024 beneficiaries at an average of 0.26 hectares. The progress of land reforms in this district may be regarded as negligible.

#### 2.6.10.5 LAND RE-CLAIMED

All cultivable land are not cultivated, because of certain difficulties. These non-cultivable land required to be converted into cultivable land. The progress of land reclamation is negligible in the district. Hence little change in total area of cultivable land. In spite of having large quantity of hollow land the farmers were unable to process them due to scarcity of finance and technology.

#### 2.6.10.6 LAND POSITION

Land position has a great impact on the agricul-

tural productivity. From this point of view, agricultural land is divided into two parts - one is upper land and the other is lower land. Lower land is generally more fertile than upper land; but production in lower land is uncertain. Since often they go below the water due to flood or heavy monsoon and thus crops are destroyed. West Dinajpur is a district of 5 rivers and large number of canals. Being an area of heavy rainfall the district has large number of 'Bills' and 'Ponds'. The land of the district is basically low. About 60% of the total agricultural land is low. It is a common problem to the cultivators of the district of West Dinajpur.

#### 2.6.10.7 AGRICULTURAL UNEMPLOYMENT

There are acute problems of unemployment and underemployment in agriculture in the district of West Dinajpur. We have noticed that 93% of the cultivators in this district are marginal and small ones. Besides, there are agricultural labourers whose number has more or less tripled from 1961 to 1981. As the growth in agricultural productivity index and total cultivated land is negligible, one can imagine the extent of unemployment, or underemployment in the agricultural sector in the district of West Dinajpur.

#### 2.7.1 MAJOR CROPS AND AREA UNDER CULTIVATION

The major crops grown in the district are āman, āus (Bhādoi) and boro paddy, jute and mestā, rape and mustard, wheat, chillies, pulses, sugar cane, potato, tea and tobacco. Some amount of vegetables are also produced, but the quantity is not very significant. The most important crop is āman paddy followed by Bhādoi (āus), jute,



wheat and mustard. As much as 70.08% of the total cropped area is utilised for cultivation of āman paddy (Table No. T 2.7.1), while bhādoi, jute, wheat and mustard account for 23.53, 12.64, 8.36 and 6.30 percent respectively. Chillies, onion and potato come next. These are main vegetables which are exported from this district. These figures are for the year 1981. A comparison (Table No. T 2.7.2) of 1961, 1971 and 1981 figures shows that 1971 was the best for agriculture production both in respect of yield and utilization. Though production to a large extent depends upon nature, the inference that we can draw from the Table is one of the changing pattern of crops production. Jute cultivation in terms of area is gradually falling. The areas under jute cultivation were 14.86% in 1961, 13.32 in 1971 and 12.82 in 1981. Bhādoi is taking the area of jute as they are products of the same season. This is probably due to falling price of jute and increasing demand for food crops, following increase in population. As to the Rabi crops, particularly wheat and mustard are increasing their position. The area sown for mustard was 4.97% and 6.30% in 1971 and 1981 respectively. The increased utilization of land for rabi crops was made possible by increased facility for irrigation. It is expected that in near future the production of wheat and mustard will go further ahead and jute will fall further.

Chillies, onion and potato are the main exportable vegetables from this district. The report of 1971 shows that about 500 hectares were planted for chillies and 3100 hectares were sown for potatoes.

Among the others Tea and Tobacco are the main crops. Tea is totally exported and Tobacco is totally consumed for domestic purpose.

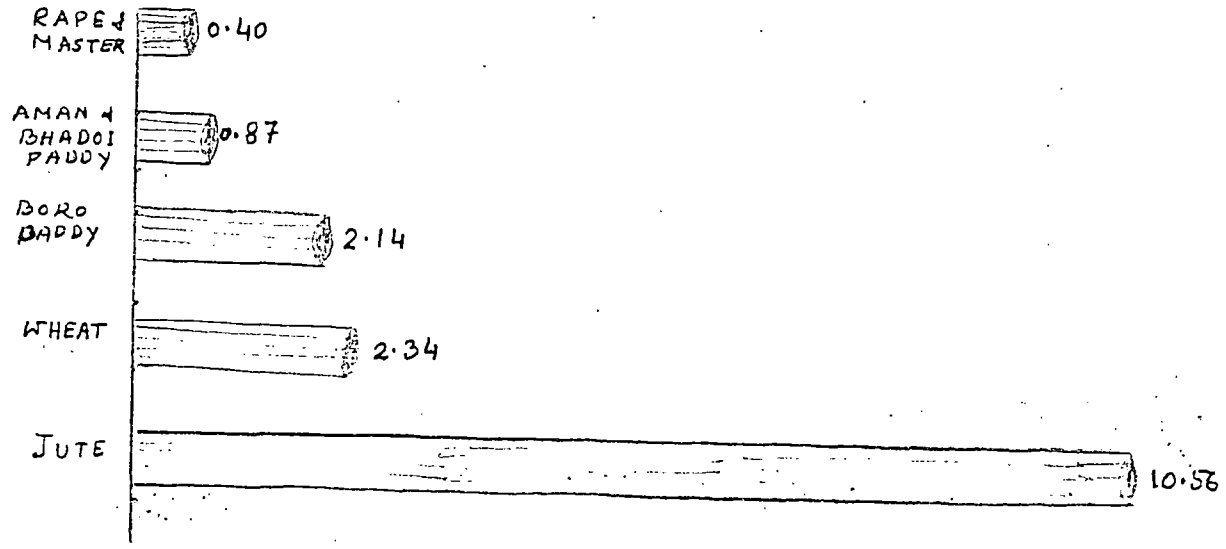
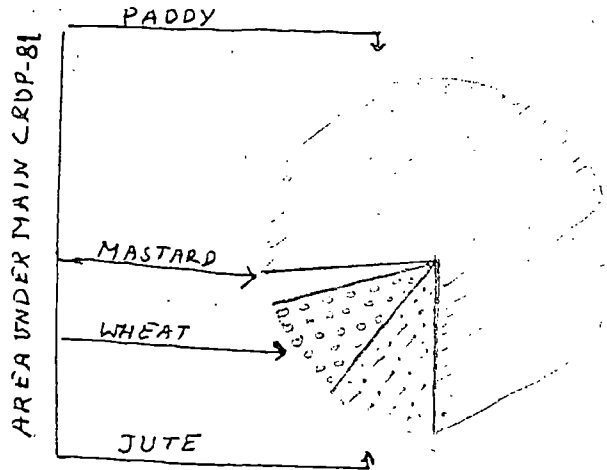
TABLE NO. T2.7.1

Percentage of Land under Main Crops and Yield - in West Dinajpur

		1961		1971		1981	
		% of Total Cropped Land	Yield in Hector	% of Total Cropped Land	Yield per Hector	% of Total Cropped Land	Yield per Hector
P A D D Y	AMAN	67.65	.9548	73.36	1.032	70.08	.9044
	BHADOI	14.00	.7223	26.60	1.172	23.53	.8766
	BORO	.08	.5000	.60	3.285	1.64	2.144
	JUTE	14.86	966.8	13.32	13.18	12.82	10.56
	WHEAT	0.21	.3000	4.30	2.489	8.36	2.347
	RAPE & MUSTARD	6.00	.2509	4.97	.2925	6.30	.4020

: Yield -Tones per Hector

: Calculated from Agri. Prod. Report.



COMPARATIVE PRODUCTIVITY PER HECTOR →

TABLE NO. T2.72  
 PRODUCTION OF PRINCIPAL CROPS AND AREA CULTIVATED IN WEST DINAJPUR

Crops	1951		1961		1971		1981	
	Area '000 Hectar	Production '000 Tones	Area '000 Hectar	Production '000 Tones	Area '000 Hectar	Production Tones	Area '000 Hectar	Production '000 Tones
P *1 Aman	204.4	158.1	310.4	296.4	337.5	348.3	323.4	294.1
A *2 Bhadoi	19.1	15.3	64.1	46.3	122.4	143.5	108.6	98.2
D Boro	Negligible	Negligible	0.4	0.2	2.8	9.2	7.6	18.3
D TOTAL	223.5	173.4	374.9	342.9	462.7	501.0	439.6	405.6
Y *3								
Jute	18.2	81.6	68.2	329.7	61.3	404.0	59.2	312.7
Wheat	0.6	0.4	1.0	0.3	19.8	49.2	38.6	30.6
Tobacco	0.4	0.4	0.3	0.2	0.5	0.2	NA	NA
Chillies	NA	NA	1.8	1.6	2.0	1.0	NA	NA
Rape & Mustard	25.4	11.0	27.5	6.9	22.9	6.7	29.1	11.7
Tea	NA	NA	1.0	0.21	NA	NA	0.3	0.34
Potato	NA	NA	3.9	16.0	3.1	17.0	5.2	35.7

\*1 - Winter Crop.

\*2 - Summer Crop.

Source: P.A.O. West Dinajpur.

\*3 - Thousand bales of 200 Kg. each (excluding mesta)

### 2.7.2 YIELD

The average yield per hectore of āman paddy varies from 0.9 to 1.5 tones (900 to 1050 Kg.) For āus and boro yield rate are 0.3 to 1.5 and 2 to 3, tone respectively. Among the paddy boro is highest in terms of yield rate. The yield rate for jute, wheat and mustard are 1056, 2.347 and 0.4020 tones per hectore respectively in 1981. The yield rates for all production in 1971 recorded highest, following favourable climate. The yield rate of mustard doubled during the period following better irrigation facilities (Table No. T 2.7.1).

In comparison to average yield rate of the State the yield rates of West Dinajpur is lower. This is because of primitive agricultural method and other constraints like lack of knowledge, non-availability of irrigational facility etc. On the whole, inspite of having better agriculture potential, the agrarian structure of West Dinajpur is very backward.

### 2.8.1 SUMMARY

West Dinajpur is a backward district and was greatly affected by the partition. Large section of the population belongs to the Scheduled Castes and Scheduled Tribes. There exists a structural imbalance, so far occupational pattern is concerned. A great portion of people is dependent upon agriculture and volume of landless agricultural labour is increasing over the period. The expansion in the secondary and tertiary sector is limited. All these are reflected in the negative movement in the participation ratio. Though agriculture constitutes the core of Dinajpur economy, this sector is still backward.

## R E F E R E N C E S

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2. Eastern boundary has been formed in accordance with the award of Sir Cyril Radcliffe.
3. Notification No. S.R.O. 2473 dated 25th October, 1956. Gazette of India, Ministry of Home Affairs.
4. Census of India - 1981, District Census Hand Book.
5. Sengupta J.C. - Gazetteers of India - West Dinajpur, 1975
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7. Calculated from age distribution of non workers in Census reports.
8. Primary Sector = Cultivators + Agricultural Labour + Livestock & Forestry.
9. Secondary Sector = Mining quarry + Household Industry + Manufacturing other than Household.
10. Tertiary Sector = Construction + Trade & Commerce + Transport & Communication.
11. In the State the proportion of workers in household sector was 5.03% in 1961 and came down to 4.12% in 1981.
12. A brief Agricultural Geography of West Bengal by S. N. Mukherjee, Statistical Officer, Directorate of Agriculture.
13. Changing West Bengal - Sankar Ghose, Minister of Finance, Planning & Development (W.B.) - 1975.
14. An account of the district of Dinajpur - by Dr. Francis Buchannan Hamilton.
15. Agriculture Survey Report (1980) by Principal Agriculture Officer (P.A.O.), West Dinajpur.
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## CHAPTER - III

COTTAGE AND OTHER ORGANISED INDUSTRIES  
OF WEST DINAJPUR

## Contents :

- \* Definition of cottage industry
- \* Importance of cottage industry
- \* Significance of cottage industry
- \* Review of cottage industries in post independence India
- \* Historical review of cottage industry in West Dinajpur
- \* Cottage industries in West Dinajpur 1951-81
- \* Organised Sector in West Dinajpur
- \* Table showing main workers by industrial categories changes between 1951-81
- \* Table showing share of cottage product in total Indian export of manufactured goods
- \* Table showing sectoral growth rate and share in N.D.P.
- \* Table showing persons engaged in cotton weaving and spinning in Bengal(1872 & 1921)
- \* Table showing distribution of working population and establishment in HHI and NHHI sector in West Dinajpur
- \* Table showing distribution of workers and establishments industrywise in West Dinajpur

## Contents :

- \* Table showing number of registered factories and workers in the same in West Dinajpur
- \* Table showing registered small scale units and their composition
- \* Table showing consumption of Electricity in West Dinajpur
- \* Table showing distribution of companies and co-operative institutions in West Dinajpur
- \* Table showing working population in tertiary sector in West Dinajpur
- \* Table showing workers in organised sector

### 3.1.1 DEFINITION OF COTTAGE INDUSTRY

It is desirable to define 'Cottage Industries' which have been playing a prominent role in our national economy. Unfortunately there is no clear cut definition of cottage industries. These have been defined differently, according to the object in view. Sometimes they are lumped with small scale industries, which creates much confusion.

At one time, the Government grouped these industries into two categories - those using powers with less than 50 workers and those not using powers with less than 100 persons with the maximum investment limitation of Rs. 5 lakhs. The criteria for ownership was sole proprietorship or partnership. The major industries were classified under two heads; the traditional small industries, like khadi and Handloom, Village Industries, Handicrafts, Sericulture, Coir etc. and the other modern small scale industries, ancilliary industries etc.<sup>1</sup>

The working group on khadi and Village Industries<sup>2</sup>, which examined various definitions and terms related to the Khadi & Village Industries did not give any definition of Cottage Industries and concluded that "the definition given in the Khadi and Village Industries Commission Act need not be changed, since a suitable definition by connotation is almost impossible"<sup>3</sup>

Cottage Industries are thus called village industries, rural industries, agro industries, and unorganised industries. The broad classification and criteria for identification as given by the Industrial policies are



vague and often confusing with small scale sector. The Fiscal Commission, however, made a major conceptual advance in distinguishing between cottage industries and small scale industries on the wage-labour criterion, and the relationship between proprietors and workers.

A cottage industry is thus one which is carried on wholly or primarily with the help of members of the family, either as a whole or part time occupation. A small scale industry on the other hand, is one which is operated mainly with hired labour, usually 10 to 50 hands.<sup>4</sup>

The only meaningful and clear-cut definition as to cottage industries is given by census guidelines<sup>5</sup> in which cottage industries are termed as household industries (H.H.I.). According to census guideline, the main characteristics of the household industries are the following :

- \* One or more members of the household must participate in work. Participation by hired labour must be minimum;
- \* the activity should relate to some production, processing, servicing, repairing or making and selling of goods;

- \* the goods produced should not be for consumption by the household itself but should wholly or partly for sale;
- \* in Urban areas the industry must be carried on in the precincts of the house in which the household lives. In rural areas the industry may be anywhere within the limits of the village;
- \* the activity should not be on the scale of a registered factory; and
- \* professions such as Pleader, Barber, Doctor, Dhobi etc. will not be household industries.

Thus we have no uniform definition of cottage industries. We have tried to give weightage for all criteria and in our view those industries will be termed as cottage industry which have the following characteristics :

- \* industries are highly decentralised;
- \* they are self employment enterprises;
- \* the scale of operation is small;
- \* those adopt simple and easily adoptable technology;
- \* family as a whole provides labour;
- \* there is low capital cost;
- \* there is short gestation period;
- \* they use materials locally available, however, imported materials are sometimes used;
- \* there is low energy consumption;

- \* they cater local markets and
- \* they are not subject to registration IDRA Act.

In view of the above characteristics a few industries that may be termed as cottage industry are as follows :

- \* Khadi
- \* Handloom (Spinning and Weaving)
- \* Sericulture
- \* Coir
- \* Handicrafts like :
  - a) Pottery,      b) Blacksmithy,
  - c) Jewellery (except those that are engaged in trade),
  - d) Cane and bamboo works etc.
- \* Village Industries like :
  - a) Confectionary,   b) Food stuff processing,
  - c) Ghani oil preparation, etc.

### 3.1.2 IMPORTANCE OF COTTAGE INDUSTRY

According to a recent estimate every second person in the rural areas (which constitute 75% of total population) lives below poverty line. A look into facts reveal that this proportion of landless labourers and tenant farmers and the declining resource base of small and marginal farmers have contributed to this distressing phenomenon. As a result all of these people are competing scarce employment avenues in the countryside. It has also been proved that even a radical land reforms cannot solve

The problem of poverty and unemployment because of the immense pressure on the land.<sup>6</sup> Therefore, more and more people need to be shifted from agriculture to non-agriculture occupation. The importance of cottage industries is that it is an effective instrument of ameliorating poverty. That poverty and unemployment can be removed through the creation of gainful employment in rural and semi-urban areas is now widely accepted. The decentralised sector of Indian economy accounts for nearly 140 lakhs jobs. Against this sector, organised sector provides jobs about 60 lakh, i.e. employment generation by cottage sector is more than twice than that by the organised sector.<sup>7</sup>

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Note : The Father of the nation, Mahatma Gandhi, saw the peril to Indian rural life posed by the decay of Village Industries. He wrote in 1934 (The Harijan) that extinction of Cottage Industry would complete the ruin of 7 lakhs villages of India. He made effort for rural reconstruction through the revival of Cottage Industries and established an All India Spinners' Association in 1932 and an All India Village Industries Association in 1934. Another great genius of India, Rabindra Nath Tagore also drew the attention of the Country towards rural reconstruction through revival of rural crafts by opening his rural Crafts Centre at Santiniketan. With the dawn of Independence, our elders also realised the importance of cottage and village industries in our economy and included a provision on the promotion of cottage industry in the directives of the State Policy in the Indian Constitution in the following lines - "The State shall endeavour to promote cottage industry on an individual or co-operative basis in rural areas." At the very beginning of our planning, the planners also realised its role. Besides Nehru, Mahalanobis had also assigned crucial role to the village and cottage industries, besides the development of organised sector.

Therefore for symmetrical development of economy there is a need for expansion and development of both organised and unorganised sector.

Cottage Industries Sector, then, has the potentiality to generate employment opportunities at a low capital outlay, by harnessing the existing skills of village artisans.

The relevance of this sector in our economic development can also be traced to its capability to (i) provide work opportunities to people at their own habitats, thus preventing the job-motivated rural to urban migration; (ii) retain self-employed character of labour force in the enterprise; (iii) offer flexible work norms and (iv) ensure the universal participation of family members in the enterprise.

### 3.1.3 SIGNIFICANCE OF COTTAGE INDUSTRY

The significance of cottage industry over big industries may be discussed as follows :

\* Cottage Industries have a high potential for generating employment. Idle man power, which is a serious problem in rural areas can be absorbed to an appreciable extent, thereby relieving the strain on rural economy. It may even work as a useful safety valve for easing the pressure of population growth on the economy as a whole.

\* The cost of employment in cottage industry is low as compared to the cost of employment in large and small scale industries. While Rs.1.00 lakh to Rs.1.50 lakh

is required for one person under large scale industry and about Rs.15,000 to Rs.30,000/= under small scale industry, only a few hundred rupees to Rs.5,000/- is required under cottage and village industries.

\* Employment is also provided near to workers' residence which avoids problems arising out of migration.

\* In a developing economy investment of huge capital is required to catch up with economic growth. The cottage industries with low capital intensity, provide an opportunity for utilizing scarce capital in such enterprises of high capital intensity, such as, transport, power and basic industries.

\* Since they mature quickly, they play a significant role in arresting the inflation, specially when production of consumer goods is organised under them. In the development process, an increase in money income without any corresponding increase in supply of consumer goods (it is inevitable, as a major part of investment is made in the creation of infrastructure in the economy) sets in motion the spiral of high prices, high wages and high costs. The cottage and village industries help in relieving this situation.

\* Cottage industries ensure maximum utilisation of raw materials locally available.

\* Being under the ownership and control of the producers themselves, dispersed throughout the country, they ensure equitable distribution of income and wealth; and problems created by concentration of wealth and unequal distribution of income are avoided.

\* Being widely dispersed, they are capable of remedying any regional disparity in industrial development.

\* They generate local initiative, entrepreneurship, co-operation and the spirit of self-help. The artisan develops initiative and willingness for hard work as he is the master of his small world. He has got to utilise his skill and intelligence to the best of his ability. He seeks all opportunities and avenues. He renders many services, and produces many articles, which would not be possible if he had to do become wage labourers. In many cases, the cost-price equilibrium is not the regulator of his economic activities. Thus, an appreciable mobilisation of labour resources, capital and skill, may otherwise remain unutilised without the cottage industries. In a poor country, this is not an insignificant contribution to the economy.

\* This leads to larger participation by women, thus provides scope for economic freedom to women and pave the way for 'NARIMUKTI' (women freedom).

\* Cottage Industry is a unique way for uplifting the standard of living of backward classes like scheduled caste and tribes through self-employment scheme.

\* Cottage Industries need no specific knowledge of technical knowhow. This is suitable specifically for India, where roughly 60 - 65 % of total population is illeterate.

Cottage Industries play an important role in a growing economy to meet the gap between sanction of project and starting of production. Due to large expenditure on infrastructure as well as on basic industries with long

gestation period, market situation is often distorted from the equilibrium situation in the first stage of industrial development process. These traditional industries bring equilibrium in the market forces within short period of time.

Jane Jacob, in some recent articles, has emphasised the role of these industries in retaining an economy's resiliency.<sup>8</sup>

#### 3.1.4 A REVIEW OF COTTAGE INDUSTRY IN POST INDEPENDENCE INDIA.

Cottage Industry occupies a key position, particularly in rural sector and backward areas, where no or little effort has been made for development in India.

"The chief aim of planning in India, in the first instance, must be to solve the problem of unemployment as quickly as possible" held Professor Mahalanobis.<sup>9</sup> Accordingly the national development strategy which he helped to evolve beginning with the second plan, diverted Capital to build a modern industrial base for India and diverted labour to the traditional techniques for production of consumer goods. It was this division of roles between capital and labour which have a place to handlooms, handicrafts, khadi and village industries in the national plan.

It was decided that in view of national importance, traditional industries were to be supported by the plan through a package of measures including a common production programme (common with large scale or



Table T3.1.1

MAIN WORKERS BY INDUSTRIAL CATEGORIES/CHANGES BETWEEN  
1961-81.

Categories	X	Y	Z	Z as a
	1961	1981	Change X-Y	% of X
A. Total Main Workers	1887	2225	+338	17.91
B <sub>1</sub> Cultivators	996	925	- 71	7.13
B <sub>2</sub> Agricultural Labours	315	555	+240	76.19
Total B <sub>1</sub> + B <sub>2</sub>	1311	1480	+169	12.89
C=(A-B <sub>1</sub> -B <sub>2</sub> ) other than Cultivators	576	745	+169	29.34
Live Story/Mining etc.	52	63	+ 11	21.15
Household Industry	120	77	- 43	35.83
Manufacturing Industry other than H.H. I	80	174	+ 94	117.50
Construction	21	36	+ 15	71.43
Trade & Commerce	77	139	+ 62	80.5
Transport/Storage	30	61	+ 31	103.33
Others	196	195	- 1	Neg.

\* Nos. in LAKHS

\* Source : Census Reports

mechanised unit), protective and promotional measures including "reservation", "control", "Fiscal concessions" and "preference to government purchases" where necessary. This policy was underscored repeatedly in all industrial policy resolution and plans.<sup>10</sup>

A network of all-India-non-Official institution for khadi (including handloom) and village industries development set up by Gandhi were merged to form a singly statutory body - The khadi & village industries commission (KVIC), as the main official instrument for promotion of khadi and village industries in conformity with development strategy.

In the absence of concrete and comprehensive information, specifically for cottage industries, the census report, whatever limitation it has, is the only source, that gives an approximate view of cottage industry, nationwide. According to census, the position of cottage industry is just after agriculture in terms of employment, and is about twice of the so called organised sector, inspite of a deteriorating trend. According to 1961 census 120 lakh persons were engaged in household industry out of a total of 1887 lakh main workers and 576 lakhs non-agricultural workers. This constitutes 6.35 and 20.63% respectively of the total workers and non-agricultural workers. According to reported figures of 1981 census these figures are 77 lakhs out of total 2225 lakhs and 745 lakhs non-agricultural workers.

Again according to organised and unorganised sector, people employed were 131.97 lakhs and 120.31 lakhs for 1961 and 94.33 lakhs and 71.03 lakhs in 1981 respectively. It is worthwhile to note here that unorganised sector totally belongs to cottage industries. (T3.1.1).

A breakdown of 1981 figures gives the following picture. 796392 workers in Gem and Jewellery, 692697 in Earthenware product, 304999 in carpet, 905807 in mats and bamboo product 242707 in embroidery and knitting, 100 lakhs in handloom, 3016 lakhs in khadi and village industries. 7.5 lakh in coir and 20.5 in sericulture, 11.94 lakhs in leather industry, were engaged, besides a lakhs of workers working part-time and as well as unsurveyed.

So far export is concerned, cottage industries are an important source of foreign exchange. The volume of export in terms of rupee value of these product is gradually ~~ix~~ increasing. In view of severe balance of payment constraint and world competition of high technological product, the development of cottage sector can provide a relief to Indian economy.

In the total export of manufactured goods the share of cottage products is significantly increasing. In 1970-71 the share of cottage products was 22.42 % and in 1981-82 it has reached to 45.98%. The most important items being Gem and Jewellery, Leather products (Shoes and suitcase) Cotton Apparel and Handloom products. This accounts for 25.25%, 8.15% and 3.25% respectively of the total export of manufactured goods in 1981-82 (Table T 3.1.2).

Table T3.1.2

STATEMENT SHOWING THE SHARE OF COTTAGE PRODUCTS IN TOTAL EXPORT OF  
MANUFACTURED GOODS

Year	Total Manufactured							(Rs. Crores)	
		Handloom	Hand Craft	K. V. I.	Leather products	Silk	Cotton apparel	Total of 2 & 7	8 as a % of 1
70-71	780(51)	77.00	77.00	.36	72.00	N.A.	9.00	174.90	22.42
81-82	4634(59)	150.92	1170.45	2.52	369	60.00	378	2130.89	45.98

\*Figure in brackets represent the share of total export.

- Source - I) RBI report in Currency and Finance (1983-84) Vol. II  
 II) DGCIS  
 III) Reserve Bank Bulletins on Economic Survey (85-86)  
 IV) Hand Book of Statistics of Cotton Textiles.  
 V) Central Silk Board  
 VI) Annual Report of KVTC.

## SECTORAL GROWTH RATE AND SHARE IN N. D. P.

Table T3.1.3

Sector	Share in N. D. P. (Percent)				Annual growth rate
	50-51	60-61	70-71	80-81	
Organised Sector- Manufacturing	5.51	6.88	8.36	9.85	5.55
Unorganised Sector- Manufacturing	4.85	5.20	5.42	5.49	3.95

Source - National Accounts Statistics Published by C. S. O.

The contribution of the unorganised sector to Net Domestic Product is also significant and is gradually increasing. From this point of view there is no reason to undermine the importance of cottage industry in "National Economy". In 1980-81 the share of unorganised sector was 5.49% of NDP against 9.85% of organised sector.

### 3.1.5 HISTORICAL REVIEW OF COTTAGE INDUSTRY IN WEST DINAJPUR

The district of West Dinajpur is mainly agricultural. The bulk of the export from the district consists of agricultural produce, but there are references in early times to some manufactured articles, which assumed all India fame. One such article was the variety of cotton fabric known in an ancient Indian literature as 'KSHAUMA'. This variety of fabric has been mentioned in the ARTHASHASTRA of KAUTILYA as a product of the Paundra Region.

It appears from the letter which Mr. George Hatch, then Collector of the district Dinajpur, wrote to the Board of Revenue in December 1787 that the main articles of produce of the district were grain, silk, cloth and jaggery. So far as manufacture of silk is concerned it must be borne in mind that at the time when the letter was written, the district of Dinajpur contained the whole of Malda and that portion of Dinajpur which is now in Bangladesh. In the absence of concrete evidence it is difficult to say whether silk formed an important item of produce of the district of West Dinajpur. So far grain, cloth and jaggery are concerned, however, it can be said with confidence that these articles were produced towards the end of the nineteenth century in the area which now comprises the district of West Dinajpur. The East India Company had a resident in Malda Town, who was

in-charge of the commercial side of the company's activities in the district of Dinajpur. It appears from the correspondence between Mr. Hatch, the collector of the district, and the resident at Malda, Mr. Udney, that there were a number of weavers in the Parganas of Mahinagar, Santosh and Malduar. Most of the weavers sold their produce to the resident at Malda and the resident took especial pains to obtain for them concessions from the Collector, regarding the payment of rent on the lands held by them but his efforts were not crowned with success. Mr. Hatch reported to the Board on the State of Cotton cultivation and production of cotton textiles in his district in the year 1789. According to him there were some lands on which cotton was grown and the rent of the cotton land was the same as that paid for arable land in general. The quantity of cotton grown in the district was not, however, sufficient to meet the local needs and between 2500 to 2000 mds (93 to 112 tons) of cotton used to be imported every year from the district of Sirhind and Benaras. Thread used to be spun by women. The thread was utilised for the production of cotton fabric worn by the local residents.

From the report of Dr. Francis Buchannan Hamilton (in 1803-09), it appears that after agriculture, it was spinning and weaving, which provided livelihood to a large number of persons. Besides a considerable number of families were engaged in manufacturing of bricks and tiles, manufacturing of beedi, preparation of ornaments (jewellery), preservation of food stuff and oil manufacturing and weaving of mats and rope and in blacksmithy. From the account given by Dr. Francis Buchannan the families engaged in works other than agriculture numbered as follows :- 2000 families in oil making, 1200 in bamboo and cane work, 200 in leather work, 500 in weaving of mat, 800 in manufacturing of beedi, 1200

Table T3.1.4.

STATEMENT SHOWING  
THE PERSONS ENGAGED IN COTTON WEAVING AND SPINNING IN BENGAL

District	Cotton Weavers		Spinners	
	1872	1921	1872	1921
Burdwan	25109	8138	N.A.	26
Birbhum	7676	4575	4266	
Bankura	6731	10213	1474	N.A.
Midnapore	26828	17128	6713	001
Hoogly & Howrah	17531	11276	2375	1016
24 Parganas	7304	3588	1798	3756
Nadia	14096	7917	1996	80
Murshidabad	12230	5342	2653	214
Malda	4826	4179	1535	258
Rajshahi *	6665	2200	1284	151
Jessore & Khulna *	20163	19402	1553	58
Dinajpur	4019	2806	766	506
Rongpur	5493	446	858	133
Pabna*	15780	11596	916	877
Dogura*	3178	1456	256	98
Darjeeling	317	134	11	01
Jalpaiguri	1297	2050	327	91
Dacca*	18383	17616	5053	215
Fariapur*	14849	17613	2253	731
Bokharganj*	14434	10049	1309	187
Maymanshing*	14596	9908	2240	301
Chittagong*	8830	11333	8819	4065
Noakhali*	7281	8713	2285	712
Tipperah*	20041	12964	9678	309
<b>Total</b>	<b>257494</b>	<b>200824</b>	<b>60418</b>	<b>13786</b>

\* These are not excluded since -

- i) These are part of Pre-Independent Bengal.
- ii) Considerable Portion of Crafts migrated to present Bengal following the partition of Bengal and riots.

Source : i) H. Beverly - "Report on the Census of Bengal, 1872

ii) W.H. Thompson - Report on the Census of India  
Vol. V Part II Cal. 1923.

in pottery, 700 in carpentry, 300 in bricks and tiles manufacturing, 700 in metal work, 750 in blacksmithy, 1600 in jewellery, and 3825 in spinning and weaving of cotton. Besides these, a large number of families were engaged in preparation of garland, hukka, manufacturing of card and agricultural implement, jute spinning and weaving, paper making etc. Though according to Buchannan these figures were approximate, we can derive, an approximate picture from the figures and can view the importance and existence of works other than agriculture in the district.

The British Policy of de-industrialisation of India destroyed the handicrafts of West Dinajpur along with that of other regions of India. Handloom was the worst sufferer in this process. After agriculture the cottage industry, particularly handloom (weaving and spinning) was the most important source of employment in Bengal. Handloom weavers were scattered in the rural areas as well as in the urban centres in almost all the districts of Bengal. In 1872 there were about 257494 weavers and 60418 spinners in Bengal. These figures were reduced to 200824 and 13786 in 1921. In West Dinajpur these figures were 4019 and 2886 in 1872 and 766 and 506 in 1921 respectively (Table T 3.1.4). Thus it follows that from the later period of the nineteenth century, the weaving craft of Bengal, so also the Dinajpur crafts started to decline, facing competition from Lancashire's machine made and cheaper piece goods and high protective and discriminatory tariff against local handloom products. Some weavers continued to produce goods of a coarser variety, which were in demand by the vast majority of rural people. A few artisans shifted to agriculture sector and joined as agricultural labour and some others joined other professions. Thus the very bone



of self-sufficiency was not only destroyed but also the chances for its future expansion was extinguished, Lord William Bentinck, reported in 1834 "The misery hardly finds a parallel in the history of commerce. The bones of cotton-weavers are bleaching the plains of India."<sup>11</sup>

### 3.1.6 COTTAGE INDUSTRIES IN WEST DINAJPUR - 1951-81.

West Dinajpur is a backward, village based agricultural district with no natural resource or qualification suitable for large scale industry. Naturally cottage industry stands next to agriculture as a means of livelihood. Moreover large inhabitants of backward classes i.e. scheduled castes and scheduled tribes, have enriched the base of cottage industry.

About 8.56% of the total number of workers derive their livelihood from cottage industries. Not only a large number of workers with their dependents are engaged in cottage industries but also there are part-time workers, specially small and marginal farmers and agricultural labourers, who work in cottage industries, when they find no work elsewhere. It is important to note here that in 1961, 1156 households worked part-time as against 947 households worked regularly in household manufacturing sector.

The most important cottage industries of the district are manufacturing of beedi, handloom, dhokra and rope, carpentry, foodstuff processing, bricks and tiles making, manufacturing of mats, bamboo, cane and cork product, besides general handicrafts like, jewellery, blacksmithy, leather work, embroidery and knitting etc. In the following paragraphs we shall discuss them in details.

Table No. T3.1.5

DISTRIBUTION OF WORKING POPULATION AND ESTABLISHMENTS  
IN HHI AND NHHI IN WEST DINAJPUR

Year	<u>Establishments</u>		<u>Household Industries</u>		<u>Non-household industries</u>		Total
	Total	Rural	Male	Female	Male	Female	
1951	5852	5002	6508	1628	Neg.	Neg.	8136
1961	7863	6210	4799	4998	8683	1142	19613
1971	4959	2605	5709	3309	10365	3976	23369
1981	7667	4773	9076	5858	15017	3435	33366

Source : Census Report.

Table No. T3.1.6

DISTRIBUTION OF WORKERS AND ESTABLISHMENTS - INDUSTRY-WISE IN  
WEST DINAJPUR

Industry	1951		1961		1971		1981	
	Establish- ments	workers	Establi- shments	Workers	Establish- ments	Workers	Establish- ments	Workers
Handloom (Weaving)	455	1690	267	1030	258	2972	508	6986
Jute (Spinning & Weaving)	109	111	47	270	29	345	27	625
Textile Miscellaneous	NA	NA	283	752	645	3484	325	3591
Beeedi manufactur- ing	26	520	98	1305	165	2040	209	3595
Food Stuff processing	478	2227	1079	3700	1300	4981	1527	5553
Wood works & Carpentry	94	1346	81	4501	112	2567	175	3256
Bricks, Tiles & Pottery	53	1406	232	1980	344	1596	368	4115
Mat, Hand Cork, Bamboo product	NA	99	280	850	NA	1277	NA	2000
Leather product	NA	253	NA	353	NA	160	NA	1133
Black & Cepper Smithy	98	265	269	874	325	1340	390	1673
Jewellery silk	153	219	211	998	165	770 1327	490	359

Computed from Census report of 1951, 1961, 1971 and 1981.

The number of establishment in cottage industry according to census report of the district were 5852 in 1951, 7863 in 1961, 4959 in 1971 and 7667 in 1981. Of the total number of establishments 5002, 6210, 2605 and 4773 respectively were situated in rural areas. The employment in these establishments were 8136 in 1951, 19613 in 1961, 23359 in 1971 and 33386 in 1981 besides part-time and seasonal workers (Table No. T 3.1.5).

#### HANDLOOM (SPINNING & WEAVING)

Handloom was one of the important industries in West Dinajpur district in pre-independence period. In spite of havoc fall in this industry, nationwide, due to competition with mill products, it still constitute the bone of village economy, specially in backward region.

In 1950 there were 455 establishments of handloom in this district and most of them were situated in villages. In 1960 the number of establishments reported was only 267 and for 1971 and 1981, these numbers were 258 and 508 respectively. The employment of main workers besides part-time workers were 1690, 1030, 2972 and 6986 in 1951, 61, 71 and 81 respectively (Table No. T 3.1.6)

The handloom establishments are mostly centered in the villages throughout the district. The villages having concentration of handloom establishment are - Parpatiram, Kajilash, Faridpur of Balurghat P.S., Gangarampur of Gangarampur P.S. Balijol, Keotal, Paloibari of Itahar P.S., Bajorgeon, Mithapur, Bishnupur of Karandighi P.S., Nandoi, Matikunda of Islampur P.S., Bhatol, Tezpur, Pratappur, Karnajora, Bhomra, Paschim Mahadebpur, Goaldaha of Raiganj P.S. and Samaspur of Hemtabad P.S. Among the Police Stations Itahar, Raiganj and Gangarampur account for 75% of handloom industry.

The handloom of West Dinajpur produce goods mainly to meet the demand of village people. The principal products are 'GAMSA' 'TOWELS', 'DHUTI', 'SAREES' (405 x 405), 'MASARI' (Mosquito net). These products are made of coarse thread, however the products of fine thread are also produced, but at lesser quantity. The design of these products are very simple and non-attractive.

Handloom products of this district are sold throughout the village markets of the district and also exported to neighbouring states and districts.

It is important to note here that West Dinajpur is not a cotton producing centre. The handloom of this district is entirely dependent upon the imported yarn. In view of importance of this industry in providing employment, we shall discuss in further details of this industry in next sections which is the core section of this research project.

Handloom Industry consist of a number of process which are :-

- \* cotton ginning, cleaning, carding, pressing and bailing;
- \* cotton spinning;
- \* bleaching of cloth and yarn;
- \* tie and dye (badhani) of cloth and yarn;
- \* weaving;
- \* printing

Among these processes the spinning of cotton is totally absent in this district in household sector.

## JUTE INDUSTRY (DHOKRA AND ROPE)

Jute is the principal cash crop of this district. Naturally, it is expected that there should be large number of establishment in manufacturing sector base on jute. But the district is an exception. The jute goods production in this district is very much insignificant. Whatever produced from jute is in, cottage sector. Jute industry consist of :

- \* jute pressing and bailing;
- \* jute spinning and weaving of mats(dhokra);
- \* making of rope and cordoge out of jute;

Jute pressing and bailing establishments are scattered throughout the district in urban areas. According to 1951 census report there were 109 establishments of jute pressing, bailing, spinning and weaving. In 1961 the number of establishment were 47 and in 1971 and 1981 these numbers were 29 and 27 respectively. The employment in this industry were 111, 270, 345 and 625 in 1951, 1961 and 1971 and 1981 respectively (Table T 3.1.6). In jute industry 'dhokra' is an important cottage product of Kaliyaganj, Karandighi, Goalpokhar, Hemtabad and Kushmandi P.S. Since most of the artisans work part-time, it is very difficult to give actual number of artisans and the scope of employment in dhokra industry. A study conducted by N. Bandopadhyay,<sup>12</sup> shows that as much as 1200 artisans are scattered in the region - Kushmandi to Goalpokhar. Spinning of jute is done generally by female workers and weaved by the males. So far rope is concerned it is manufactured throughout the district. We

can hardly find out any people in the rural sector both male and female who does not know the technique of rope manufacturing. There are vast market of dhokra and rope.

#### TEXTILE - MISCELLANEOUS

This is an important handicraft industry providing livelihood to large number of people. This industry includes - making of carpets, manufacturing of readymade garments and knitting fabrics and garments (n.e.c.), embroidery and making of phulkari, making jori thread, making of cap, hat, manufacturing and repair of umbrella. There were 283 establishments in 1961, 645 in 1971 and 825 in 1981 and provided employment to 752, 1372 and 3591 persons in 1961, 71 and 81 respectively. We have seen that the workers and establishments of this sector are symmetrically distributed over the district with albit skew in urban areas (Table T 3.1.6)

#### BEEDI INDUSTRY (TOBACCO PRODUCT)

One of the cash crops of Dinajpur is 'Tobacco'. A large number of main workers engaged in beedi making. Beedi processing is purely a cottage industry. Availability of tobacco and 'beedi patta' helped this district to have export outside the district. It is mainly a product for village peoples and for low income class. According to census reports the number of establishments were 26, 98, 165 and 209 in 1951, 61, 71 and 81 respectively. The employment in this industry were 520, 1305, 1527 and 3595 main workers in 1951, 1961, 1971 and 1981 respectively. Besides the main workers there were a large number of workers, specially widows and housewives of lower income class work part-time at home.

It is an industry which needs no fixed capital. On field investigation it is seen that with a scissor and small square tin plate as capital, a worker can earn Rs.8/- to Rs.12/- per day (Table T 3.1.6).

#### MANUFACTURING OF FOOD STUFFS

Processing of food stuff accounts for a giant share of establishment as well as of workers in household sector and non household sector. This industry consists of hand pounding of rice by 'DHEKI' or 'UDUKHAL'; production of flour by village chakkies and by grinding of wheat, maize and gram etc; grinding of chillies and turmeric; production of pulses; parching of grains; making of gur and khandsari; manufacturing of achar, pickles, chutney and murabba; production of bread, biscuit, cake and other bakery products; production of ghee and dairy products, making of chura, muri, murkhi, khoi, chanachur; oil pressing by ghani, kolhu, or by small machines; making of sweets, laddu, peda, batasa, barphi etc. and beverage.

A large number of village people specially women earn their livelihood by processing and selling - chura, muri etc. Hand pounding of rice by Dheki or Udukhal, is an important activity of rural women all over the district. Oil making stand next after processing of grains. Confectionery or bakery is also notable.

The number of establishments as per reports of census were 473 in 1951, 1079 in 1961, 1300 in 1971, 1527 in 1981 and employment of main workers as per census reports were 2227 in 1951, 3700 in 1961, 4981 in 1971 and 5553 in 1981 respectively, besides a huge number of workers these have worked either part-time or as subsidiary occupation (Table No. T 3.1.6).



Out of 1079 establishments in 1961 grain processing establishment accounts for 229 (21.22%), oil making 472 (43.74%) confectionary 295 (27.34%) and bakery products 67 (6.2%).

CARPENTRY (MANUFACTURING OF WOOD  
AND WOODEN PRODUCT)

Under the synonymous names Chhutar, Sutrodhar and Baroi we must include joiners, cabinet makers, carvers and carpenters of all kind. The main activities are - manufacturing of wooden furniture and fixture; manufacturing of structural wooden goods (door and window); manufacturing of agricultural equipment, plywood; manufacturing of boats, photo frame, and manufacturing of musical instruments.

There were 1346 workers in 94 establishments, 4501 in 31, 2567 in 112 and 3256 in 175 establishments engaged in 1951, 1961, 1971 and in 1981 respectively (Table T 3.1.6).

The manufacturer of wooden products have centered in urban areas, because of demand situation. In the rural areas carpenters are part-time worker and artisan of inferior quality, mostly engaged in manufacturing of agricultural equipments and transport equipments like 'CART'. In Gangarampur P.S. there are some carpenters who manufacture boat. The condition of carpenters in rural areas is miserable, however in urban areas, the skilled artisans can earn a moderate standard of living.

## BRICK, TILE, POTTERY AND OTHER CLAY PRODUCT

The soil of this district particularly of Balurghat, Kushmandi, Raiganj and Goalpokhar P.S. is suitable for clay products viz. bricks, tiles, pottery etc.

Brick industry in this district is flourishing day by day following increase in constructional activities and is no longer produced in household sector. On investigation it is found that most of the workers engaged in brick industry are migrated labour from Ranchi and Purulia districts of Bihar and West Bengal. The brick is one of the items of export from the district.

Brick manufacturing is seasonal work. During summer and rain, the manufacturing of brick is not possible since they are manufactured in open field. During off season, the labourers either return to their home or do work as agricultural labour and constructional worker.

Pottery is mainly a household industry. This industry need no capital. Once there were considerable number of potters in the district. But their number is gradually decreasing and are shifting to other occupation following decreasing demand of pottery ware due to availability of aluminium, tin and steel utensils. Pottery are mainly sold in village hats and its main consumers are rural poor people. Potters are otherwise named as KUMOR, and belong to backward class.

Tile is manufactured in household as well as non-household sector. It is used for roofing purpose, and has demand both in rural as well as in urban areas.

Manufacturing of brick and tile do not required high degree of skill. The artisans are just labour. But pottery needs high degree of skill.

The technology of these industries are simplest. For brick and tile just mould, made of wood or iron is necessary. For pottery wooden wheel is used.

After the manufacture of products, they are burnt. Brick is burnt in a large woven, and coal is used as fuel. Tile and pottery are burnt using straw as fuel.

Census reports show that there were 53 establishments in 1951, 232 in 1961, 344 in 1971 and 368 in 1981 with employment of main worker as follows - 1406 in 1951, 1986 in 1961, 1596 in 1971 and 4115 in 1981. In 1961 out of 232 establishments 14 were brick manufacturing and 204 were pottery. In 1981 out of 368 establishments, 96 were brick manufacturing and 272 were pottery. This shows considerable growth in brick industry. The brick industries account for 76% of total main workers belong to this sector. Another factor that was observed in course of study is that the employment of male workers is more than female workers. Male workers constitute 87% of total workers in this industry (Table No. T 3.1.6).

#### MAT & BASKET MAKING INDUSTRY (BAMBOO AND CANE PRODUCT)

Mats and baskets are use all-over the district. The mat is used as wall, ceiling and roof of houses; compound-fences, boat-roof and cart cover. It is made of cane and bamboo, woven crosswise and is both cheap and serviceable. The local name of mat and chatai. Basket is also manufactured from split bamboo, though cane is sometimes

employed for finer work. This basket is of many kinds and play an important role in daily and economic life of people. Different kinds of baskets are used for carrying earth or manure, fruits and vegetables, washing rice and many other purposes. The finest example of this work is that a large closely woven basket used for storing of grains and the hemispherieal basket of different sizes called 'DONS', universally used for weight of grain. The artisans also make the umbrellas, which is almost used by every family in the rainy season. The top is made of double net work of split bamboos and leaves of the 'Sal' or of the 'Banyan' tree. The local name of such umbrella is 'TOPOR'. These goods are always prepared by the patonis for sale; but if required they can make many others. Such as fine and coarse screen (chiek and chali), chair (chauki) and tools (moras).

The mat of this district is famous and is one of the principal commodities of export from the district. The demand for mat and basket is often so considerable, that merchants are under the necessity of making advances. The artisans of these products are scattered evenly over the district, and the areas of concentration are Balurghat, Tapan, Banshihari, Kushmandi, Goalpokhar and Karandighi P.S. The artisans mostly live in villages.

Manufacturing of mat and basket is mainly a subsidiary occupation of the workers. So its exact position particularly in providing livelihood to people could not be known. However from the census reports the available figures are as follows : 99 workers in 1951; 850 in 1961, 1277 in 1971 and more than 2000<sup>workers</sup> in 1981 (Table No. T 3.1.6).

## LEATHER INDUSTRY (LEATHER PRODUCT)

Leather industry being a traditional industry has great employment potential. Again the major man-power for this industry is provided by persons belonging to the economically and socially backward classes of the society. Traditionally the commodity has been reserved of the so called backward classes as well as of the minority community. Traditionally too, the income generated by this sector have been amongst the lowest in the industrial field. The balanced development of the industry must, therefore, take note of this fact and must be so adjusted that, along with rapid growth, the benefit of that growth, percolate down to the lowest level.

Leather industry has a number of distinct stages, each have their individual characteristic. The first stage is playing of an animal, removal of hides and skins and curing and preserving them to maintain their quality and to prevent decay. The next stage is tanning and finishing of hides to leather through vegetable tanning and chrome tanning. The third stage is production of various types of leather goods. The production of footwear and leather goods is labour oriented and does not require heavy investment. These therefore could be handled by the cottage sector.

The manufacturing of leather is by no means so thriving, as it might be made, probably ~~own~~ owing to the very low rank of the artisans. According to census report there were 253, 353, 160 and 1133 main workers engaged in this industry in 1951, 1961, 1971 and in 1981 respectively. The establishments are in most cases individualistic (Table No. T 3.1.6).

The hides which they dress are those of oxen that have died a natural death, and those of goats and sheeps. Goat' skins are used in large scale. The products produce by the artisans are shoe, trunk, belt and sandle. An arti-san can manufacture 8 to 11 pair of shoes in a month. The shoe makers have little or no capital, but make fair earning. Every native, that can afford it, wears leather shoes.

The district possesses large number of domestic ani-mals viz. goats, cows and buffaloes. According to livestock census of 1972 and 1977 the position of livestock of this district was as follows :-

Year	Cattle	Buffaloes	Sheeps	Goats	Horses	Pigs	Others
1972	803128	54639	7790	382104	1962	37907	111
1977	796446	42283	9503	498380	933	39828	5

Goats are mainly used for meat purposes. Thus huge amount of skin available in the district, ensured, regular supply of raw materials to leather industry.

#### BLACKSMITH

Blacksmith (Kumar) occupied a key position in the basic metal works, so also the brass and copper smith. Excepting the recent development in modern small scale industries in this sector, however small, it was the Blacksmith and Coppersmith that supplied and manufactured the articles demand-ed by the consumers of basic metal. They manufacture by the iron of their own, and retail at markets, the common imple-ments of agriculture such as the plough share, sickle, bill,

hoe (KODAL), hatchet (KURAL), khonta and weeding iron. They also manufacture some household furnitures such as ladle, pothook, kitchen knife, and lamp (standing and hanging) and some coarse cuttery, such as knives scissors and beetle-nut-cutters. When ordered by the barbar, they make razors and nail cutters. The blacksmith can also prepare an instrument called 'Kajollota', which is placed over the lamp for collecting smoke used as paint.

The other products that they produce are lock and pad lock, arms like sword and spear; clamp for boat builders, boiler, large ring for wheel of cart etc.

The blacksmith cannot work alone. He must have a man to blow the bellows and an assistant to work with a large hammer.

Blacksmith is also belong to backward classes; living at subsistence level. They usually need no capital excepting some fixed investment in 'kammer,' 'hapor' and 'forceps'. The technique of manufacturing is generally transferred by heredity.

Brass and Copper smith in this district is not much significant and just available. Brass and Copper smiths are only concerned with the repairing (sometimes manufacturing) of utensils.

According to census reports there were 265, 874, 1340 and 1673 main workers engaged in this industry in 1951, 1961, 1971 and in 1981 respectively. Their workshop is generally a small hut made of straw and bamboo. 98, 269, 325 and 398 establishments were reported to have in the district in four successive census (Table T 3.1.6).

The distribution of smith is symmetrical all over the district and have concentration in village hats (Market).

### JEWELLERY

Jewellery, is a same percent handicraft industry and till 1981 it was given the status of cottage industry. But considering the growth, earning and other commercial aspects it is now considered as organised industry. In spite of government decision, jewellery still considered and have the cottage status in backward and rural areas.

In this district working with the precious metals and stones is at a very low ebb with regard to skill, excepting some recent development in urban areas. The artisans are sufficiently numerous. As reported in the Census of 1951, 1961, 1971 and 1981 the main workers engaged in this work were 219, 998, 770 and 859 respectively in 133, 211, 465 and 490 establishments respectively (Table T 3.1.6). The establishments are gradually shifting from rural sector to urban sector. Urban sector accounts for 75% of the establishments as against 30% few decades ago. This shifting mainly due to increasing demand in urban areas as well as on security perspective. This industry mainly employed the male workers.

Most of the artisans are poor and produce ornaments after getting order from consumers and in majority cases the consumer has to supply raw materials too. There are a few establishments that supply raw material (Gold) and produce Ornaments at a commercial scale.



The artisans of this district are not much enough skilled. For most of the fine works and final polish they move either to Calcutta or to Siliguri.

The condition of the artisans gradually worsening following fall in demand due to increasing hike in price of gold. Excepting in occasional time (specially during marriage season) they virtually find not enough work for maintaining their livelihood. According to their report, the volume of work as well as demand in ornaments has decreased to 40 to 50% from that of two decades ago. Most of the artisans shifting from, gold works to silver works and also they are shifting to other occupation following a dark future of this industry, particularly in rural and backward areas where condition and standard of living of people worsening day by day.

Here we have tried to give an account of entire cottage industries available in this district. In our account we have discussed the industries which are providing considerable amount of livelihood to people. There are a lot of other products, though insignificant individually, but significant if summed up. These minor productions are - palm gur manufacturing, building of image of God and toys, making of artificial flowers and garlands, collection of shells and burning them for lime, preparation of ornaments and crown from the SOLA (These products are in great demand in marriage and for ornamentation of image of God), preparation of medicine from vegetables and roots, manufacture of wax, candles, preparation of cake from cowdung, preparation of dry fish etc.

No attempt has been made to find their production in quantitative term. This is just not possible since they are mostly unorganised. An idea about the contribution of cottage industry to the society as well as their share in N.N.P. (Net National Product) and N.N.I. (Net National Income) can be had from the wage structure and wage intensity of different products. And accordingly we can estimate gross production in money value taken into consideration the average earnings of artisans per day or month, average productive capacity, average time of work done in a year, wage structure and number of worker engaged both full time and part-time. This process of estimation still not free from defects, since in household establishments the process of work is facilitated by all members of family, where contribution of each is not possible to be measured.

However if we assume that (i) workers engaged in any industry earn their minimum livelihood and (ii) they will not work if they find that the occupation is not paying their livelihood, then only occupational structure is sufficient enough to visualise the significance of cottage industry in the national economy as well as in the economy of backward region. The degree of development (growth) in these industries, if any, that has been made, is to be measured by measuring the growth in number of workers, wage and working day for which artisans are really engaged. In the next chapter we have tried to work out the growth of these industries.

An understanding of other large and small scale organisations in industrial sector (specifically in secondary sector) is also necessary to highlight the position of cottage industry in the economy of West Dinajpur. In the

next paragraphs we have tried to work out the composition and growth of large and small scale industries(modern) in secondary sector in the district of West Dinajpur.

### 3.2.1 ORGANISED SECTOR IN WEST DINAJPUR

West Dinajpur was never industrially prosperous. It is one of the most backward districts in the State so far as industrialisation is concerned. Except for a few rice mills and oil mills no industry had made any headway so far. There were only 13 registered factories in 1951 and all were rice mill. The number of factory workers was 980. In 1961, the number of factories reported was 34 with 1684 factory workers. Of the 34 factories, 32 were rice mill, 1 Tea State namely DEVIJHORA TEA STATE and 1 paper mill namely KULIK PAPER MILL. The employment in these factories other than rice mills were 93 (Table No. T 3.2.1). The district is empty of large scale organisations except a few number of Medium Scale Organisations. The number of small scale organisation gradually increasing. The important point to be noted that, whatever development has been made in this district during 1951 to 1981 in organised sector, has been made, sacrificing the interest of cottage and village industries. This is apparent from the composition of small and large scale organisations. The development of organised sector in this district, whatever achieved, has been made after 1960.

As per report of 1971 there were 2354 workshops in the district, of which 75 were registered factories and 2279 were unregistered workshops in secondary sector. 46 (61.33%) of the registered factories employing workers 2447, were engaged in processing of food stuffs and beverage;

Table No. T3.2.1

STATEMENT SHOWING THE NUMBER OF REGISTERED FACTORIES  
AND WORKERS EMPLOYED IN WEST DINAJPUR.

	1951	1961	1971	1981	
No. of Factories	18	34	32	30	Additional employment during 1951-1981 = 455 workers
No. of workers employed	880	1684	1767	1634	

Source - Chief Inspector of Factories of West Bengal

Table No. T3.2.2

STATEMENT SHOWING THE REGISTERED SMALL SCALE INDUSTRIAL  
UNITS AND WORKERS EMPLOYED.

	Units	Workers	Composition
1951	NA	NA	Oil Mills, Husking Mills, Flour Mills, Soap Manufacturing, Bricks Manufacturing, Coak Manufacturers, Motor Body Building, Grill works, leath works, Beedi manufacturers.
1961	NA	NA	
1971	43	1820	
1981	2205	16670	

Source : Directorate of Cottage and Small Scale Industries.

Table No. T3.2.3

## CONSUMPTION OF ELECTRICITY BY INDUSTRIAL SECTOR.

Year	Consumption thousand KWH	Percentage of total consumption
1961	189	35.14
1981	5053	33.21

Source : Divisional Engineer, WBSEB, Raiganj.

Table No. T3.2.4

## DISTRIBUTION OF COMPANIES AND CO-OPERATIVE INSTITUTIONS OF WEST DINAJPUR

Year	No. of Companies	No. of Industrial Co-operatives	No. of Non-Industrial Co-operatives (Agricultural + Bank + Consumers Co-operatives)
1951	NA	3	3
1961	2	59*	94
1971	7	5	69
1981	9	36	617

\* Including two Mahila Samities.

\* Industrial Co-operatives denotes Co-operative engaged in manufacturing of goods.

Source: i) Registered of Co-operatives Societies,  
West Bengal

ii) Registered of Companies, West Bengal.

mainly consists of rice mill, flour mill, oil(mastard) mill etc. 16 of the registered factories employing 641 workers and 5 of the registered factories employing 280 workers were engaged in manufacturing of beedi and handloom weaving. Among the rest 4 factories employing 97 workers, were in wood and embroidery works; one employing 100 workers in manufacturing rubber goods; 1 employing 139 worker in jewellery; 1 employing 11 workers in non-metallic mineral products and 1 employing 72 workers in textile; miscellaneous. Of the registered factories in 1971, 43 were in small scale units and the rest 32 factories fall within the category of medium scale organisation. In 1981 there were 30 registered factories employing 1634 workers and 2205 registered small scale industrial unit employing 16670 workers, most of them were in secondary sector (Table No. T 3.2.1 and T 3.2.2). The increase in the number of registered units is mainly due to registration of unregistered units which were reported as unregistered N.H.H.I. Units in 1971 census. Table No. T 3.2.4 shows the distribution of companies and co-operative organisations, which are, even in total constitute very insignificant number in relation to total manufacturing organisations. No Public Sector companies were reported to have in the district till 1981.

In view of the consumption of electricity by industrial sector, which was just 35.14% in 1961 and 33.21% in 1981, in relation to the total consumption of electricity, we may conclude that the district is very much poor in respect of industrialisation. However in view of increase in absolute figures of consumption, which was 184 thousand KWH in 1961 and 5053 thousand KWH in 1981, we may conclude that the district is far ahead than what it was in 1951 (Table No. T 3.2.3).

Table No. T3.2.5

**Distribution of Working Population in Tertiary Sector  
West Dinajpur**

	In Construction	In Trade & Commerce	Transport & Communi- cation	Total	% of total population
1951	NA	8970	1661	10631	1.47
1961	2057	18124	2889	23070	1.74
1971	1303	19334	5950	26587	1.42
1981	2262	44200	7768	54230	2.25
Change from 1961 to 1981	9.96%	143.8%	168.86%	135.00%	

Source : Census Report.

**Note :** The greatest contribution in tertiary sector is of Trade & Commerce. This is because of the fact that the migrated peoples from Bangladesh started to retail goods, finding no other means of livelihood.

Table No. T3.2.6

**STATEMENT SHOWING WORKERS IN ORGANISED SECTOR**

Year	Total workers	% Total population	% of Total workers
1951	880	0.09%	0.333%
1971	1684	0.12%	0.388%
1971	2587	0.14%	0.496%
1981	18304	0.76%	2.36%

Source : District Statistical Report, West Dinajpur.

Total employment in organised sector was 0.09%, 0.12%, 0.14% and 0.76% of total population in 1951, 1961, 1971 and 1981 respectively. As a percentage of total workers these figures are 0.333%, 0.388%, 0.496% and 2.36% respectively (Table No. T 3.2.6). Thus it appears that so far employment is concerned the role of organised sector was almost negligible during the last 30 years in this district.

Investment in these industrial units has not been studied. Since we are interested to know the importance of organised sector (SSI Units and Medium Scale Units) from the point of view of income generation or in other words employment, we have simply studied the workers engaged in these industries. Again mere investment or value added figures are not sufficient enough to disclose significance unless they are compared. But this do not fall within the scope of the present research project.

The growth in tertiary sector is insignificant if we exclude trade and commerce from this sector. The trade and commerce sector, which includes retailers, was more or less trippled in 1981 from 1961 (Table No. T 3.2.5). The other industry namely construction witnessed, factually no growth from 1961 to 1981. Transport and communication industry has provided employment to 4879 additional workers in 1981 which is though not much significant in absolute term but is 1.7 times of the worker engaged in 1961 in this sector. The enormous increase in retailers have no parity with any other industry in this district. The main reason of such increase is attributable to migration. The migrated persons from Bangladesh, have mostly started



retailing of goods, because of its some advantages which are 1) low amount of capital investment, 2) no technical knowledge is necessary, 3) no gestation period is required, 4) no marketing cost involves and 5) no risk of normal loss.

No modern small scale industries or ancillary industries are reported to have in this district, excepting a few establishments engaged in repairing of sophisticated articles, automobile and in leather work.

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13. A sort of vegetable tree grown in water.
14. The manufacturer of Sola Products termed as Malakar in the district.
15. After 1971, all NHHI establishment engaged in manufacturing of goods are required to be registered as SSI Units.
16. Modern Small Scale Industry-denotes manufacturing of electronic, electrical goods, tools and equipments etc.

## CHAPTER - IV

GROWTH OF COTTAGE INDUSTRIES IN WEST DINAJPUR :  
A. DESCRIPTIVE ANALYSIS

## Contents :

- \* Concept of growth;
- \* Objectives of the present analysis
- \* Methods for growth-measurement
- \* Methodology
- \* Limitation of the method
- \* Overall participation in cottage industries in West Dinajpur
- \* Growth rates of some selected industries
- \* Ownership pattern in West Dinajpur
- \* Nature of wage/residual
- \* Labour contracts in unorganised sector
- \* Employer-employees relation
- \* Capital output ratio
- \* Table showing overall participation in cottage industries in West Dinajpur (1951-81)
- \* Table showing persons in cottage industries in the district of West Dinajpur (1951-81)
- \* Table showing number of enterprises engaged in cottage industries in West Dinajpur (1951-81)
- \* Table showing growth rates of some selected industries.
- \* Table showing distribution of establishments by nature of ownership

4.1                    The study of growth, ownership pattern, wage structure or residual character, capital output ratio, capital labour ratio etc. are important factors, without which, study of any industry remains incomplete. In this chapter we have tried to work out a few of these aspects of the cottage industries in West Dinajpur. Though a complete measurement of economic factors of unorganised sector is almost impossible due to lack of information, we have tried our best.

#### 4.1.1.                    CONCEPT OF GROWTH

The dictionary meaning of the term 'Growth' is gradual expansion or increase in size of something. Economists are found to use the term in this sense, when they speak of growth in output, sale, export ect. Thus Industrial Growth has been described by S. Kuznets to mean simply, a sustained increase in the volume of industrial output, and the absence of which means stagnation in an industry. Growth is "the result of a process of development, akin to natural biological process in which an interacting series of internal changes leads to increase in the size, accompanied by change in characteristic of the growing object."<sup>1</sup> According to Adam Smith, the fundamental of growth is the rate of capital formation. Karl Marx has defined growth under capitalism as accumulation of surplus value. To Messrs Meier and Baldwin, growth is " ..... not only general end result of the development process ..... but also..... the underlying detailed changes that determine the result".<sup>2</sup>

Industrial growth should similarly mean not merely an expansion of output but also a progressively changing character of the industrial economy, which leads to such expansion. The character of the industrial economy generally, changes progressively, as a result of the application of new technology, protective measures, emergence of entrepreneurship, larger state aid, wide state participation, boost from external agencies etc., in this sector. All these accelerate the growth of an industry.

The term 'growth' is purposive. Rate of growth is calculated keeping in view a specific objective, i.e. in other words, we have different rate of growth to disclose various aspect of an industry/economy, e.g. capacity utilization, output, investment, capital formation etc.

We have innumerable methods for measurement of growth. These methods and definitions are not free from criticisms. Here we are not interested in the theoretical aspects of growth, rather, we are interested to know the expansion of cottage industries in the district of West Dinajpur.

The problem before us is, what we should measure to highlight the growth of cottage industries (?). To measure the growth of unorganised sector, literature of technique is just not available. It is really very difficult to measure the growth of cottage industries, in terms of so called terms, like productivity, output, investment etc. This is because :

- \* cottage industries are widely dispersed
- \* the ventures are so little that the producers do not keep any records
- \* entrepreneurs are mostly illeterate

- \* cottage products are of larger variety
- \* input - output relation is ambiguous.
- \* capital output ratio is not unique. So also the capital - labour ratio
- \* details about average day worked or time worked are not available
- \* most of the artisans have dual occupation. Sometimes they operate in two sector namely agriculture and industry. Hence it is difficult to segregate them
- \* cottage industries are self-employment in nature. Family as a whole provides labour, hence computation of actual labour hours and contribution of each worker is not just possible and
- \* that there is no standard level of efficiency.

#### OBJECTIVE :

In this present study of growth of cottage industries we have studied the participation of peoples and entrepreneurship. In cottage industries sector, participation and entrepreneurship are two main aspects. Since productivity is more or less constant; technology is indogeneous; fixed investment is less significant, wages is residual in character, output is not known and above all cottage industries are labour intensive, therefore the study of participation of peoples and entrepreneurship are most appropriate, and these information is near accurately available. If we assume that :

- \* the artisans engaged in these industries earn a fair return to maintain their livelihood

- \* there are no obstacles on the entry and exist of the artisans
- \* the level of capacity utilization is constant
- \* the labour-capital, capital-output and capital turnover ratios are constant
- \* the labour-output ratio is constant, because of insignificant progress in technology
- \* the average working day and average working hours per artisan is constant and
- \* there is no change in per capita real income of artisans; then growth rate in participation gives us a ~~gixxxxmxxx~~ general view of progress in this sector and growth in entrepreneurship gives us, a view of structural change in this sector.

The limitation of this concept is that some of the above assumptions contradict each others in short run and in long run; for example in short run free entry or exist is not possible and in long run labour - output ratio does not remain constant.

Again if any one is interested to know production or investment or value added in cottage industries, then he can do so simply multiplying the participation by average production per person; by value of equipment per person (since, every individual in most cases constitute a complete process) and by average earning of artisans or craftsmen.

#### 4.1.2 METHODS FOR GROWTH-MEASUREMENT

Concept of industrial growth is difficult, but still more difficult is it's measurement. So various

methods have tried by economists, to ascertain rate of growth in industries, Some of such methods are :-

- i) The Ratio Method
- ii) The Absolute Change Method
- iii) Total Factor Productivity Index
- iv) The Relative Change Method and
- v) Hodas Formula or Balkrishna Formula

These methods are inshort discussed below :

\* The Ratio Method :

This devide has been developed at Cambridge by Messrs Reddaway and Smith for ascertaining growth due to productivity changes in British manufacturing industries. For this purpose, this method takes into account labour (Man-hours), Capital and Net output of each industry. However, instead of relating each input individually to net output the combined factor inputs are related in this method to it. The two factors, labour and capital, are combined with some economic weights (i.e. the base-period remuneration for labour and returns to capital). Thus result of this method, is NET-OUTPUT per unit of 'Combined Factors'. Consequently, efficiency change is ascertained by comparing these measures of net-output per combined factors between the given base and end year. So rightly efficiency change, as ascertained by this method can be defined as "the ratio of rates of changes is net-output and combined inputs".<sup>3</sup>

\* The Absolute Change Method :

The paucity of information on industry-wise net capital stock has led to the formation of this method by the aforesaid economists for estimating growth due to productivity change in British industries. The name of this method, indicates

that variables considered in it, are expressed in terms of absolute changes, and thereby dispensing with the need for the base-year total figures.

\* Total Factor Productivity Index :

This device has been employed by J. W. Kendrick for ascertaining 'Total Productivity' in thirty three industry groups excluding farming and private domestic economy of the United States. This device of Kendrick has some family resemblance with the methods, developed at Cambridge. Kendrick too, considered two broad classes of factor viz., labour and capital and output. He christens the two factors as 'Total factor'; output to him is real final output in case of economy or gross of products purchased from other industries in case of the industry.

\* The Relative Change Method :

This measure of Relative Growth of industries has been employed by Prof. R. Balkrishna for estimating growth of Indian industries during 1951-56. The approach is simple and highly helpful only for ascertaining growth rate of an ~~individual~~ individual industry, relatively to those of the manufacturing sector, as a whole in an economy during a given period. The operative part of this method starts with the formula -  $\frac{W(I-100)}{100}$ , for estimating individual industry's contribution to the sectoral growth in the end year. Here 'W' stands for weightage ascertained by percentage of contribution to total value added in base year and 'I', stands for production index in the end year. This method will reveal the overall growth rate of an industry.

\* Bodas Formula :

This is another method with the help of which 'overall' growth rate in an industry during short period



had been used by Luigi Bodas, an Italian Statistician, for estimating population growth rate during a given short period. Here the principle is to estimate annual average co-efficient of expansion of a given variable from the ratio between the end and first years' quantity of that variable. Then by subtracting 'one' from the average co-efficient of expansion, net-rate of growth during a given short period is ascertained.

The formula of this method runs as follows :-

$$W = \left[ \left( \sqrt[N]{\frac{E}{A}} \right) - 1 \right]^{28}$$

where 'W' stands for rate of growth, 'N' for number of years considered, 'A' for first year and 'E' for final year quantity of the given variable.

This method, has been used by Prof. R. Balkrishna and Mr. W. G. Hoffman for ascertaining growth rate for Indian and British manufacturing industries respectively with a little modification.

#### METHODOLOGY :

In our study, in the first phase, we have calculated the growth rate of two variables, which we have selected to disclose the growth of cottage industries, viz., participation and entrepreneurship in between 1951-61, 1961-71, 1971-81 and 1951-81. These rates are also calculated sector wise viz. household sector and non-household sector and area wise viz. Rural sector and urban sector.

In the second phase we have calculated the growth rate of participation and entrepreneurship of some specific industries belong<sup>to</sup> cottage industry, to have a sectional view of growth. Since cottage industry compose of a lot of industries, total view without sectional one may be misleading.

For measurement of the growth rate, we have considered BODAS<sup>4</sup> formula as it is modified by Prof. R. Balkrishna<sup>5</sup> for ascertaining growth rates for Indian manufacturing industries. The modified formula of Prof. Balkrishna is as follows :-

$$W = \left[ \left( \sqrt[N]{\frac{E}{A}} \right) - 1 \right] \times 100$$

where 'W' Stands for mean rate of geometric growth,

'E' Stands for final year quantity of the variable to be measured,

'A' stands for first year quantity of the variable to be measured,

'N' stands for number of years

By multiplying the rate by 100, Prof. Balkrishna wanted to express the average growth rate in terms of percentage. This method has been chosen for -

- \* sake of simplicity,
- \* easy understandability,
- \* easy computation and
- \* because of single variable formula which satisfied out requirement, as our objective is to measure growth in participation and growth of entrepreneurship.

#### LIMITATION OF THE METHOD :

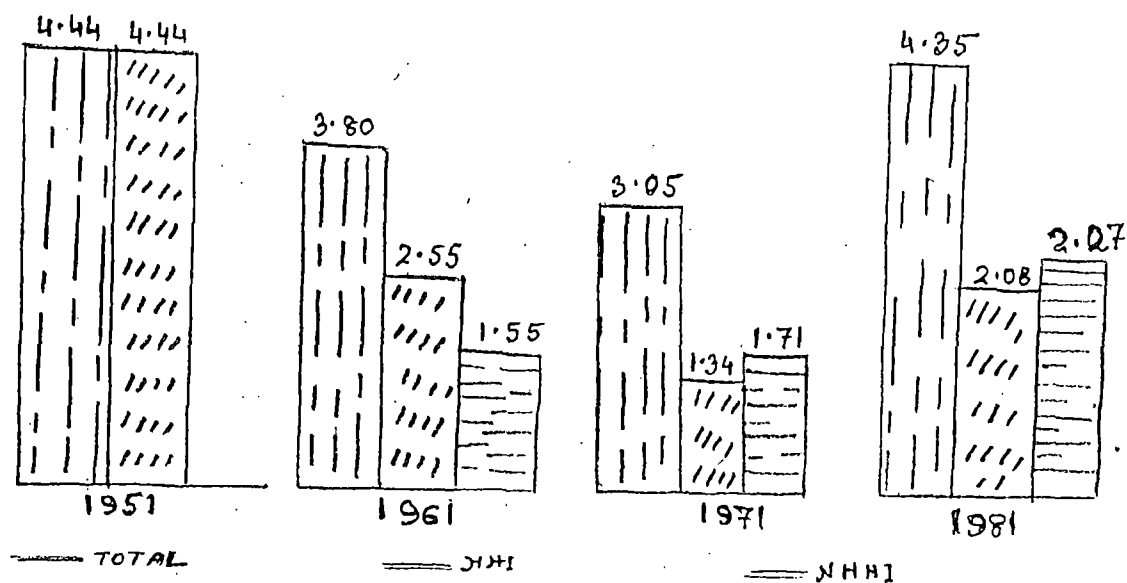
This method simply considers an average increase from the first to end year during the period of measurement. It does not consider nor give any weightage to the other factors that affect the variable to be measured. This method is also not suitable to measure growth rate of those

Table T 4.1.1

OVERALL PARTICIPATION IN COTTAGE INDUSTRIES  
IN WEST DINAJPUR FROM 1951 to 1981

Year	H.H.I Sector % of main workers	N.H.H.I. Sector % of main workers	Total % of main workers
1951	4.44	N.A.	4.44
1961	2.25	1.55	3.80
1971	1.34	1.71	3.05
1981	2.08	2.27	4.35

Source : Computed from census report.



PARTICIPATION IN COTTAGE INDUSTRIES  
AS A PERCENTAGE OF TOTAL WORKERS

aspects which are effected by multi-factors. Though growth in our area of study i.e. in unorganised industrial sector is resulted by a number of variables - like, participation, capital-output ratio, average man-hour, improvement in technology, investment etc. but due to paucity of information we have made a few assumptions which are clarified in the objective.

#### 4.1.3 OVERALL PARTICIPATION COTTAGE INDUSTRIES IN WEST DINAJPUR :

During the last 3 decades, as it is evident from Table No. T 4.1.1, engagement in cottage industries gradually decreasing in comparison to total workers. In the year 1951 - 4.44%; 1961 - 2.25%; 1971 - 1.34% and in 1981 - 2.03% of total workers were engaged in cottage industries. The percentages are a bit lower than the state average. During these periods the overall participation of workers to total population in the district of West Dinajpur were 26.26% in 1951; 32.71% in 1961, 27.97% in 1971 and 32.05 in 1981, against state percentages of 27.69%, 33.10%, 28.09% and 30.99% respectively.

These show that overall participation of workers in cottage industries has decreased significantly, implying the negative attitude of workers or villagers towards cottage industries as a means of livelihood.

The absolute number of persons engaged in cottage industries in West Dinajpur both in HHI and NHHI sector given in Table No. T 4.1.2. According to this table, the growth rate of employment in cottage industries was 9.4% during 1951-61, 1.7% during 1961-71, 3.6% during 1971-81 and overall growth rate during 1951-81 was 4.8%. It appears from the rates that, period 1951-61 was the boom for cottage industries. The sharp increase in participation in

Table T4.1.2

PERSONS ENGAGED IN COTTAGE INDUSTRIES IN THE DISTRICT OF  
WEST DINAJPUR FROM 1951 to 1981

Year	HHI Sector	NHHI Sector	Total	GROWTH RATES IN PERCENTAGE		
				Total	HHI	NHHI
1951	8136	-	8136	-	-	-
1961	9797	9816	19613	1951-61	9.4	1.9
1971	10018	13341	23359	1961-71	1.7	0.2
1981	14934	18452	33386	1971-81	3.6	4.1
-	-	-	-	1951-81	4.8	2.1
-	-	-	-	-	-	3.2

Source : computed from census report

Table T4.1.3

ENTERPRISES ENGAGED IN COTTAGE INDUSTRIES IN WEST DINAJPUR  
FROM 1951 to 1981

Year	Rural	Urban	Total	Growth Rates in Percentage		
				Total	Rural	Urban
1951	5002	850	5852	-	-	-
1961	6210	1653	7863	1951-61	0.7	0.2
1971	2605	2354	4959	1961-71	-4.5	-8.3
1981	4773	2864	7667	1971-81	4.4	6.2
-	-	-	-	1951-81	0.9	-0.2
-	-	-	-	-	-	4.1

Source : computed from census report.

cottage industries during 1951-61 and 1971-81 was due to inflow of large number of refugees, who adopted cottage industries, as a means of livelihood, without finding any other job opportunities. The situation between 1961-71 was the worst of all. During that period two main incidents took place. One is China attack during 1962 and Bangladesh turmoil during 1969-72. Being a district at the boundary line, West Dinajpur affected severely and as a consequent the total economy including cottage industries hampered.

The increase in engagement in cottage industries during the period 1951 to 1981, at an average 4.8% (which is near to national average) signify that if the post partition incidents were not taken place, the district could attend a national position in cottage industrial sector.

A sectional view of HHI and NHHI sector shows that household sector was affected by great extent, whereas NHHI sector shows a continuous growth. This trend also indicates the phenomena of destructing rural economy.

So far entrepreneurship is concerned the rate of growth during the period 1951 to 1981 was 0.9%, which is very insignificant. The rural growth rate was negative, at (-) 0.2%; whereas urban rate was 4.1% during the period 1951 to 1981 (Table No. T 4.1.3).

The decreasing number of entrepreneurship in HHI sector and increasing employment in NHHI sector connetes that the village artisans or craftsmen prefer wage work than self-employed job. This attitude in long run creates severe problems. So it is high time for taking such steps and measures, as it would expand the entrepreneurship in rural sector.

## 4.1.4 GROWTH RATES OF SOME SELECTED INDUSTRIES :

The growth rates of employment and entrepreneurship in some selected industries during the period 1961 to 1981 were as follows (Table No. T 4.1.4)

Industry	Growth rate in participation	Growth rate in entrepreneurship
Handloom(Weaving & allied)	10%	3.2%
Textile Misc.	8.1%	5.4%
Leather Industry	6.0%	N.A.
Beedi Manufacturing	5.2%	3.9%
Jute (Spinning & Weaving)	4.2%	(-) 2.75%
Bricks, Tiles & Pottery	3.7%	2.3%
Silk	2.4%	N.A.
Food Stuff Processing	2.1%	1.7%
Mat, Cane & Bamboo	1.7%	N.A.
Smithy(Copper & Iron)	1.4%	1.9%
Jewellery	(-) 0.7%	4.2%
Carpentry	(-) 1.63%	4.0%

It appears from the above statement that, handloom industry have made a phenomenal growth in the district of West Dinajpur during the last two decades.

Though the growth in employment in handloom industry is highest among the other cottage industries, it's expansion in terms of entrepreneurship was not as much as it ought to be. After handloom leather ranks second and beedi ranks third. Leather industry has a growth rate of 6% and beedi industry 5.2%. Carpentry and jewellery show a negative growth rate. Their growth rate of employment, during last 20

years calculated at (-) 1.63% and (-) 0.7% respectively. Textiles miscellaneous shows a highest growth rate in terms of entrepreneurship.

It appears from the above analysis that growth, in participation in Cottage Industries does not conform to any uniform rate. Hence there are factors responsible for such differential growth rate : To have an insight into the differential characteristic of various industries we have carried out a multiple and partial correlation and regression analysis. The results of the analysis are as follows :-

\*

\* Dependent variable 'Y' = Sectoral Growth rate of Cottage Industries.

\* Independent variables 'X<sub>1</sub>' = Earnings per labour hour  
 'X<sub>2</sub>' = Period of Expectation (gestation)  
 'X<sub>3</sub>' = Normal Capital requirement per unit  
 'X<sub>4</sub>' = Degree of External relation required for the job  
 'X<sub>5</sub>' = Marketing factor (availability of job)  
 'X<sub>6</sub>' = Scope for subsidiary occupation  
 'X<sub>7</sub>' = Extent of risk  
 'X<sub>8</sub>' = Degree of family members involvement  
 'X<sub>9</sub>' = Time factor for learning the process

\* About variables :

<u>Name of Variable</u>	<u>M e a n</u>	<u>Variance</u>	<u>ST. Dev.</u>	<u>Coeff. of varianc</u>
Y	3.5392	11.622	3.4091	0.9632
X <sub>1</sub>	3.4792	13.528	3.6780	1.0572
X <sub>2</sub>	27.8330	358.330	18.9300	0.6801
X <sub>3</sub>	50.4170	3779.4	61.4760	1.2194
X <sub>4</sub>	32.0830	315.72	17.7690	0.5536
X <sub>5</sub>	62.9170	288.45	16.9840	0.2699
X <sub>6</sub>	1.5000	0.6364	0.7977	0.5318
X <sub>7</sub>	26.6670	201.52	14.1960	0.5323
X <sub>8</sub>	38.3330	524.24	22.8960	0.5973
X <sub>9</sub>	2.6250	2.0057	1.4162	0.5395



CORRELATION COEFFICIENT MATRIX IS :

1.00000										
-0.38284	1.00000									
-0.22805	0.52190	1.00000								
-0.33340	0.76344	0.93047	1.00000							
-0.30433	0.67886	0.85521	0.90003	1.00000						
0.66116	-0.62109	-0.34898	-0.30601	-0.38346	1.00000					
0.22615	-0.22851	-0.25887	-0.31977	-0.46499	0.18452	1.00000				
-0.49365	0.15090	0.40540	0.56165	0.44451	-0.08798	-0.52181	1.00000			
0.63403	-0.28382	-0.47473	-0.34176	-0.48229	0.55133	0.09772	-0.39624	1.00000		
-0.41790	0.53503	0.73840	0.80074	0.69318	-0.37560	-0.30176	0.63307	-0.63781	1.00000	

PARTIAL CORRELATION COEFFICIENTS AND THEIR T WITH D.F. = 2

ASSOCIATE VARIABLE	PARTIAL CORR. COEFF.	T
X1	0.5417121	0.9114
X2	0.6727090	1.2858
X3	-0.6907277	-1.3509
X4	0.5873567	1.0263
X5	0.7612158	1.6500
X6	-0.3813765	-0.5843
X7	-0.0884147	-0.1255
X8	0.8547735	2.3292
X9	0.7935919	1.8445

SQUARE OF THE MULT. CORR. COEFF. (R) = 0.9175432 R=0.9578848  
 TOTAL RESIDUAL SUM OF SQUARES = 10.541  
 ROOT MEAN SQUARE DEVIATION DUE  
 TO RESIDUAL = 2.2958 WITH D.F. = 2, D.W.Statistics=1.5372.  
 CALCULATED F = 2.4723 WITH D.F. 9 AND 2  
 ABOUT COEFFICIENTS

VARIABLE	VALUE	ST.ERROR	T WITH D.F. = 2
Y	-24.531	13.967	-1.2959
X1	0.9348	1.0257	0.9114
X2	0.1517	0.1130	1.2358
X3	-0.1649	0.1221	-1.3509
X4	0.1835	0.1337	1.0263
X5	0.1338	0.1107	1.6600
X6	-0.9601	1.6431	-0.5843
X7	-.19970E-01	0.1591	-0.1255
X8	0.1602	.68799E-01	2.3292
X9	2.7348	1.4326	1.3445

It appears from the above analysis that 91.75% ( $R^2$ ) of the phenomena is explained by the variables stated. High R value and low value of D.W.Statistics indicate the overall reliability of the analysis. From the results of the partial Co-relation we observed that X3, X6 and X7 i.e. capital requirements, scope for subsidiary occupations and extent of risk are negatively related with growth. Of these variables X3 i.e. capital requirements per unit is the most influential factor. The other two i.e. X6 and X7 marginally influence the participation of workers. On the other hand X1, X5 and X8 i.e. earning per labour hour, marketing factor and chances of family workers involvement positively influence the growth in participation. Of these variables X5 and X8 have greater impact on participation. Variable X2, X4 and X9 i.e. period of expectation, degree of external relation and time factor for learning process has not been considered as they appeared fictitious, perhaps due to the error in data collection (this is apparent from the high value of T and Standard error of respective variables).

Therefore, we may conclude that the differential sectoral growth rates of Cottage Industries are due to their differential characteristics in respect of Earning per labour hour, Investment, Marketability & demand, Scope for subsidiary occupation, Extant of risk and Possibilities of engagement of family members in the occupation.

#### 4.2.1 OWNERSHIP PATTERN :

The ownership pattern of the entrepreneurship given in Table No. T 4.2.1 shows that, of the total number of establishments as on 1971, the Government and Co-operative institutions were negligible. Out of 4959 establishments engaged in production only 4 were Government undertakings and 5 were Industrial Co-operative and the rest were in private hand. Thus it appears that lack of Government participation, failure of Co-operative movement and decreasing entrepreneurship in HHI sector, constituting a triangular problem which the cottage industries in the district of West Dinajpur are subject to.

#### 4.3.1 NATURE OF WAGE/RESIDUAL :

The study of wages in unorganised sector is very difficult, because of non-availability of information. Wages in other words, income of the artisans or craftsmen are residual in character in case produce in households. Since family as a whole are workers, it is not possible to measure contribution of each member of the family separately. Again if any hire worker is employed, he is paid both in cash and kind.

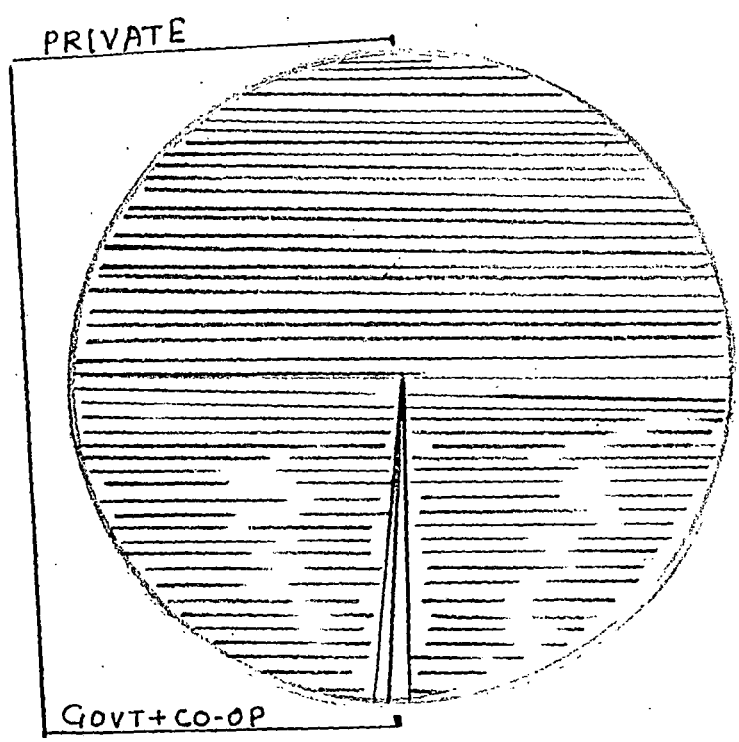
The workers employed in cottage industries are unskilled. The nature of works is also variety. So there are variety of rates. Again there are some areas of production, where workers are paid by piece rate, namely handloom, jute (weaving and spinning), beddi manufacturing, brick manufacturing etc. Here also the rates are variety and depend upon the skill and experience of artisans and the artistic produce.

Table T4.2.1

DISTRIBUTION OF ESTABLISHMENT ACCORDING TO OWNERSHIP

Ownership	Registered factory	Unregistered factory	Household	Total
Govt.	-	4	-	4
Private	73	2272	2605	4950
Co-operative	2	3	-	5

Source : Census Report



Pie-Chart showing ownership

A study of rates of wages of workers employed in NHHI sector shows that there were even not a single case that justify the minimum wage act. So far working hours is concerned, they are also variable and not confined to available rules and regulations. In most cases working hours vary in between 11 to 14 hours. Since there is no system in practice as well as records, no systematic study can be carried on.

As regards to the enhancement of rate, it is determined by joint appeal of workers to malik (owner) in NHHI sector. In HHI sector, since workers are paid, lion's share in kind, the wage automatically increases with the rise in price level.

Where wages are residual in character, it depends upon the mercy of market mechanism both in respect of raw materials and finished goods. Since artisans are not in a position to purchase raw-materials in bulk, directly by cash, when price remains low, they for both aspect, i.e. input and output, have to depend upon Mahajans and thus deprived. The overall growth rate in residual value is insignificant, showing decreasing real income of the artisans and craftsmen. Since both the markets i.e. market of raw-materials and finished goods are controlled by the Mahajans, who manipulate the price in such a way that the margin of the artisans remains the same.

A study of wage structure in handloom sector shows that for weaving a saree of 40S x 40S, the weavers get Rs.4/- in 1984 and in 1987, the wages has reached to Rs.5/- i.e. 25% increase in 4 years or in other words 6.25% (simple rate) per annum. During the same period cost of living index raised by 8.62% (simple rate) per annum. The entrepreneurs' residual

during the same period was more or less constant (Chapter-7). The fact is same for other industries (cottage products) also.

#### 4.3.2 LABOUR CONTRACT :

At the very outset it is necessary to clearly state that no formal contract is entered into by the employer and the employees. Everything happens verbally. The labourers are discharged even before the contract ends, without any notice or benefit. Every labourer is a casual one. The word 'parmanent' is absent in the dictionary of the unorganised sector. Generally labourers are employed for a day, or for a sequence of days; or for a season or till the desire of the employers. Where workers are employed for a day, they are paid in the day wage rate. In all other cases a gross amount is paid monthly or seasonally in cash or in kind. It appears from the study that day workers are in a better condition. They have a fixed amount after stipulated hours of work. In other cases, workers have no stipulated time of work. They have to do, not only the farm work, but also domestic work of the employer. In unorganised industrial sector incidents of day contracts are negligible. In this sector workers are generally employed either for a season (as followed in Brick yard) or for a long period, till the desire of the employers. As some amount of skill is necessary in production, or marketing of product, employers do not prefer labour turnover. For this reason it appears that labour turnover in unorganised sector is low. There are cases where a worker employed at the age of 12 is continuing even at the age of 70. In some cases workers are employed only for a minimum subsistence. There are cases where employers provide loan to labourers on any occasion (big debts are most often incurred by labourers in connection with a marriage and other social functions) and the latter will serve as a farm servant as long as the loan remains unpaid. The degree

of monetization in the payment of wages appears negligible in household sector.

#### 4.3.3 EMPLOYER EMPLOYEES RELATION :

Labour dispute in unorganised sector is negligible. Perhaps due to unlimited power of employers and miserable condition of workers. Apparently employer-employees relationship is healthy. Except where workers are engaged for a day, employees become a family member of the employer. Since workers are paid both in cash and in kind, (kind includes food, shelter, cloth etc.), <sup>Sometimes</sup> employer and employees take meals on the same table. Thus informal close relation grows in between employees and employer. In household sector as in most cases employers and employees both are poor and belong to same economic class, no class troubles generally arise.

#### 4.4.1 CAPITAL-OUTPUT RATIO :

Now-a-days any systematic discussion on economic growth analyses the capital-output ratio, either of an economy or of industries, because the rate of economic growth may be regarded as a function of two factors, viz. i) the rate of capital formation and ii) the capital-output ratio. This statement is particularly true for the economic development of any under developed or developing economy.

Capital-output (capital per unit of output ratio is the ratio of capital or investment in fixed (capital as equipments) and working assets (investment in stock, debtors and circulating cash, payment for wages etc.) to output which may be gross or net. The decrease in this ratio, indicates rising efficiency or productivity of capital

equipments, technological change, improvement in capacity utilization etc. On the other hand increase in this ratio indicates inefficiency, low productivity, under utilization of capacity etc.

Cottage industries are labour intensive. Very little amount is required for investment in fixed assets. In some industries fixed investment is even almost nil. What is required is working capital i.e. the amount required for purchase of raw materials, stock of finished goods, for payment of wages or amount required for maintenance of livelihood during gestation period etc. Measurement of output in cottage sector is difficult, since one of the components of output cost, i.e. wage/residual is dependent upon the marketed proceeds of output. In other words value of output depends upon market mechanism.

Technology in cottage industries is indigeneous and progress in technology is limited. Therefore it appears that determination of capital-output ratio in cottage industries is just not possible. And also due to the peculiar nature of cottage industries, the concept of capital - output ratio does not hold good as a measurement of growth in this sector.

In view of peculiarity of this sector, we have measured working capital turnover ratio (sales divided by working capital) and labour turnover ratio (sales divided by labour). Working capital turnover ratio indicates efficiency and reciprocal of it shows requirement of working capital. On the otherhand, labour turnover shows productivity of labour and the reciprocal of it shows labour requirements. These two ratios are very much useful in cottage industrial sector since these two components, i.e. working



capital and labour are the main factors of production. Not only that, it is also simple and easy to estimate working capital, quantity of labour and turnover (sales). Cottage industries are varied and scattered. We have restricted our investigation to a limited area. It appears that both the ratios i.e. working capital turnover and labour turnover are high in cottage sector. This is because of the short gestation period of marketing. At an average by investing Rs.2,000 as working capital, one can realise a sales of Rs.30000 per annum, i.e. 15 times. Since capital-labour ratio is constant, labour turnover ratio is also constant. This ratio fluctuates from season to season, depending upon the market demand. In some industries these ratios are even 25 times. In handloom industry these ratios are 8 to 10 times. The reasons for variation of these ratios from industry to industry are :-

- \* The nature of products : for durable products these ratios are low and for consumerable products these are high.
- \* Gestation period : for long gestation period, e.g. in case of durable goods, these ratios are low and for short gestation period, e.g. in case of consumerable goods these ratios are high.
- \* The difference in the price of the commodity.
- \* The nature of stock (both finished and raw materials).
- \* The difference in the time taken in processing etc.

#### SUMMARY :

In short, engagement in cottage industries gradually decreasing as a proportion to the total workers and total population. This shows a negative attitude of the villagers

towards this sector. It appears from the increasing entrepreneurship in non-household sector and decreasing entrepreneurship in household sector that the artisans are preferring wage work than of having their own workshop. This attitude may destroy the self-employment character of cottage industries. Individually,; handloom industry, leather industry, beedi industry and carpentry shows a moderate growth both in employment and entrepreneurship. But jewellery, which at one time provided employment to large number of persons shows a negative growth rate both in employment and in entrepreneurship. Most of establishments are being run by sole-proprietorship basis or joint hindu family basis. Little presence of co-operative institutions shows failure of co-operative movement in the district. It follows from the analysis that the real income of the artisans falling day after day. But the incidents of labour disputes reported almost nil. It appears that the capital-output ratio in unorganised sector is just not useful. But working capital turnover and labour turnover ratios, which were found useful to explain various characteristics of cottage industries, are constant over the period, indicating little or no advancement in technology.

Thus decreasing entrepreneurship in household sector, failure of co-operative movement and negative attitude of craftsmen towards these industries creating a triangular problem to the growth of this sector in the district of West Dinajpur.

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## CHAPTER - V

## THE SOCIO-ECONOMIC CHARACTERISTICS OF ARTISANS

## Contents :

- \* Survey findings of 2108 households engaged in cottage industries
- \* Distribution of households engaged in cottage industries
- \* Subsidiary occupation of artisans
- \* Workers composition and classification
- \* Landholding of households
- \* Housing condition of households
- \* Family size of households
- \* Educational level of households
- \* Learning process and transfer of skill
- \* Distribution of average working period
- \* Artisans indebtedness
- \* Standard of living of artisans
- \* Summary
- \* Distribution of households by location, rural background and workers
- \* Distribution of households by size of landholding
- \* Table showing relation between holding of land and participation in household industry

- \* Distribution of households by family size
- \* Distribution of age of workers
- \* Distribution of households by number of rooms
- \* Distribution of households by construction of room
- \* Distribution of workers by literacy
- \* Distribution of transfer of skill by source
- \* Distribution of workers by average period of work
- \* Distribution of households by indebtedness
- \* Distribution of households by level of living
- \* Distribution of households engaged in cottage industries and village hats at distance from town markets.

5.1 Cottage industry and backward classes, particularly scheduled castes and tribes are very often interlinked. It is seen that most of the people of the backward castes are engaged in producing something at their home with the help of their family labour. If we go through our caste system, we would see that our caste pattern is nothing but occupational pattern. During Aryan period we had four classes in our society, namely - Brahmin for worship and education, Khattriya for defence, Baisya for trade and commerce and Suddra for service. In our recent past, even at present our occupational pattern follows castes pattern, e.g. Tati and Jallia - concerned with weaving and spinning; Sutrakar - Carpentry; Kamar and Karmakar with metal works; Chamar - producing leather products, and so on.

Artisans are the most sweated class of our society. So they are basically poor. There are historical factors for the perpetuation of their poverty. It is not fact that, they are poor because they are poor, but they are poor because they are mostly unorganised and simple.

Revival of cottage and village industries is an urgent need. For this sound planning is essential which further needs study of the problems of artisans. Here an attempt has been made to trace out the problems of artisans in the district of West Dinajpur. The study, however, is micro in nature.

5.2 The study covers 2108 households engaged in household industries viz. Handloom (weaving and spinning); Pottery, Bricks and Tiles manufacturing; Jewellery; Dhokra (Carpet) and rope manufacturing from Jute, manufacturing of Mat and Chattya (Bamboo, cane and cork product); Leather goods manufacturing; Oil making, Carpentry; Beedi manufacturing, Food

stuff processing Embroidery, Jari and Garment making; Blacksmithy etc.; scattered throughout the district in rural, urban and semi-urban areas, taken at random (Annexure - 2).

The information is collected by questionnaire method in field investigation. The questionnaire, so used, given in the Annexure No. 3. The questionnaire has been tested before it's use. The study is subject to the limitations, which are inherent in questionnaire method.

### 5.3 SURVEY FINDINGS :

5.3.1 2108 households, so selected at random, throughout the district, belong to both rural and urban areas. Their location and rural background are given in Table No. T 5.3.1. According to obtained data, of the total 2108 households, 112 (5.31%) belong to urban area and 1996 (94.69%) are confined to rural areas. Thus, it follows that the distribution of households engaged in cottage industries is a skewed distribution.

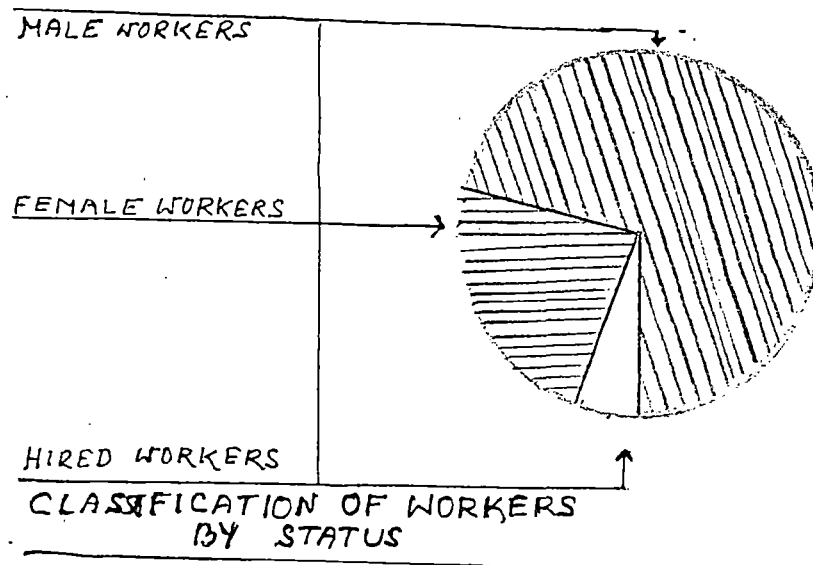
5.3.2 We noticed two types of households. One engaged only in cottage industries and the other engaged both in agriculture and manufacturing. Table No. T5.3.1 shows that 55% of the households have dual occupation i.e. both agriculture and manufacturing and the rest i.e. 45% engaged only in manufacturing. The incidence of dual occupation also appears in case of households engaged only in manufacturing. It is seen that during the peak season of agriculture, specially during land preparation and 'Nirani' for Kharif crops, the demand of labour moves upward, since kharif crops (paddy & jute) are main crops of the district.

Table T5.3.1

DISTRIBUTION OF HOUSEHOLD BY LOCATION, RURAL BACKGROUND AND WORKERS COMPOSITION.

Households	Location		Rural background		Workers			Total
	Urban	Rural	a	b	Male*	Female*	Hired	
2108	112	1996	1161	947	3130	1053	423	4606
	5'31	94'69	55'00	45'00	(67'95)	(22'86)	(3'06)	

- a) With Cultivation, [ ] percentage of total households      Source : Field survey  
 b) Without Cultivation, ( ) percentage of total workers      \* Family workers





This period is also accompanied by the decrease in demand of goods, since villagers mostly invest their funds in agriculture. Following the falling demand and available offer for labour, the artisans joined labour group. The artisans also occasionally work as 'Gharami', Fisherman etc. In recent times, some of the artisans have opened poultry, animal husbandry (only cows & goats), getting assistance from C.A.D.C. (previously C.A.D.P.) both financially and technically.

5.3.3 The total number of artisans (inclusive of workers) engaged in these 2108 households is 4606. Table T 5.3.1 shows that the incidence of hired labour is very low. A further investigation also unfolds that the incidence of hired labour appears almost in urban establishments, which are mostly 20 to 30 times larger than the rural units. Thus it follows that cottage units is the other name of self-employed units and are less concerned with labour troubles.

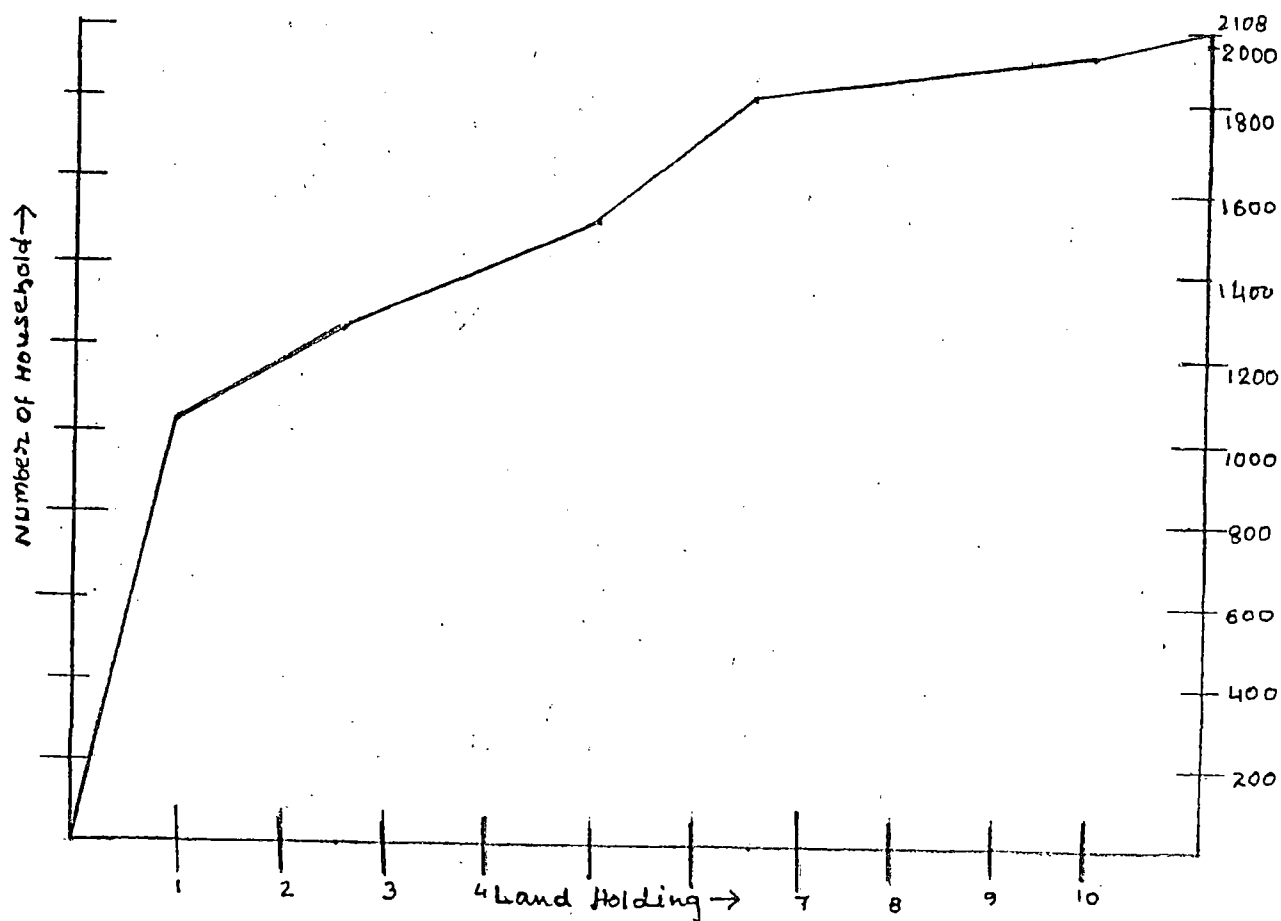
5.3.4 Table T 5.3.1 also shows that the cottage units mainly employed family workers. Of the total workers 67.95% are male and 22.86% are female. In the rural units the participation of women workers is about at par, of male workers. Thus, it follows that household industries are unique tools for tapping the productivity of rural women in rural development. These industries not only bring economic freedom but also provide security to vast, illiterate, neglected rural women. Perhaps the social benefit so achieved is unmeasurable; specially when we are talking about "Women's liberation".

5.3.5 Table T 5.3.2 showing the landholdings of the households engaged in cottage industries. According to the table all the households in the rural areas possess some amount of land.

Table T5.3.2

## SIZE OF LANDHOLDING OF HOUSEHOLDS

Land in Acre	House holds	% of total households	c.f.
0 to 1.00	1007	47'77	1007
1.01 to 2.4	207	9'61	1214
2.50 to 4.9	328	15'55	1542
5.00 to 7.4.	263	12'47	1805
7.50 to 9.9	119	5'64	1924
10 & above	184	8'76	2108
Total	2108	100'00	Source-field survey



OGIVE AND LANDHOLDING

Table T5.3.2A

RELATION BETWEEN HOLDING OF LANDS & PARTICIPATION  
IN HOUSEHOLD INDUSTRY.

Holding of Land in acre	X Rank	% of participation in household industry	Y Rank	d (X-Y)	d <sup>2</sup>
0-1.00	1	47'77	6	-5	25
1.00-2.4	2	9'81	3	-1	1
2.50-4.9	3	15'55	5	-2	4
5.00-7.4	4	12'47	4	0	0
7.50-9.9	5	5'64	1	4	16
10.0 & above	6	8'76	2	4	16
N = 6				$\sum d^2 = 62$	

Source - field survey

Note : To find out whether there exist any relation in between holding of Land and participation of workers in household industry, we have calculated the co-relation co-efficient, using Spearman's formula of Rank correlation, where  $r = 1 - \frac{6\sum d^2}{N^3 - N}$ , r = Co-relation co-efficient and n = number of observation. Our calculation :-

$$r = 1 - \frac{6 \times 62}{6^3 - 6} = 1 - \frac{372}{210} = -0.7710$$

From the above value of r we may conclude that holding of land and participation in household industry are strongly (r = -.77) but inversely related. That is greater the holding of land lesser the participants in household industry, lesser the holding, greater the participation in household industry.

Table T5.3.3

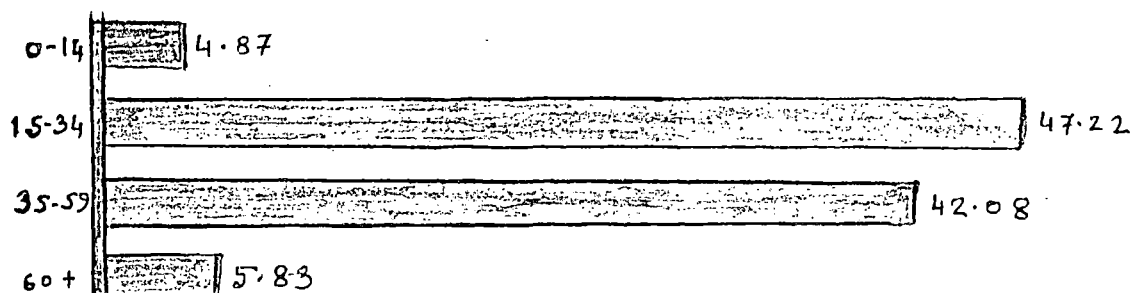
## DISTRIBUTION OF HOUSEHOLD BY FAMILY SIZE

Family member	Household	% of total Household	
1 to 3	157	7'44	
4 to 6	1006	47'72	
6 to 8	927	43'97	
9 to above	21	0'87	
Total	2108	100'00	Source-Field survey

Table No. T5.3.4

## AGE DISTRIBUTION OF WORKERS

Age group	Workers	% of total workers	
0-14	224	4'87	
15-34	2174	47'22	
35-59	1934	42'08	
60 & above	270	5'83	
Total	4606	100'00	Source-field survey



PROPORTION OF AGE GROUP OF WORKERS

Majority of the holdings are within the limit of five acres. Data shows that 47.77% of the households possess land upto one acre, which is significant in terms of households but is insignificant in terms of holding. Three-fourth of the household possess landless than five acres. The incidence of higher land holding among the households is insignificant. Thus it is evident from the table that majority of the households belong to small and marginal farmers category and they have agriculture as subsidiary occupation. A high degree of correlation ( $r = (-) .77$ ) measured in between landholding and participation in household industries (Table T 5.3.2A).

5.3.6 Each of the households have to support family dependents, as it is shown in Table T 5.3.3. It appears that 47.72% of the households were supporting at an average 4 to 6 members and 43.97% of the households were supporting at an average 6 to 8 members. The incidence of very small and very large family size is limited in our sample survey. Thus, it appears that the households usually support a large number of member per head.

5.3.7 Table T 5.3.4 showing the age classification of the workers engaged in cottage industries. According to survey, the age group up to 14 years accounts for only 4.87% of workers and age group beyond 60 years of age, accounts for only 5.83% of the workers and the remainder 89.30% belong to the age group of 15 to 59 year. The low rate participation of the first age group indicates that the present youths are not attracted by the traditional industries. The lower participation percentage of the age group beyond 60 years indicates low active capacity, if not, low life expectancy of the artisans. Thus the situation has to be restored to bring balance in the economic structure.

Table T5.3.5

## DISTRIBUTION OF HOUSEHOLD BY NUMBER OF ROOMS

Room	Household	% of total household	Member per room	% of total population	% of total rooms
1	1472	69'83	5	60'75	49'10
2	463	22'00	4	26'61	31'03
3	107	5'55	3	11'16	16'60
4 & above	66	2'62	2	1'48	3'27
Total	2108	100'00	-	100'00	100'00

Source - Field survey

Table T5.3.5A

## DISTRIBUTION OF HOUSEHOLD BY CONSTRUCTION &amp; USE AS PAKKA &amp; KATCHA

Total Household	Pakka	Katcha	Use as workshop	Use as residence
2108	64	2044	7	2101
	(3.04)	(96.94)	(0.33)	(99.67)

Figures in bracket represents % of total households.

Source - Field survey

5.3.8 The households surveyed, are in a critical situation as regard to their residential accommodation. Table T 5.3.5 gives the distribution of households by room per houses and members per room. According to data, out of 2108 households, 1472 i.e. 69.83% of households have just one room per house and 463 i.e. 22% of the total households have 2 rooms at an average. The percentage of household having room 3 per house is 5.55% and 4 and above room per house is 2.62%.

69.83% of households account for 49.10% of the total rooms and 60.75% of total population with 4 to 5 members per room. 22% of the households account for 31.03% of total rooms and 26.61% of total population with 3 to 4 members per room. The households having 2 to 3 members per room is negligible.

5.3.9 Table T 5.3.5A gives the distribution of houses by Pakka and Katcha; and rooms available for workshops. According to the table 3.04% of rural houses are Pakka i.e. made of bricks, cement and tin etc. and 96.94% of the houses are Katcha i.e. made of bamboo, straw, cane, etc. only 0.33% of the households have the accommodation for workshop.

It is evident that the households are suffering from acute scarcity of rooms, which is a barrier to the growth of entrepreneurship. It is seen that most of the households use 'VARANDA' as workshop, which is neither secured nor safe.

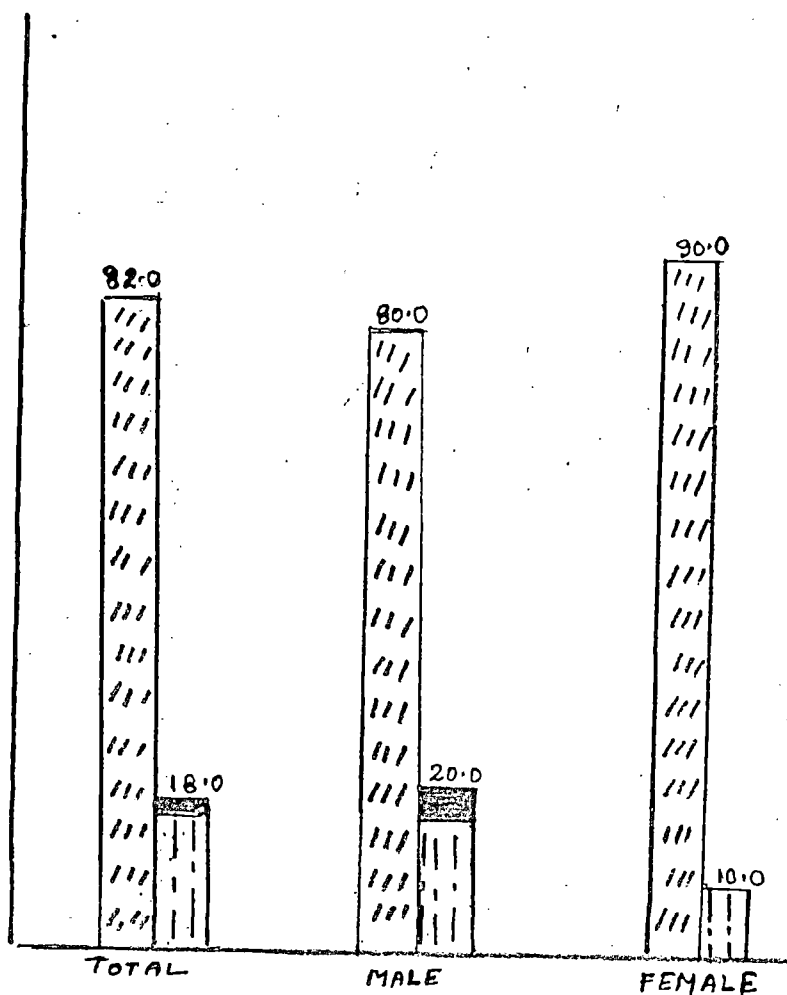
5.3.10 Table T 5.3.6 showing the distribution of the artisans by literacy, illiteracy and level of education, engaged in cottage industries. Of the 4606 workers engaged in 2108 units, only 816 i.e. 18% are literate and 3790 i.e. 82% are illiterate.

Table TS.3.6

DISTRIBUTION OF WORKERS BY LITERACY, ILLITERACY  
AND LEVEL OF EDUCATION

	Worker	Illiterate	Literate	Primary	Middle	Above
Male	3553	2842 (80'00)	7110 (20'00)	696 (80'00)	15 (20'00)	NA
Female	1053	948 (90'00)	105 (10'00)	105 (100'00)	NA	NA
Total	4606	3790 (82'00)	816 (18'00)	801 (98'00)	15 (2'00)	NA

Source - Field survey



PROPORTION OF LITERACY BY STATUS



Table T5.3.7

## TRANSFER OF SKILL - by Source and time of learning in Selected Crafts

Crafts	No. of respondents	Formal Training		From heredity		1-2	2-4	4-6	6-above
		No.	%	No.	%				
Weaving of Cloths	50	4	8	46	92	28	28	-	-
Mat and Basket	12	-	-	12	100	2	10	-	-
Dhokra	22	3	13	10	67	-	4	18	-
Pottery	20	-	-	20	100	18	2	-	-
Carpentry	8	2	25	6	75	5	3	-	-
Embroidery & Tailoring	34	28	82	6	18	-	-	-	-
Jewellery	18	-	-	18	100	-	5	5	8
Shoe making	7	-	-	7	100	-	24	10	-
Total	171	37	21	134	79	-	-	-	-

Source - Field survey

Source of formal Training - 1) Stock  
 2) Voluntary Organisation  
 3) Govt. Institution  
 4) DIC Training Programme

The rate of literacy among the males is 20% and 18% among the females. Of the total literates, 98% have only Primary education and rest 2% have reached the middle level of education. The level of education indicates, how far the artisans are guided by old-rule of thumb knowledge in the technique of production. The darkness in scientific knowledge, perhaps, is a factor for their inefficiency and low productivity.

5.3.11 Transfer of skill and learning process given in Table T 5.3.7. It is seen that out of total respondents of 171, only 37 i.e. 21% have formal training and have got the technique from outside sources; and 134 i.e. 79% have got their knowledge of production technique from their parents. Excluding embroidery and tailoring (that accounts for 82% formal training), the number of other artisans, those have got formal training from outside sources is insignificant. The artisans engaged in handloom, mats and baskets manufacturing, dhokra weaving, pottery, carpentry, jewellery and shoe making, mostly got their skill from their parents. In other words majority of the artisans follow traditional technique of production. The sectional view shows that 92% of weavers, 100% of mat and basket manufacturer, 87% of dhokra manufacturer, 100% of potters, 75% of carpenters, 100% of jewellers and 100% of shoe makers depended on their traditional process of production and technique transferred from heredity.

The sources of formal training are Industrial Extension Officer (Block), Voluntary Organisations, DIC and Government Training Institutions. These institutions occasionally prepare programme for imparting technical knowledge to the rural artisans.

Table T5.3.8

## DISTRIBUTION OF PERIOD OF WORK BY WORKERS BACKGROUND

Month work period	Mid. point	Frequency of Total Households	Frequency of Rural Households	Frequency of Urban Households	Frequency of Households with Cultivation.	Frequency of Household without Cultivation.
	x	t	r	u	c	c'
1 to 3	2	102	98	4	67	35
4 to 6	5	521	511	10	324	197
7 to 9	8	173	164	9	98	75
10 to 12	11	1312	1223	89	672	640
Total		2108	1996	112	1161	947

Source-field survey

Note : To draw statistical significant about the availability of job with respect to the background of households, we have developed the following hypothesis :

- 1) Average working period between Urban and Rural sector does not differ significantly that is  $\bar{X}_u = \bar{X}_r$
- 2) Average working period of artisans having cultivation and without cultivation does not differ significantly that is  $\bar{X}_c = \bar{X}_{c'}$ , Our calculation is as follows :  
Notations : t = Total frequency of household sector.

r = Frequency of Rural sector

u = Frequency of Urban sector

c = Frequency of household with cultivation

o' = Frequency of households without cultivation

Average working period	$\bar{X}_t = 8'83$	Month or 265 days with	S.D. = 2'97
	$\bar{X}_r = 8'77$	" 263 "	" = 2'99
	$\bar{X}_u = 9'90$	" 297 "	" = 2'37
	$\bar{X}_c = 8'55$	" 256 "	" = 3'08
	$\bar{X}_{o'} = 9'18$	" 275 "	" = 2'00

Calculated value of 'Z' of the differences in Mean

where  $|Z| = \frac{\bar{X}_1 - \bar{X}_2}{S.E}$  and  $SE = \sqrt{\frac{\sigma_1^2 + \sigma_2^2}{n_1 + n_2}}$

$|Z_{ur}| = -4'8354$

$|Z_{co'}| = -4'9120$

Since at 5% level of significance Table value of 'Z' =  $\pm 1'96$  and calculated value  $|Z|_{ur} = -4'8354 > -1'96$  and  $|Z|_{co'} = -4'9120 > -1'96$  both the hypothesis i.e.  $\bar{X}_u = \bar{X}_r$  and  $\bar{X}_c = \bar{X}_{o'}$  is rejected Hence  $\bar{X}_u \neq \bar{X}_r$  and  $\bar{X}_c \neq \bar{X}_{o'}$ .

Therefore, we conclude that availability of job is not uniform irrespective of the background of households

The process of learning indicates that most of the artisans have acquired the technique within time span of 1 to 4 years, except some fine handicrafts like jewellery, dhokra, that take much time than the normal, for producing fine works.

5.3.12 The distribution of average working period of artisans by rural, urban, with-cultivation and without cultivation given in Table T 5.3.8. According to the table the average time worked by the artisans of all categories combined together is 8.83 months i.e. 265 days. Thus on an average, more than three months, artisans find no work and remain idle. The average working days of urban artisans albeit higher; as calculated it is 9.9 months i.e. 297 days. The average working period of the artisans having agriculture as subsidiary occupation is 8.55 months i.e. 256 days and the artisans having no subsidiary occupation is 9.18 months i.e. 275 days. The Standard deviations of distribution categorically are as follows :

* Distribution of Total households	= 2.97
* Distribution of Rural households	= 2.99
* Distribution of Urban households	= 2.37
* Distribution of Households with cultivation	= 3.08
* Distribution of households without cultivation	= 2.86

The difference in average working days between rural and urban artisans; artisans with cultivation and without cultivation is not negligible as the result appears from 'Z' test at 5% level of significance. (Table No. T 5.3.8). The distribution of working days is a skew distribution and it is seen that 62.23% of workers worked at an average of 9 months and 29.55% of workers worked less than 6 months.

Table T5.3.9

## DISTRIBUTION OF HOUSEHOLD ENGAGED IN HHI BY LEVEL OF LIVING

Level of Living	No. of Household	% of Total
Comfort	-	-
Below comfort	157	7'44
Above Starvation	745	35'34
Starvation	1206	57'22
Source-Field survey	2108	100'00

Note : The above classification is just an estimation and rigid one. The classification is made on the basis of the availability of the following :-

- 1) Nutrition
- 2) Cloth
- 3) Drinking water
- 4) Electricity
- 5) Residential Accommodation
- 6) Expenditure on Health & Medicine
- 7) Annual saving.

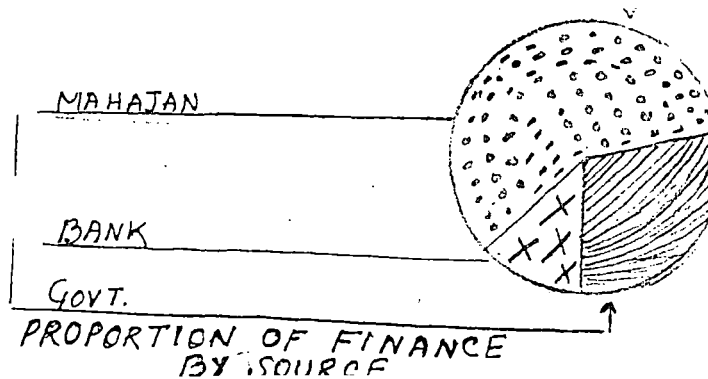
( The norms which are specifically followed to measure standard of living has not been followed in toto because of limitation of scope)

Table T5.3.10  
DISTRIBUTION OF HOUSEHOLD BY INDEBTNESS

Amount of Loans Rs.	No. of Households	S o u r c e			P u r p o s e	
		Mahajan	Govt.	Bank	Production	Production + Consumption.
No Debt	307	-	-	-	-	-
Below 1,000	528	428	100	-	508	20
1,001-3,000	822	532	250	40	773	49
3,001-5,000	294	136	76	82	250	44
5,001-above	157	17	50	90	127	30

\* Govt. Loan includes, Loan from Panchayet, Blocks & DIC's. Source - Field survey

a)	% of total indebtness	...	85'43%
b)	% of Mahajan finance	...	61'79%
c)	% of Bank finance	...	11'77%
d)	% of Govt. finance	...	26'44%
e)	% of Households within Rs. 5,000/=	...	74'23%
f)	% of Loans for Production purpose	...	92'05%
g)	% of Loan for Production & Consumption purpose	...	7'95%



5.3.13 An attempt has been made to highlight the standard of living of the artisans. We have classified the standard of living into four levels :-

(i) Comfort, (ii) Below comfort, (iii) Above Starvation and (iv) Starvation. The criteria that are taken into consideration are - per capita monthly consumption; expenditure pattern, expenditure on cloth, expenditure on entertainment, availability of drinking water, availability of electricity, housing facilities, sanitation etc.

The distribution of households engaged in cottage industries by level of standard of living given in Table T 5.3.9. According to the table, out of 2108 households, 1206 i.e. 57.22% are just living at the starvation level and 745 i.e. 35.34% living just above the starvation level. The pattern of expenditure shows that 88% of the income is spent on food and allied and the rest is on cloth, housing, fuel, and medicine. The garments available to the artisans at an average is just a pair per annum. Very negligible expenditure noticed on electricity. No where the drinking water is available. In fact the miserable situation of village artisans is unexplainable. Out of 2108 households 157 i.e. 7.44% are found, living at moderate level. The condition of the artisans is gradually decreasing, as we observed during the course of interview.

5.3.14 The study on indebtedness of the artisans is also taken for consideration. The distribution of households as regard to their indebtedness given in Table T 5.3.10. In view of the obtained data, 85.43% of the artisans are somehow debt. Of the total artisans having burden of loan, 61.79% are indebted to Mahajans and among the rest 26.42% have availed of financial assistance from Blocks and Panchayets. The availability of loan from Banks is minimum. Of the loans 92.05%



Table T5.3.11

## DISTRIBUTION OF HOUSEHOLDS ENGAGED IN THE COTTAGE INDUSTRIES AND VILLAGE HATS BY DISTANCE FROM TOWN MARKET.

Distance in Km From Town Market	Households in HHI		X Rank	Village Hats		Y Rank	$\Sigma$ (x-y)	$d^2$
	No.	%		No.	%			
Below-3	173	8'22	1	14	6'79	2	1	1
8 to 5	341	16'22	6	32	15'53	5	1	1
6 to 10	279	13'24	5	36	17'47	6	1	1
11 to 15	248	11'79	3	22	10'67	9	0	0
16 to 20	255	12'10	4	30	14'56	4	0	0
21 to 50	600	28'45	7	64	31'10	7	0	0
51 & above	212	9'98	2	8	3'88	1	1	1
N = 7	2108	100'00		206	100'00			$\Sigma d^2 = 4$

Source - Field survey

Note : To draw statistical inference, between the concentration of household engaged in Cottage Industries and concentration of village Hats, we have calculated spearman's Rank Correlation, which is as follows :  $r = 1 - \frac{6\Sigma d^2}{N^2 - N} = 1 - \frac{6 \times 4}{7^2 - 7} = +0.92$   
where r = correlation co-efficient and n = number of observation.

It appears from the high degree co-efficient of co-relation(+.92) between distribution of village hats and household industries (Excepting distance of 50 Km. and more from town markets) that village hats and house hold industries are highly co-related and greater the distance from town markets thickish the distribution of household industries and village hats. We may therefore conclude that household industries are basically aimed at serving village people and it is villagers who are involved in such industries.

are for production purposes and the rest, both for production and consumption purposes. Of the total incidence of loan 74.95% are within the limit of Rs.3,000/-.

The loan given by Mahajans are in the form of advance for finished product. We came across the information that the loan whatever they have is not even sufficient for working capital. Sometimes, they could not continue their production for dearth of finance. So far the rate of interest is concerned it is implicit. Generally it is included in the price, which is settled for finished product. The artisans also informed that they could not avail loan from bank for dearth of security as well as tough formalities that needed to be maintained.

5.3.15 A study also conducted to unfold the relation of households with town markets and village hats. Table T 5.3.11 shows the relationship in between distance from town markets and concentration of households engaged in cottage industries and distribution of village hats. It appears that greater the distance from town markets greater the concentration of households engaged in cottage industries as well as distribution of village hats. In view of high degree of positive correlation (+ .92) in between concentration of households engaged in HHI and village hats, it appears that cottage industries basically aimed at village hats and fairs and they mostly satisfy the demand of rural people. In view of decreasing importance of village hats and fairs (it is elaborated in chapter on marketing), in overall economic life of peoples, it appears that in the near future, unless the marketing strategy is shifted from village to urban or adequate measures are taken for revitalisation of village hats and fairs, these industries will face a severe marketing problem.

## 5.4 SUMMARY :

The present chapter brings out the facts that -

- \* the artisans are mostly from backward classes;
- \* the cottage industries are concentrated in rural areas and near village hats (markets);
- \* most of the households have subsidiary occupation - as agriculture;
- \* they are mostly illiterate and majority of them are living at starvation level;
- \* at an average they work 6 to 8 months in a year;
- \* most of them are indebted to Mahajan;
- \* they support a huge number of dependents;
- \* family as a whole provide labour;
- \* they have no workshop; and
- \* lastly they got their technique of production/ profession from heredity i.e. in other words they use the 'old rules of thumb knowledge' in their production process.

## Note :

Cottage industries are many and scattered. The Social and Economic background of artisans is not universal. It varies from one strata to another. Since our objective is to cover the artisans from every industry and every strata of the district. We have adopted "STRATIFIED RANDOM SAMPLING" method. At first population (total number of household engaged in the district in cottage and village industries) was divided into number of Sub-populations according to the nature of industries and concentrated and non-concentrated belt. Then a random sample of a suitable size (The size based on the weight in population) was drawn from each of the sub-populations.

## Annexure - 2

## FIELD STUDIES - COVERAGE BY HOUSEHOLDS - Artisans and

Location :-

(Total households = 2108)

Name of Industries	No. of Household	No. of Artisan	Location
Handloom Weaving	375	375	Gangarampur, Itahar.
Pottery & Tiles	25	25	Balurghat, Karandighi, Patiram, Bolla, Rampur
Bricks	25	25	Raiganj, Kanki, Sonapur
Dhokra & Rope manufacturing	105	105	Kaliyaganj, Kunor, Goalpokhar.
Bamboo & Cane products	75	75	Goalpokhar, Kanki, Banshihari, Chopra.
Jewellery	125	125	Balurghat, Islampur
Leather products	35	35	Islampur, Panjipara, Raiganj.
Oil making	60	60	Kaliyaganj, Raiganj, Kushmandi, Islampur.
Wood carpentry	200	200	Gangarampur, Islampur, Balurghat.
Beedi manufacturing	300	300	Balurghat, Islampur, Dalkhole.
Embroidery, Jori Works, and Germents making	400	400	Raiganj, Islampur, Balurghat.
Food Processing	383	383	Islampur, Tunidighi, Hemtabad.

## CHAPTER - VI

THE ROLE OF GOVERNMENT & OTHER AGENCIES  
FOR DEVELOPMENT OF COTTAGE INDUSTRIES

## Contents :

- \* Steps taken by Government to promote cottage industries in the district of West Dinajpur
- \* Rural Marketing Service Centres and District Industries Centre in West Dinajpur
- \* Co-operative movement in West Dinajpur
- \* Role played by Voluntary Agencies to promote cottage industries
- \* Role played by Institutional Agencies (C.A.D.C.; K.V.I.C.; Silk Board, West Bengal Handloom & Powerloom Development Corporation, West Bengal State Handloom Weavers Co-operative Society) in West Dinajpur to promote cottage industries.

## 6.1 STEPS TAKEN BY GOVERNMENT TO PROMOTE COTTAGE INDUSTRIES IN THE DISTRICT OF WEST DINAJPUR

In view of the backwardness of the district of West Dinajpur, some steps were taken by Government, for development and expansion of cottage and village industries in the district. However, insignificant is their degree of achievement, but these were only steps for development in areas other than agriculture, during the last 30 years after independence.

The department of cottage industries has been trying to introduce new skill in the cottage industrial sector for facilitating the setting up of new industries and also for introducing better technique in existing industries.

In view of this objective, 32 Training-cum-Production Centres, till 1981, have been opened in the district. 6 of these institutions imparted training in weaving (handloom); 4 in manufacturing of dhokra (jute weaving); 6 in tailoring; 5 in tanning; 2 in tiles making; 1 in footwear making; 3 in production of cane and bamboo products and 1 each in production of rope, twine, gur, blacksmithy. 5 of the centres imparted training to tribals only, while 2 imparted training to the members of the scheduled caste only. Of the 5 centres which trained the tribals only, 3 imparted training in jute, wool and cotton weaving. The rest 2 imparted training in carpentry, mat manufacturing etc. The total number of trained persons turned out by all these institutions is 256 per annum.

Of the total number of institutions, 10 were established during the second plan period. That was the first opportunity for the artisans of this district to be trained,

to pursue their avocations with improved technique and tool. These institutions are as follows :

<u>Particulars of Organisation</u>	<u>Details of the scheme</u>
Training-cum-Production Centre of Jute and Wool Industry (for Scheduled Tribes), Pagliganj, Balurghat.	Imparting of practical training to members of the Scheduled Tribes in order to encourage them in producing articles of jute, cotton and wool.
Training-cum-Production Centre of Jute Cutting and Weaving (for Scheduled Castes) Baghan, Kaliyaganj.	Imparting of Practical training to the members of Scheduled Castes for dhokra weaving.
Training-cum-Production Centre of Rope Industry, Islampur.	Imparting of practical training to people irrespective of Caste & Creed for making rope from jute and other fibre like hemp and mesta.
Ideal Indigenous Oil Mill Centre, Chottoparua, Raiganj.	Ideal indigenous Oil mill centre set up for development of oil industry with the help of improved type of indigenous Oil Mill.
Mobile Weaving Training Centre, Balurghat.	Imparting of practical training for weaving and attractive design for weaving.
Gur and Khandeswari Exhibition Centre, Raiganj.	Imparting of training for making of Gur and Khandeswari by adopting improved methods and formation of Co-operative Society for the workers, with a view to develop the industry.

Particulars of Organisation

Co-operative Blacksmith  
Centre, Raiganj.

Training Centre for  
Hand made paper, Taranga-  
pur, Kaliyaganj.

Handloom Centre,  
Balurghat.

Mobile Training Centre  
for making leather goods

Details of the scheme

Endeavouring to give incen-  
tive to the village artisans  
and to develop the Blacksmi-  
thy industries in villages  
and to bring them under Co-  
operative Society.

Setting up of training  
centre for hand made paper  
and forming Co-operative  
Society for the artisans  
who have completed their  
training course.

Cotton thread is supplied  
to the handloom weavers of  
Balurghat area, and cloth  
produced by them are taken  
back at cash.

Imparting of training to  
the Harijans for making  
leather goods through  
improved methods and  
setting up of Co-operative  
Society.

Latter on, a number of new centres of this type were established and some of the old ones were closed. The industrial extension officer in different blocks have also arranged for short term training courses for rural artisans and helped them both financially and technically. District Handloom Centre was established in Gangarampur for development of weavers in this region. It is worthwhile to note here that Gangarampur is a concentrated are of handloom weavers and accounts for majority of the artisans belonging to this industry in this district.



#### 6.2 R.M.S. & D.I.C. IN WEST DINAJPUR :

No Rural Marketing Service Centre (RMCs) as envisaged in Sixth Central Plan has come into operation till 1981. However District Industries Centre (DIC) came into operation in 1980.

#### 6.3 CO-OPERATIVE MOVEMENT IN WEST DINAJPUR :

During the plan periods an attempt was made to bring the artisans of the district under Co-operative system. In 1961, 59 Industrial Co-operative Societies were established. Of these 17 were weavers' Co-operative Societies, 3 blacksmiths' Co-operative Society, 2 Societies were engaged in gur and Khandeswari making, and one in beedi making. The number of members of such industrial co-operatives rose to 2363 in 1960-61 from 279 in 1949-50; the capital Rs.36043 in 1970-71 from Rs.2027 in 1949-50. Since then a number of co-operatives have come into existence, and some of the old ones lost their existence for lack of proper nursing. The number of the Industrial Co-operatives came to the minimum by 1981.

Besides the establishment of co-operative societies, steps were also taken to set up co-operative banks to finance the cottage, village and small producers.

#### 6.4 ROLE PLAYED BY VOLUNTARY AGENCIES :

Along with other agencies, voluntary agencies also play an unique role in the socio-economic development of different region. In this district also there are a few 'Mahila Samitis' (Womens' Association) engaged in training and production of handicrafts. The other prominent agencies are : The Balurghat Agrani Mahila Samabay Samity Ltd; The Bongi Women's.

Co-operative Industrial Home Ltd.; The Samjhia Mahila Samabay Samity Ltd.; The Buniadpur Mahila Samabay Samity Ltd.; The Akhanagar Women's Co-operative Industrial Home Ltd.; The Raiganj Co-operative Mahila Sammilani Ltd.; and The Raiganj Mahila Samabay Silpa Sangha Ltd. These agencies have been working in a Co-operative spirit to give shape of the various schemes sponsored by the Government, e.g. hand pounding of rice, embroidery; weaving; and manufacturing of hand made paper etc.

There are also few Clubs and Associations, namely Raiganj Institute of Raiganj, Prachhya Bharati of Balurghat, Milani of Gangarampore, Running Bullet of Kaliyaganj, occasionally arranged for training programme for rural artisans and exhibition of cottage products.

Inspite of criticisms, the role of missionaries in socio-economic development of backward classes is worth mentioning. Missionaries in the district are doing well for uplifting the condition of scheduled tribes. They not only trained them for production, but also supply raw-materials and finance to the artisans and also undertake to marketing the products. There are 4 centres of Missionaries in the district, operating at Islampur, Kanki, Karandighi and Gangarampur P.S.

Last but not least one, the Government for development of modern cottage industries has established two vocational institutes at Karnajora, Raiganj and at Kaliyaganj for training of district's youths.

## 6.5 THE ROLE PLAYED BY INSTITUTIONAL AGENCIES :

Besides the Government, there are large number of independent agencies or statutory bodies engaged in the development of cottage and village industries. Some of these agencies are spreaded all over India and few others are operating at state level. The agencies operating in the state of West Bengal are as follows :-

Comprehensive Area Development Corporation : This Corporation (previously Project) was created during fifth plan and is engaged in rural development. According to their policy, they undertake a particular area, comprising of a few Mouzas for development. Among the other activities, they -

- \* Provide facilities for agricultural development;
- \* search for new technology in production;
- \* provide training to villagers in village industries;
- \* act as a raport in between villagers and other agencies;

One of the branch of this institution came into operation in the district of West Dinajpur at 'Baghan' P.S. Kaliyaganj in the year 1974. In short, they have succeed in overcoming the difficulties of villagers of that area.

Khadi and Village Industries Commission (KVIC) : The activities of KVIC cover a wide range, including procurement of raw materials and their distribution to the producers at one end and the disposal of finished goods at the other. Besides the KVIC manufacture and distribute improved tool, equipment and machinery to the producers on concessional terms; it provides facilities for technical research and assistance for setting up suitable organisations for Khadi and village industries; to which it provides financial

assistance or sponsors for assistance through bank. The policy and programme for KVIC are generally executed through (i) State Khadi and Village Industries Boards, which are statutory organisation, set up under state legislation; (ii) Institutions registered under the Societies Registration Act 1860; and (iii) Industrial Co-operative Societies registered under the State Co-operative Societies Act. In areas and spheres, where pioneering work is required, such as hill, border, backward and inaccessible areas, the KVIC directly shoulders the implementation of policy. It also assists individuals in suitable cases.

The KVIC is extending financial assistance to the implementing agencies in the form of grant or loan. As per KVIC's pattern of assistance khadi loans are free of interest, whereas village industries loans carry an interest of 4%. The loan are given for capital assistance and working capital requirements, whereas some element of grant is provided for managerial assistance, training, marketing, publicity and related functions.

Till 1980, no branch of this organisation came into operation, in this district. However one of the branch of KVIC came into operation in the district of West Dinajpur very recently (1982). This centre yet to start its fulfilled functioning.

Silk Board : Like the KVIC, the functions of Silk Board are to promote production of Mulberry Leaf and Silk cocoons. This board came into operation in this district in early seventies, and has progressed remarkably. Upto year 1980, 187 hectares of land<sup>are</sup> cultivated for mulberry leaf and production of the same was 4544 (M.T.). It has 15 production centres operating in the district of West Dinajpur as on 1980.

The West Bengal Handloom and Powerloom Development Corporation Ltd. : This Corporation was created to protect the weavers from Mahajan. The main objectives of this corporation are :-

- \* to supply yarn to weavers at reasonable price;
- \* to facilitate production and marketing of goods,
- \* to supply quality dye-stuff to weavers;
- \* to produce quality dye-stuff and yarn;
- \* to launch scheme for mass production for yarn and wages.

There are two centres of this corporation operating in the district ~~at~~ at Raiganj and Gangarampur.

The West Bengal State Handloom Weavers Co-operative Society Ltd. :- The Society was formed to organise rural weavers and to form co-operative. The main functions of this Society are :-

- \* marketing of products produce by member-societies and
- \* to supply quality raw-materials to member societies at reasonable price.

There are 16 member Societies of this Society operating in the district of West Dinajpur at block level. Though most of them are not running at economic level, but their effort to organise small artisans in the district is worth mentioning.

## SUMMARY :

We have already mentioned that there is no scope for large scale industries in the district immediately. Hence development of cottage industries, is the only way to cope with increasing poverty and unemployment. Viewing the situation of artisans and importance of cottage sector in the local economy, a number of institutions including government have come forward to aid the artisans of the district. In view of composition and backwardness of the artisans belonging to this district, more and more aid is expected from these external development agencies and the existing facilities appears inadequate to meet the challenge that the artisans of this district are facing.

## PART - 'B'

PROBLEMS OF COTTON HANDLOOM INDUSTRY  
IN THE DISTRICT OF WEST DINAJPUR

This section specifically deals with the problems that the artisans engaged in cotton handloom industry in the district of West Dinajpur are facing. It includes the study of :-

- \* The problems of entrepreneurship
- \* The problems of input & technology
- \* The problems of finance
- \* The problems of marketing and
- \* The role of trade union in organising small and poor weavers

## CHAPTER - VII

## THE STUDY OF PROBLEMS OF ENTREPRENEURSHIP

## Contents :

- \* Profile of entrepreneurs engaged in cotton handloom industry
- \* Growth of entrepreneurship in cotton handloom industry
- \* Concept of entrepreneurship
- \* Entrepreneurship and related factors
- \* The design of study
- \* Objective of the study
- \* Hypothesis
- \* Methodology
- \* Limitation of the study
- \* Variables and their measurement
- \* The statistical findings of sample survey
- \* A few cases studies
- \* Study of co-operative sector
- \* Reasons for poor performance of co-operative institutions
- \* Why co-operative movement failed
- \* Summary
- \* Table showing profile of entrepreneurship
- \* Table showing growth in entrepreneurship



## Contents :

- \* Table showing age distribution of artisans
- \* Table showing caste distribution of artisans
- \* Table showing education of artisans
- \* Table showing family occupation
- \* Table showing family size
- \* Table showing type of family
- \* Table showing earning members in the family
- \* Table showing working hand in the family
- \* Table showing duration of entrepreneurship
- \* Table showing annual turnover
- \* Table showing variety produced
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- \* Table showing assets possession by the artisans
- \* Table showing housing condition of the artisans
- \* Table showing capacity utilization
- \* Table showing distribution of looms
- \* Table showing average working days
- \* Table showing reasons of discontinuation
- \* Table showing workers composition
- \* Table showing standard of living
- \* Table showing scores obtained in personal efficacy test
- \* Table showing correlation between duration of entrepreneurship and personal efficacy

## Contents :

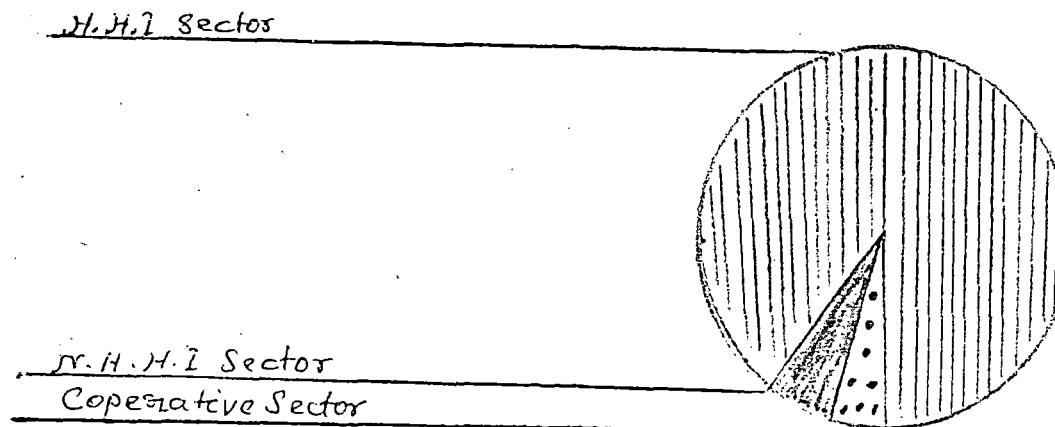
- \* Table showing scores obtained; in the test of aspirations
- \* Table showing scores obtained in the test of risk taking willingness
- \* Table showing distribution of handloom co-operatives and co-operative looms in West Bengal
- \* Table showing profile of handloom co-operative in West Dinajpur

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

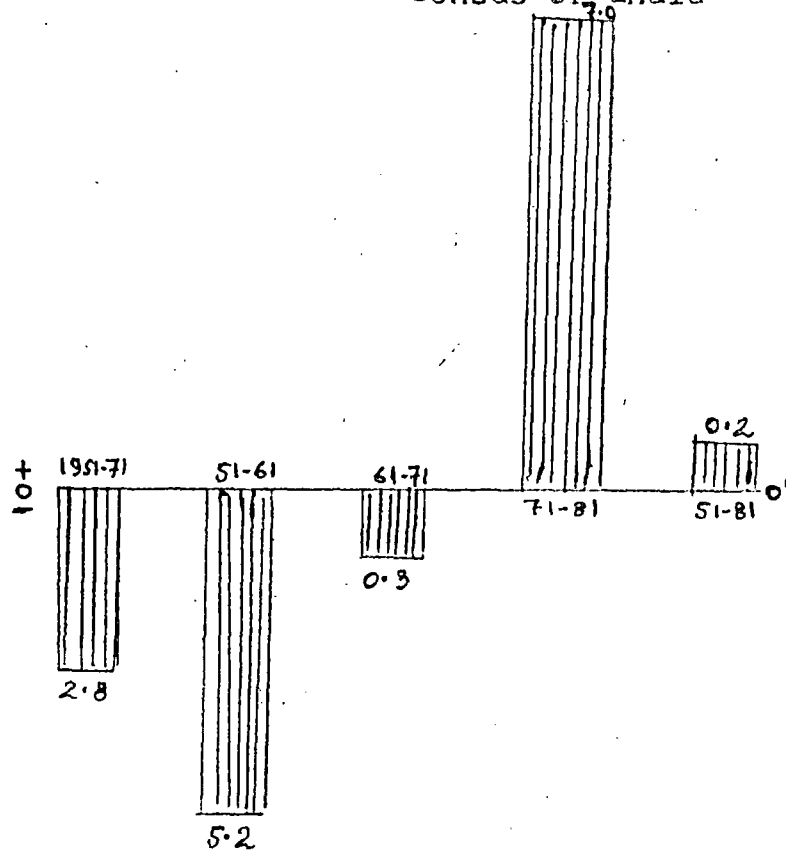


Chart showing Growth in  
Entrepreneurship

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.<sup>1</sup> 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.<sup>2</sup> 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)<sup>3</sup> 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<br>(standard of living) | Same as above                       |
| * Workers composition                     | Same as above                       |

## C. Human-Resource Factors

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

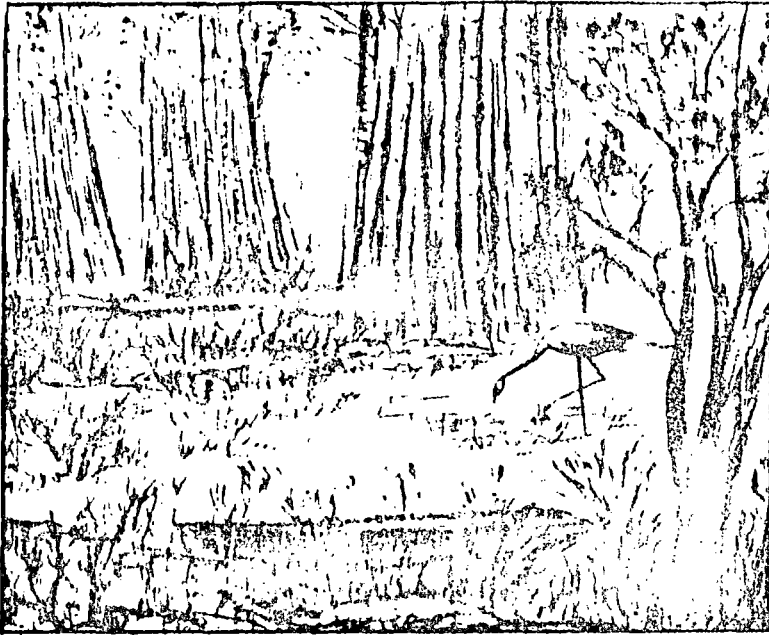
( Given in the next page )

Picture - 2

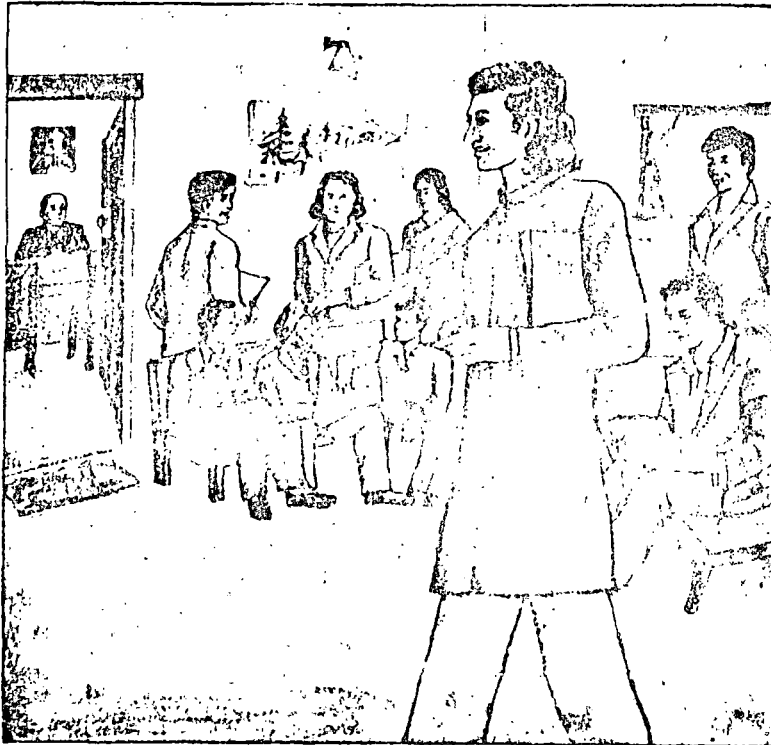
( Given in the next page )

- 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.

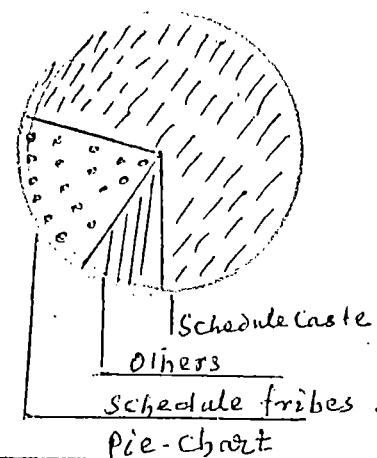
Table T 7.2.6.1  
AGE DISTRIBUTION

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%)

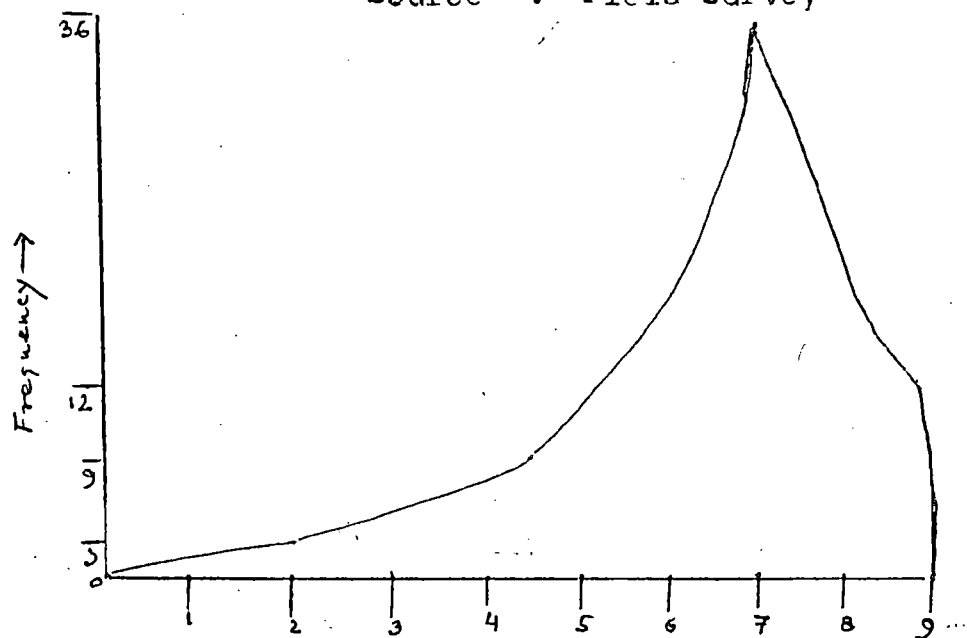
Source : Field Survey

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.

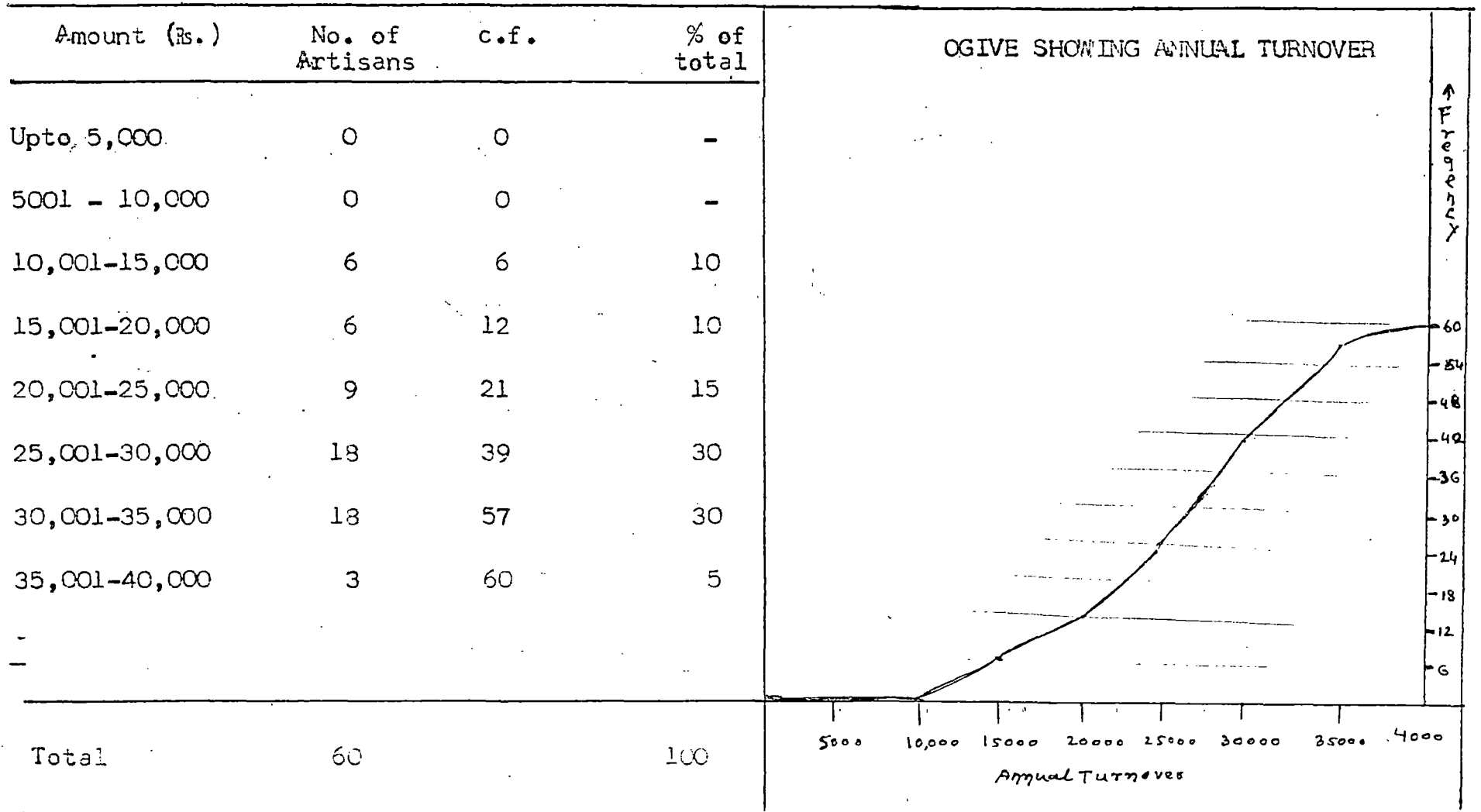
#### B. Material Resource Factors

\* 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%
<b>Total</b>	<b>60</b>	<b>100</b>

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
<b>Total</b>	<b>60</b>	<b>100</b>

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
	$\Sigma$ 60	$\Sigma xy$ 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
<b>TOTAL</b>	<b>60</b>	<b>100</b>

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
<b>Total</b>	<b>60</b>	<b>100.00</b>

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.<sup>4</sup> 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. 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. 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.
- \* In spite 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 penyless 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
<b>Total</b>		<b>1193</b>		<b>84480</b>	<b>211990</b>

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 ( $\chi^2$ ) 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  $\chi^2$  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.

## References &amp; Notes

1. Cantillion, R. -- Eassi Sur La nature de Commerce en general - Harvour University Press Boston (1932)
2. Bhattacheryya, H.- 1979 & Lee A.L. (1976)
3. Mathai, R.J. - Rural Entrepreneurship New Delhi - 1978
4. The 'Choice - Dilema' Procedure of Rotter was earlier modified by Jaiswal (1965) Singh (1972) and Christopher (1974). The modified version was adopted for this study.

## CHAPTER - VIII

## THE STUDY OF PROBLEMS OF INPUTS &amp; TECHNOLOGY

## Contents :

- \* Design of the study
- \* Objective
- \* Hypothesis
- \* Methodology & Limitation
- \* Process of handloom products
- \* Dyeing
- \* Lossening and Unwinding
- \* Pirn-winding
- \* Sizing and warping
- \* Weaving
- \* Division of labour and wage class
- \* Raw materials
- \* Yarn VS Wage
- \* Cost of raw-materials, wage and entrepreneurs' residual under changing price level
- \* Problems of distance from raw-material centre
- \* Cash flow analysis
- \* Comparative cost
- \* Price of yarn - Demand & Supply Analysis
- \* Price of yarn - The Distribution System

## Contents :

- \* Problems of fuel & power in powerloom
- \* Product mix analysis
- \* Colour range of products
- \* Absorption of new technology
- \* Comparative efficiency of weavers
- \* Output trend
- \* Summary
- \* Table showing proportion of labour and raw-materials in different variety of product
- \* Table showing percentage of wage & material cost in the total cost
- \* Table showing price movement of yarn & wages
- \* Table showing comparative cost of a particular product
- \* Table showing demand of yarn by count group in unorganised sector
- \* Table showing supply of yarn in India
- \* Table showing price index of raw cotton, cotton yarn and cotton cloth
- \* Table showing production of handloom cloth in West Dinajpur and in West Bengal
- \* Table showing V/Q ratio in West Dinajpur and in West Bengal

8.1 Handloom industry is subject to many problems. Being an ancient industry, handloom could claim some technological advancement or refreshment. Again, having counterpart in mechanised production, it is suffering from input constraints. Thus the study of input constraints and technological changes is important. A number of research have been carried out on the input problems and technological advancement of handloom industry. A study of cotton handloom industry in Orissa by P. C. Mahapatra (1986)<sup>1</sup> shows that :-

- i. the yarn is the main problem to the weavers;
- ii. the weavers have a fascination towards their indigenous technique of production; and
- iii. there is no commercial viability of handloom industry in long run.

Hence he suggested a few measures, which are as follows :-

- i. implementation of Shivraman Committee Report as to the control of yarn.
- ii. Absorption or adoption of new technology to increase productivity; and
- iii. gradual conversion of handlooms into powerloom. A similar study by S. P. Kulkarni (1984)<sup>2</sup> in Nagpur city suggested the same as above.

Objective : The objective of this chapter is to examine :-

- I. The extent of the problems of major inputs.
- II. The position of the artisans as to their share of wage/residual in production.
- III. The position of West Dinajpur Crafts in comparison to that of other parts in India.

- iv. The indigenous technique for pointing out the so called inefficiency and attitude of artisans towards new technology and
- v. The past production trend for detection of production fault, if any.

#### Hypothesis :

To test the findings of P. C. Mahapatra - that "the handlooms have no commercial viability in long run, hence they are to be gradually converted into powerloom", We have developed the following hypothesis :-

- i. Handlooms have no commercial viability in long run; hence they are to be converted into powerloom ( $H_{01}$ ).

The alternative hypothesis to  $H_{01}$  is :

Handlooms are commercially viable provided some measures are taken and they are not to be converted for economic reasons.

The above hypothesis will be tested and the various reasons for their acceptance or rejection will be examined in the following paragraphs.

#### Methodology :

In view of the objectives we have studied the following factors in the present chapter :-

- i. The process of production to point out the reasons of so called inefficiency.
- ii. Cost composition and analysis. Movement of costs and their comparison with other parts in India.

- iii. Cost of raw material, wage and entrepreneurs residual under changing price level.
- iv. Cash flow analysis.
- v. The problem of distance from raw-material centre.
- vi. Product mix, production trend and colour range of product.
- vii. Available indigenous technology, their efficiency and inefficiency, and
- viii. The prospect of powerloom in West Dinajpur.

For this study we have investigated into representative number of household units and non-household units. We have also studied the time and motion of artisans and consulted the experts in this field. The prices of input indicate the average current prices to the artisans (during 1936-37).

#### Limitation of the study :

The study is not free from limitation. The main limitation is the limitation of estimation, which may vary from individual to individuals. Again the prices which are considered in the study are mostly local market price. As there was no standard price (which is generally quoted in an organised market) in operation, the researcher was compelled to use the same. Hence little variance may have crept in.

8.2.1. An understanding of the production process is very much essential for economic analysis of cost and cost elements, since the much-debated inefficiency of handloom industry is closely linked with the process of production involved in manufacturing activity. Hence it is worthwhile to

look into the process of production, because this may give us the clues to the possible and desirable improvement needed in them to increase efficiency.

To a casual observer, handloom weaving may appear simple, but, in fact, it involves a number of laborious processes. The production processes involve preloom, loom stage and post loom activities.

The pre-loom activities consist of dyeing of yarn, winding, warping and sizing etc., loom stage activity consists of weaving; and post loom activities include bleaching, anti shirinking measures, printing and calendaring etc. The following paragraphs will enlighten about these processes.

#### B.2.2 DYEING :

It is an acknowledged fact based on the past experience that the preparation of dye is a work of skill. But with the use of chemical dyes, the preparation of dyes poses less problem at present than in the past. Before the advent of chemical dyes, indigenous and natural dye stuffs were used. Very poor artisans still use such type of dyes. In spite of availability of coloured yarn, it is seen that the Dinajpur weavers dyeing their yarn at home. According to them dyed yarn cost more and their longevity is comparatively short. After dye the yarn are dried in a shadow place for sometime. It is a hardy job and generally male workers are engaged in such job. Dyeing is a field work. It requires huge space. So this job often stopped due to rain and summer.



### 8.2.3 LOSSENING AND UNWINDING :

The yarn obtained in the hank form requires lossening and unwinding at first. The yarn so unwound is rewound on the warp bobbins and is made ready for preparing the warp - the length-wise yarn preparation. This job mostly done by female and child workers. For this purpose Charka made of wood and bamboo are used. Charka with ball-bearing may improve efficiency in this phase.

### 8.2.4 PIRN-WINDING :

Pirn winding is done in the case of weft yarn or breadthwise yarn. After the yarn is lossened and unwound, it has to be wound again on the pirns. Usually this work is done by female members of households or hired workers, if necessary, who are paid by piece rate. The prevailing charges is Rs.3 for 75 mora, which are needed for 62 piece of Saree (1 mora = 15 nali or spindle). The local name of this process is 'nali'.

### 8.2.5 SIZING AND WARPING :

Sizing, necessary for providing strength to the yarn, is an important process. It is a field work i.e. large space is required for this purpose. Sizing is done by one or more persons. Generally rice or arrowroot paste is used for sizing. It is a sensitive job and requires expert hand. It is mostly done by male artisans. After sizing the yarn are warped. Warping is a length-wise yarn preparation. We have noticed various degree of improvement in this process. The artisans producing moderate quantity use 'DRUM' (in drum, warping for 62 to 68 pieces is possible at a time). The local name of this process is 'Pari' and 'Druming'.

The investigation brought out the fact that pre-weaving stage takes more labour hour than weaving stage. This process is time consuming and time lapsing. Since major part of the work is done in field, the work often discontinued due to environmental factors.

8.2.6 After warping and sizing, the yarn are inserted into loom and attached to cloth beam. The material is now ready for weaving. It is a labourious as well as artistic work. The Sarees that are commonly produced in West Dinajpur (40 S x 40 S) take 4 hours at an average per Saree of 4'5 metres.

Post weaving stage is simple and generally done by house-wives. It includes bleaching, anti shrinking measures, calendering etc.

The above study reveals that the production process being lengthy and slow, which is responsible for low labour productivity. When consulting with the engineer (D.H.D.C.) in this field, we came to know that instead of Drum, the Beaming arrangement as it is used in powerloom can be tried in handloom to increase efficiency. But this will not be possible in household sector, since artisans are small with limited production.

### 8.3.1 DIVISION OF LABOUR AND WAGE CLASS :

In the lengthy process of handloom production a number of persons involve, thus providing livelihood to larger number of people. Of the persons involve, some are family members, for which nothing is paid and some others are hired worker, for which amount is paid. For all types of work, artisans are available, and hence the

rates. The rates collected from different places show little difference. Our cost analysis, considered all elements of costs, paid or not, and is done from the point of view of entrepreneurship.

8.3.2 From the process of production as discussed in the preceding paragraphs, the functional division of work may be outlined as follows :

1. Procurement of raw-material and supervision and necessary investment. It is the function of entrepreneurs, who get residual value.
2. Dyeing : For this artisans are available, who are paid by piece rate.
3. Lossening and Unwinding : Though it is generally done by family members, but if employed, they are paid by piece rate.
4. Pirn-winding : Though it is generally done by family members, but if employed, they are paid by piece rate.
5. Sizing (Pari) : For this artisans are available, who are paid by piece rate.
6. Warping (Druming) : For this artisans are available, who are paid by piece rate.
7. Weaving : For this artisans are available, who are paid by piece rate.
8. Bleaching, calendering and marketing : All these residual functions generally done by entrepreneurs, who get residual value.

It is important to note that, in household sector more or less all the functions are completed by the members within the family. Hence very little payment involved except raw-materials. It is this aspect, for which, handloom production still exist in household sector.

8.3.4 The contributions of different division towards the value added are not same. The contribution of different class of labour in a 40 S x 40 S (4'5 metres) Saree excluding entrepreneurs residual given below :-

<u>Contribution-Division of Work-wise</u>	
Dyeing	3.79%
Pirn winding	7.92%
Sizing	28.60%
Warping	5.52%
Weaving	54.17%
	<hr/>
	100.00

Source : Computed from field survey.

It appears from the above, that weaving accounts for lion's share of value added. The share of weavers varies from product to products, depending upon the degree of fineness and art. Sometimes it constitute 80 to 90% of the total value added. But the share of other workers remain more or less constant, irrespective of the fineness of work, since they do not need much amount of skill. The total contribution of labour as stated above is only 25% of total factory cost per piece.

## 8.4.1 RAW-MATERIALS :

The raw-materials that are needed in production of fabrics are yarn, dye, hydro, costic and consumable miscellaneous materials of small quantity like cotton waste, lubricating oil etc. The share of total raw material in the factory cost of a 40 S x 40 S Saree (4.5 metres) is 74.17%. The further break-up of the same is given below :

Yarn	70.14%
Dye	23.96%
Hydro	4.38%
Costic	.64%
Misc.	.61%
	100.00

Source : Field Survey.

It appears that the yarn constitutes the major item of inputs and then dye. In handloom the importance of fuel and power is minimum, but the situation is different in case of powerloom sector. Yarn is a typical product. It is of different count group (20 to 120) and has different variety. So, no generalisation is possible as to the yarn. Again yarn is supplied in different forms, like hanks, cones, beams, pirns etc. Handloom needs the supply of yarn in the form of hank. Since yarn has the major contribution in the cost, the price movement of yarn has greater impact on the movement of cost and ultimately upon the existence of the industry in unorganised sector. It is important to note here that the cost of handloom product is mostly variable.

## 8.4.2 YARN VS WAGE :

Yarn and wage, are two major component of cost. The first one is beyond the grip of the producers and the second one is the life blood of the industry. An analysis of cost shows that in the total cost of a 40S x 40S Saree (4.5 metres) the yarn constitutes 74.17% and wage 25.83%. The proportion of yarn and wage roughly 3:1. This proportion is not constant for all categories of products. The share of yarn move negatively with the positive movement in quality (fineness) of product and the proportion of wage is directly related with the quality of product. More specifically the share of yarn decreases and share of weavers increases with positive change in the fineness of product. The cost pattern of some selected products given in table T 8.4.1 to clear this concept and better understanding of the relation.

Table T 8.4.1

Proportion of Labour cost and cost of raw-materials in different variety of handloom products

Variety	Total cost* Rs. per piece	yarn Rs.	3 as a % of Total	Wage Rs.	5 as a % of Total
1	2	3	4	5	6
20S x 20S	7.12	5.81	81.50	1.31	18.50
40S x 40S	35.73	26.50	74.17	9.23	25.83
40S x 60S	43.90	36.01	73.65	12.89	26.35
2/120S x 2/120S	134.80	46.30	34.35	38.50	65.65
2/120S x 2/120S	179.31	47.31	26.38	132.00	73.62
2/120S x 2/120S	416.27	51.77	12.44	364.50	97.56

\* Excluding entrepreneurs remuneration

\* Estimated value Source : Field Survey.

It appears from the above table that for the products made of upto 60S yarn, the proportion of raw-materials is about 75% and wage 25%, but for fine products of higher count group of yarn, the fact reversed and wage constitute 87.56% of total cost. In the district of West Dinajpur, since most of the products produce are of below 60 count group of yarn, the wage earner gets little. This is perhaps the main reasons for the miserable condition of Dinajpur weavers.

8.5.2 Cost of Raw-materials (Yarn), Wage and Entrepreneurs' Residual under Changing Price Level : The situation of handloom producers in unorganised sector is very peculiar, because they have little command over the entire system and they are comparatively in a weak position. So when price level changes, they face acute problems of existence. What happens is that price of raw-materials and price of finished goods are beyond the control of the producers. Not only that, they even can not bargain because of their small purchases. In that situation, what producers can do is to for go their own share and thus gradually dripping. Table T 8.5.1 illustrates and confirms the phenomena and shows the relative position of these three elements under changing price level. The table T 8.5.1 shows the cost of yarn, wage and entrepreneurs residual of a 40S x 40S Saree, which is commonly produced (75% of total Saree production) in the district of West Dinajpur during last few years. It appears from the table that in 1984, raw-materials particularly yarn accounts for 42.71%, wage 25% and entrepreneurs residual 4.68% of total cost of production. In 1987, due to price hike of yarn, the cost of yarn reached to 53.39% of the total cost wage

Table T 8.5.1

PERCENTAGE OF COST OF YARN, WAGE AND ENTREPRENEURS  
RESIDUE DURING 1984 to 1987

Year	Cost of yarn	Wage	Entrepreneur residue	Factory cost	Net Cash flow
1	2	3	4	5	3+4
1984	13.67(42.71)	8.00(25.00)	1.50(4.68)	32.00	9.50(29.68)
1985	15.88(46.70)	8.20(24.11)	1.30(3.82)	34.00	9.50(27.93)
1986	18.97(52.69)	8.72(24.22)	1.32(3.66)	36.00	10.04(27.88)
1987	20.29(53.39)	9.23(24.28)	1.37(3.60)	38.00	10.60(27.88)

Source : Computed from Field Survey

- \* The amount in Rupee
- \* Based on cost of a 40S x 40S Saree
- \* Figure in brackets represents percentage of total cost
- \* Calculated from actual information based on field survey.

Table T 8.5.2

PRICE MOVEMENT OF YARN/WAGE AND FINISHED GOODS

Items	1984 (Rs.)	1987 (Rs.)	% change
Yarn (40 S)	155 (per bundle)	230 (per bundle)	48.38
Wage	4 ( per piece)	5 ( per piece)	25.00
Finished goods (40S x 40S) Saree (per piece)	32	38	18.75

\* Bundle = 4.5 Kg.

Source : Computed from Field Survey.



24.28% and entrepreneurs residual 3.60% of the total cost. It is also important to note that during the period 1984-87 the price of yarn raised by 48.38%, the wage by 25%, while finished goods 13.75% (Table T 8.5.2). Due to this non-symmetrical rise in price, the absolute amount of entrepreneurs residual decreased from Rs.1.50 to Rs.1.37. The prices so disclosed are subject to adjustment of inflationary price rise. Allowing premium for inflationary element, it will be seen that the real wage and real residual have decreased. Thus increasing hike in price of yarn seems to be a challenge to the handloom producers in the unorganised sector for existence.

8.5.3 Cash flow Analysis : Commercial viability is an ultimate test that justify the existence of an industry. Conventionally it is ROI (Return of Investment), which is applied to test the commercial viability of a concern. In modern times, Cost-Benefit analysis and Social-cost-Benefit analysis are applied to test the viability of a specific project, of commercial and utility in nature respectively. Very recently, Cash flow analysis is used widely as a determining factor of a specific project.

The discussions in the preceding chapters, confirm the view that unorganised sector, because of its peculiar characteristics and social background, should not be treated as commercial sector. Hence so called sense of commercial viability does not appear meaningful to asses viability of any activity in unorganised sector. So wage structure or entrepreneurs' residual individually should not be treated as a test of commercial viability of handloom industry in unorganised sector. We have seen that every household unit constitutes a complete unit having negligible external participation. Hence little amount is paid to outsiders

except raw-materials. In such units where individual contribution cannot be measured, net cash flow from operation or net value added appears meaningful as a test of viability. It appears from the preceding paragraphs that, though individually various element of wages and entrepreneurship residual is negligible as a percentage of total cost, but if summed up, they constitute 23% to 35% of total factory cost, which is not an insignificant one as a rate of earning of household units.

#### 8.6.1 Problems of Distance From Raw Materials Centre :

One of the important problems facing the Dinajpur weavers is the problem of transportation cost. The prime raw materials i.e. yarn and dye are mainly produce in the States other than West Bengal, to which, this district belongs. As a matter of fact, the cost of raw materials generally higher than in the other parts of the country. Not only that, the small producers are not in a position to purchase in bulk. It was observed during field survey that weavers in the remote villages do not get yarn at their own places. So they are required to be travelled frequently about 10 to 20 Km or even more to buy yarn from the nearest market. Such frequent visits cost them six to eight rupees each time apart the temporary stoppage of the loom. It appears that transportation cost, which the district of West Dinajpur is subject to is significant enough and therefore deserve special attention.

8.6.1.2 Comperative Cost : In view of the higher cost of Dinajpur products, has been compared with the cost of

Similar product produce in Orissa and Nagpur (Table T 8.6.1) to determine the extent of extra charge. It appears from the comparative cost given in the table that the cost of yarn in West Dinajpur (53.39%) is significantly higher than the cost of the same in Orissa (41.21%) and Nagpur (38.56%). As a consequent Dinajpur weavers and entrepreneurs get little in comparison to that of other places.

Table T 8.6.1  
Comparative cost of a Particular Product

Cost	* West Dinajpur	** Orissa	*** Nagpur
Yarn	53.39%	41.21%	38.56%
Wages	24.28%	32.62%	34.25%
Entrepreneurs residual	3.60%	7.56%	9.19%

Percentages are in terms of total cost.

\* Computed value

\*\* Values stated in the research paper - Economies of cotton handloom industry in Orissa by P.C.Mahapatra,

\*\*\* Values stated in the research paper - Economies of handlooms in the city of Nagpur since 1960 by S.P.Kulkarni.

#### 8.6.2 Price of Yarn -- Demand and Supply Analysis :

It has already been shown that the increasing price of yarn putting a challenge to the weavers for existence. One of the major reasons is the shortage of supply of yarn in hank form. In most handloom centres of West

Table T 8.6.2

DEMAND OF YARN IN WEST BENGAL BY UNORGANISED  
SECTOR : 1980 (in thousand Kg.)

Count group	Quantity	% of total
Upto 18	300	7.63
20 to 28	800	20.35
30 to 36	550	13.99
40	900	22.90
60	423	10.76
80	140	3.56
100	134	3.40
120	14	.35
2/10	76	1.93
2/20	233	5.92
2/30-2/36	108	2.74
2/40	176	4.47
2/60	60	1.52
2/80	16	.40
<b>Total</b>	<b>3930</b>	<b>100.00</b>

Source : Directorate of Handloom Industry.

Table T 8.6.3  
SUPPLY OF YARN IN INDIA

Year	(in Million Kg.)		
	Yarn produce in India	Yarn produce in West Bengal	Deliveries to unorganised sector in hank form
1977	846	17.9(2.1)	203.74(24.03)
1978	912	20.9(2.3)	218.62(23.97)
1979	952	16.5(1.73)	232.43(24.41)
1980	1058	21.2(2.0)	257.35(24.32)

Source : Hand Book Statistics on Cotton Textile Industry, A.J.C.M.F., Bombay

\* Figures in parentheses represent percentage of total.

Table T 8.6.4  
INDEX-NUMBERS OF WHOLE SALE PRICES OF RAW COTTON,  
COTTON YARN AND COTTON CLOTH

Year	Raw Cotton	Cotton yarn	Cotton cloths (Mill)
1971-72	107.8	113.1	111.2
72-73	91.6	123.2	115.4
73-74	138.3	151.6	133.8
74-75	168.8	177.5	173.2
75-76	136.4	141.1	161.7
76-77	197.5	178.0	165.7
77-78	193.0	197.0	178.6
78-79	168.6	200.4	183.8
79-80	164.4	221.4	192.6

Base 1970-71 = 100

Source : 16th Annual Report 1979-80,  
The All India Federation of  
Co-operative  
Spinning Mill Ltd.

Bengal and also in West Dinajpur, it is the medium quality of yarn (20S to 60S) which are in great demand. In West Bengal the demand of different classes of yarn during 1980 given in table T 8.6.2. The table shows that the demand of 40S yarn is highest (at 22.90%) and then 20S to 28S count group (at 20.35%). Demand for 20S to 80S of yarn amounts to 71.96% of the total demand. So far supply is concerned, it is limited. The yarn produce in West Bengal is only 2% of the total yarn produce in India and can satisfy only 18% of the total local demand of organised and unorganised sector. Hence the State has to import from the other States. Again only 52.45% of the total yarn produced in India are distributed to unorganised sector, of which 46.30% (i.e. 24.29% of the total yarn produced) delivered in hank form. Again within the yarn supplied to unorganised sector the yarn of the counts group 20S to 80S accounts for 42.70% (Table T 8.6.3).

In view of the demand and supply gap of yarn, It's price going up gallopingly. So in view of the national importance of handloom industry, the question of price and supply control of yarn be given due importance immediately.

### 8.6.3 Price of Yarn — The distribution system :

Apart the shortage in supply of yarn in hank form, the forms of organisation for marketing of yarn aggravates the situation. There is usually a chain of yarn dealers in every area ranging from the big city merchant to the smallest retailers (foriya) in the village. From the whole-sale stage to that of final

retailing, each dealer adds his own quota of commission to the price of yarn, so that by the time the yarn reaches the hand of the weavers, the prices become considerably high. The proportion of such additions in the final price depend upon the number of intermediaries involved and the distance between the yarn consuming and yarn producing centre.

Another feature of the yarn market, which is perhaps common to all speculative markets, is that any rise in the whole-sale price of yarn is immediately followed by a rise in the retail price, while it takes a long time for the retail price to adjust itself to the wholesale price when it falls. This factor also provides the dealer with an opportunity to make profit at the expense of final consumers i.e. weavers. Furthermore, mills and middlemen are entitled to bank financed on hypothecation of yarn bales. When the availability of free yarn in the market for handlooms is restricted, any hold-up of supplies automatically builds up black marketing practices. Hence the Shivaraman Study Team recommended that the RBI in its Credit Policy should ensure that credit on hypothecation of free yarn by Mills and Middlemen is suitably checked and long periods of hold-up be prevented.

It has been noticed that in recent years the rise in price of yarn and cotton cloth is higher than that of raw cotton. But the rise in price of yarn has no parity with that of cotton cloth (Table T 3.6.4). Therefore, in the interest of handloom industry, it is necessary to evolve some system to control yarn price.

There is an urgent need to tackle the yarn problem. Otherwise, so long the weavers will continue to buy

in the dearest (yarn) market and sell in the cheapest market (cloth market), it is impossible to imagine that he is likely to make a decent living out of his work.

#### 8.6.4 Problems of Fuel and Power and Powerloom in West Dinajpur :

The role of fuel and power is little in household sector, hence it cause no problem to the industry directly. But it is very much important and also a problem in power loom sector. We have already shown that the power supply in the district is unsatisfactory. Of the 24 Power looms allotted for this district, not even a single so far been installed. The reasons may be :-

- \* scarcity of power,
- \* dearth of finance,
- \* distance from raw-materials centre etc.

#### 8.7 PRODUCT MIX :

The cotton handloom weavers of West Dinajpur, at present weave variety of sarees, dhooties, lungies, gamsa and mosquito net, both of plain and artistic in design. The proportion of different varieties produce given below :

Product	*West Dinajpur	**Orissa	*** Nagpur
Saree	68.0%	47.9%	40.0%
Lungi	13.0%	6.0%	3.0%
Dhooti	12.0%	12.9%	35.0%
Gamsa	6.0%	6.7%	2.0%
Others	1.0%	26.7%	20.0%
	100.0	100.0	100.0

Source : \* District Handloom Development Centre  
 \*\* P.C. Mahapatra (1985) \*\*\* S.P. Kulkarni (1983).



In comparison to the variety produce in Orissa and Nagpur, the product range of West Dinajpur is different and simple. Perhaps this is due to the nature of local demand.

The variety produce in general, in the state of West Bengal are sarees (more than 60 variety), dhooties, lungies, bed sheets, towels and napkins, handkerchiefs, door and window screens. The Dinajpur weavers produce less than 20% of the varieties that can be produced by loom. Offer of choice has a great impact on sale as well as on consumers psychology. But it needs training and skill. Again in the product mix of West Dinajpur, it is the saree of the count group 40S to 60S that occupied the key position. Hence for the upliftment of handloom weavers of West Dinajpur, they are to be so trained that be able to produce variety of products to enhance gross sales, as well as to meet the challenge of changing market demand.

3.7.1 Colour-Range : The consumers fashion has been changing. To-day's fashion is multi colour design that are mainly produce in mills. Multi colour design can be produced in handloom also. The technique is known as 'Tie-Dye' technique or 'Ikat' technique. This technique is essentially a process of tying portions of the same thread and dipping them in dye bath, so that the dye penetrates only in the ~~untied~~ untied portions without affecting the tied portions. This process is repeated several times by untying and tying again and again for dye bath of different colours as required, thus bring out a variety of colours on the same thread at different portions.

The ikat technique, commonly known as 'BANDHA' technique is very much popular in Orissa, Andhra Pradesh, Uttar Pradesh and has wide demand throughout India. But this technique is quite absent in the district. The colour range of dinajpur products is very much limited. Mainly 3 types of simple dyes are in use in the district. In comparison to Gujrat, Orissa and other parts of India, the colour range of products produced in the district is inferior.

#### Absorption of New Technology :

In this section, a brief discussion on the looms and accessories used by the cotton handloom weavers in West Dinajpur has been taken up. This will highlight the areas of necessities, for introduction of improved equipments and will also unfold the weavers attitude to new technology.

According to H. Tidball, "The loom, in its simplest sense, is nothing more than a frame to hold parallel threads, called warp, at a tension in such a way that other threads, called weft, can be woven to make cloth."<sup>3</sup> There is a wide variety of looms that one finds through the length and breadth of the country. The most widely used looms, their ~~technique~~ technique of working and efficiency has been presented below :-

\* Throw-shuttle pit looms : According to S. Paul,<sup>4</sup> this type of loom stands on a pit and the process of picking (throwing of the shuttle, or a weft thread), is done by the shuttle across the shed by hand. This type of loom occupies very little space. This loom

offers an unlimited scope for fabrics having a large variety of extra weft designs. It is more suitable where designs necessitate a change of weft for every pick. It helps in adjusting the pre-dyed weft for the exact formation of tie-dye weft patterns. Fabrics with solid coloured borders requiring three or more shuttles and which have well defined selvages can be more easily woven on it than on other types of loom.

\* **Fly-Shuttle Pit Loom :** In a fly-shuttle pit loom, the shuttle is propelled by hammers placed at the end of the lathe (the swing frame of a loom carrying the reed for separating the warp threads and beating up the weft), and thus weaving can be done more rapidly. S. Paul points out that it has all the advantages of the throw-shuttle pit looms. The main advantage of a fly-shuttle pit loom is that, despite its increased rate of production, it can produce fabrics with higher counts of super fine yarn.

\* **Frame loom :** Both fly-shuttle and throw shuttle, have a pit at the back for the Sitting Convenience of the weaver. As the pit is a source of dust and dirt, it is desirable to place the loom on a frame. According to S. Paul, the frame loom is a complete unit with all parts independently fitted. It has greater capacity to weave simple designs. At the back of the loom very big beams capable of holding more than 500 metres of warp can be accommodated. The main disadvantage is that it occupies more space and also costs more than a pit loom and is not easy to operate.

In the district of West Dinajpur weavers mostly use fly-shuttle pit loom. Of the 60 households having 150 looms surveyed 30 (60%) were fly shuttle pit loom and 54 (36%) were throw-shuttle pit loom. Only 6 frame looms (4%)

were found using by weavers. But in the co-operative production centres most of the looms were frame loom.

As regard to the efficiency, it is important to note that, each types of loom have some specialities in producing a particular kind of product. For example throw shuttle loom is meant for producing variety design products. On the other hand fly-shuttle is meant for producing plain fabrics. So any comparison in between this two is meaningless. Experts opined that if fabric is woven on throw-shuttle loom, its texture will be better than that of woven on a fly shuttle loom; but large scale production is possible only in a fly shuttle loom. Again Frame loom through costs more than pit loom but frame loom is more productive than pit loom. In spite of the economies of frame loom, Dinajpur weavers were found to use pit loom. According to them, since they are habituated on such looms, any change may reduce their productivity. But so far we think, they are not willing for frame looms because of the scarcity of space and high cost of such looms.

\* Comperative Efficiency of Weavers : Productivity and efficiency of Dinajpur Weavers have been compared with the productivity and efficiency of weavers in Orissa and Nagpur. At an average the Dinajpur weavers can woven 13 to 18 metres of simple cloth in 10 hours, on the other hand in Orissa (P.C.Mahapatra, 1985) average productivity is 10 to 16 metres in 10 hours and in Nagpur (S.P.Kulkarni, 1983) 14 to 18 metres. Thus average efficiency of Dinajpur weavers is at par with that of other states. But as regard to the skill of artistic production, Dinajpur weavers are well behind the others. This appears from the low consumption of higher count yarns and product mix.

Table T 8.7.1  
 PRODUCTION OF HANDLOOM PRODUCTS IN WEST DINAJPUR  
 AND WEST BENGAL

Year	West Dinajpur		West Bengal		WD/WB
	Million meter	Million Rupees	Million meter	Million Rupees	
1965-66	1.58	32.08	175.60	3512	0.89%
66-67	1.62	30.78	179.46	3589	-
67-68	1.61	30.59	181.82	3638	-
68-69	1.32	23.76	181.80	3636	-
69-70	.82	12.3	180.90	3618	-
70-71	.32	4.8	181.80	3636	-
71-72	.25	4.0	184.27	3685	-
72-73	.59	10.03	190.00	3800	-
73-74	.98	15.68	200.00	4000	-
74-75	1.35	20.25	203.50	4070	-
75-76	1.69	25.35	205.50	4220	.82%
76-77	1.82	29.12	207.00	4270	-
77-78	2.09	37.62	225.00	5532	-
78-79	2.25	72.00	249.90	9375	0.90%
79-80	2.59	102.30	270.00	12825	0.95%

Source : Directorate of Cotton Handloom Industry,  
 West Bengal  
 District Handloom Development Centre  
 West Dinajpur

Percentage change in production from 1965-66 to 1970-80

West Dinajpur 63.92%

West Bengal 53.75%

Percentage change in value from 1965-66 to 1970-80

West Dinajpur 219.48%

West Bengal 265.17%

Table T 8.7.2

## V/Q\* RATIO IN WEST DINAJPUR AND WEST BENGAL

Year	West Dinajpur	West Bengal
1966-67	20	20
1968-69	18	20
1971-72	16	19.99
1974-75	15	20
1977-78	18	24.58
1979-80	39.49	47.5

$$V/Q \text{ ratio} = \frac{\text{Total value of production at factor cost}}{\text{Total production in Unit}}$$

## 8.7.2 OUTPUT :

Table T 8.7.1 shows the value and quantity of total production of handloom sector in the district of West Dinajpur as well as in the State, West Bengal. In 1979-80 total production of this district was 2.59 million metres, which was only 0.95% of the total production in the State with 1.25% of the total looms in the State. In terms of monetary value it was only 0.79% of the total in the State. In spite of the havoc fall in production during 1970-74, due to Bangladesh turmoil the district was recovered steadily. The percentage change in production from 1965-66 to 1979-80 in the district was 63.92% against 53.75% in the State. The production shows a step rise from 1976 and onwards. It was mainly due to Janata Saree Scheme introduced by the Government to help the small artisans.

The value of output is an important factor. The ratio of value/production is an important key for analysis of output pattern, particularly where with the same amount of raw materials or with the same quantity of work done, the degree of value added differs, depending upon the nature of art produced. Generally this ratio moves upward in spite of constant production level due to price level change. Eliminating the effect of price level change. We could find out, the movement of average artistic work or in other words the quality improvement. During 1966-67 the V/Q ratio in the state was 20 and so was in the district of West Dinajpur, indicating the average performance of Dinajpur weavers was at par of the state. But since then the V/Q ratio of West Dinajpur in comparison to the state has been gradually decreasing. During 1979-80 the V/Q ratio of West Dinajpur was 39.49 against 47.5 of the state. Thus indicating the average performance of Dinajpur weavers is inferior to that of state, or in other words the Dinajpur weavers gradually

concentrating on low value added handloom production. The reasons for such tendency may be the following :

- \* High demand of low cost goods in local market.
- \* Insufficiency of working capital.
- \* Quick marketing i.e. very low gestation period.
- \* Low degree of skill and training.
- \* Lesser need for hired labour.
- \* Problems of marketing.

### 8.8 SUMMARY :

The aforesaid discussion clearly brings out the fact that in the area surveyed the cotton handloom weavers are using old fashioned looms and equipment that are responsible for low productivity of the industry.

Cost of yarn and wages are the two main components of the cost of production. <sup>The Proportion</sup> of these elements in the total cost can not be expected to conform to any uniform standard in case of handloom products, where heterogeneity of products is the rule. These proportions vary from place to place, from one type of fabric to another and from one range of counts of yarn to another. Some general trend in the variations in the relative shares of these elements in the cost of production may, however, be hinted at. The wage is higher in quality fabrics and is lower in simple coarse varieties. The cost of yarn in general is higher in West Dinajpur than other parts in India. This is due to distance from raw material centres. The production in the district constantly increasing but artisans are gradually concentrating in simple coarse fabric. This is the main reason for miserable situation of Dinajpur artisans. The weavers producing



ordinary cloth should therefore switch over to weaving of quality fabrics. The situation can be improved further by the introduction of 'Ikat' technique, since dye preparation is one of the major product fault. The weavers should be given training in use of latest tools. The product mix of Dinajpur is also inferior to that of other parts in India. Hence suitable planning for production schedule is necessary. Lastly raw materials bank may be created to assist the small artisans operating in household sector.

Though, in view of low margin of entrepreneurs residual, it appears that handlooms have no commercial viability, but since it is mainly produced in household sector, where family as a whole provides labour and artisans, himself are the entrepreneurs, little payment is involved to outsiders. Hence wages or entrepreneurs residual, individually are not the determining factor. What is important is the difference between selling price and cost of raw materials i.e. wages factor and residual factor taken together. It is estimated that the net inflow of cash to weavers is about 28 to 35% of the factory cost at an average. It also appears that, with moderate family working hand, an artisan can earn Rs.30 to Rs.35 per day i.e. Rs.900 to Rs.1050 per month. Hence the hypothesis ( $H_{01}$ ) that the handlooms have no commercial viability is unacceptable. Again they should not be converted into powerloom at a large scale as it provides wide employment opportunity in household sector. Therefore, we conclude that given the proper support and eliminating the existing bottlenecks, handlooms may be converted into profitable way of living in rural sector, rather than eliminating them.

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## CHAPTER - IX

## THE STUDY OF PROBLEMS OF FINANCE

## Contents :

- \* Design of the study
- \* Objective
- \* Methodology
- \* Sources of finance
- \* Survey findings
- \* Composition of borrowings by source
- \* Awareness of artisans
- \* Willingness of artisans to borrow
- \* Capital structure and capital requirements
- \* Role of commercial bank
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- \* Table showing deposits and advances by regional bank
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9.1.1 Finance constitutes an important factor of production. It is also the life-blood of an industry — for growth and expansion. The problems of finance of small and cottage industries have been focussed by large number of working groups and accordingly the government, both state and central and Reserve Bank of India, have taken a few measures to ensure credit facilities to this sector. Frankly speaking, the study of problems of industry remains incomplete without the study of financial problems.

9.1.2 Objective :

We have seen in the study of entrepreneurship, that entrepreneurs can hardly utilize 60% of their production capacity and have worked at an average of 6 to 8 months a year. We have also seen that among the reasons of discontinuation, as it appears, from the responses of artisans, the lack of finance scored highest. 54 out of 60 i.e. 90% of the artisans suffering from insufficiency of fund. Hence the objective of present study is to highlight :

- i) The pattern of financial problems of artisans engaged in handloom industry in the district.
- ii) The role played by the institutional and non-institutional bodies in financing small artisans and
- iii) The bottlenecks of institutional finance.

Present chapter includes the following aspects :

- \* Nature of financial requirements of the units engaged in handloom industry.

- \* Credit need of artisans and financial problems experienced by them.
- \* Availability of credit and
- \* An analysis of existing pattern of finance in the light of credit requirements of small artisans engaged in cotton handloom industry in the district, particularly in household sector. This study will provide a basis for restructuring the programmes and policies of the banking authority and other bodies in such a way, so as to enable them to play an even role in the development of the handloom sector in particular and cottage industries in general.

The study of co-operative sector excluded from the scope of present study, since their nature of problems is different.

#### 9.1.3 Methodology :

For present study, the financial information of 60 units engaged in cotton handloom industry in household sector were collected. Besides this, 10 units from non-household sector were also studied for comparison. These units are scattered both in rural and urban areas. Information were also collected from the United Bank of India, the lead bank of West Dinajpur, the branches of State Bank of India and Gour Gramin Bank (the Regional Bank), the D.I.C. and the Industrial Extension Officer of Blocks. An effort was also taken to meet maximum number of mahajans and dadans who were operating in the concentrated belt.

### 9.2.1 SOURCES OF FINANCE :

Sources of finance are gradually expanding. Basically there were two types of source :

i) Institutional Source - Comprises of commercial bank operating in the district (Annexure - 7), regional bank, co-operative bank and the government. ii) Non-Institutional Sources - Comprises of mahajan, dadan, money lender, friends and relatives.

9.2.2 So far institutional finance is concerned, it has passed through a process of evolution. The present state of affairs are the outcome of government policies, taken from time to time. The history of institutional finance to industry - particularly to unorganised industry needed to be discussed under three dimensions of time. The first stage - 1951 to July 19, 1969, when major banks were nationalised; second stage - 1969 to September 25, 1975, when an Ordinance was passed for setting up of regional banks and the third stage - afterwards.

1951 TO JULY 19, 1969 : Before the nationalisation of banks, the general source of finance in the district was limited. In the district there were two Central Co-operative Banks, operating in two sub-division (Balurghat and Raiganj), three branches of State Bank of India and one Co-operative land-mortgaged bank.

These banks were mainly concerned with the finance of traders, big businessmen and agricultural sector. They had even no attention to the vast producers in the unorganised sector, since this sector has little credit worthiness. Thus source of finance available to the artisans

was the government assistance under 'State Aid to Industries' Act of 1938. But the amount available under this scheme was so limited that, did not even constitute a fractional percent of the credit requirements. Thus only source of finance to the artisans was non-institutional source; mainly mahajan and dadan. In fact hardly an artisan can be traced, who had got financial assistance from any source other than mahajan.

1969 TO 1975 : During this period, the bank situation came to a change due to nationalisation of commercial banks. Reserve Bank of India introduced Lead Bank Scheme for planned development - region-wise. Moreover certain social responsibilities were imposed on banks. As a result a few number of branches set up in the district. No doubt, banking facilities came to larger number of peoples, but no phenomenal change has been noticed till 1975 as to the finance of small artisans in unorganised sector. The event which made the situation more critical was discontinuation of 'Government Aid to Industries' Act in 1968. The government also took a policy that "aid to artisans of handloom industry will be no longer available unless they organise themselves under Co-operative Society." The indifference of commercial banks, the government policy, all together threw the artisans on to the foot of mahajan. In this context, it is important to note that the 'Khadi and Village Industries' Commission, which was set up to improve the condition of artisans in Cottage Sector, nation wide, in 1957 had no counterpart bodies operating in the district till 1981.

Hence the cottage industries of the district have not find any boost or support or benefit of policies, like financial assistance, subsidies, supply of raw materials at a reasonable price, etc. In fact, the benefit of central policies not yet reached the artisans of this district,



be it in cotton handloom industry or in other sector. Though the problem of the district of West Dinajpur was acute, but this was not the only district. This phenomena existed in most of the backward regions. Hence Government taken a policy of establishing 'Gramin Bank' region wise, solely for rural development programmes. The Regional Bank has proved successful in the district, though they have yet to make a significant beginning in this regard.

1975 TO 1981 : During the period, we find a significant departure, in the activity of the institutional financial organisations in relation to the earlier period. Large number of branches were established to provide banking facilities to larger population. Banking facilities even reached to remote rural area through regional bank branches. As on 31.3.1981, there were 59 branches of bank in total, serving population of 24, 02, 763, i.e. 40724 people per branch. Though the number of branches were insufficient in relation to the requirements, yet the situation showed a phenomenal improvement.

### 9.3 SURVEY FINDINGS :

9.3.1 Composition of borrowings by source of the artisans engaged in handloom industry both in household sector and non-household sector studied separately. The results and analysis are given in table T 9.3.1 and T9.3.2. The analysis of the artisans in household sector shows the following :

\* Percentage of borrowings to total requirements 20.66%

Table T 9.3.1

## COMPOSITION OF BORROWINGS BY SOURCE IN HHI SECTOR

Source of Borrowings	No. of Artisans who Borrowed	Percentage of Artisans who Borrowed	Amount Borrowed	Percentage of total amount Borrowed
Commercial Banks (UBI, SBI & GGB)	3		9,000	
Co-operative Banks	3		6,000	
Government Agencies	-		-	
Total of Institutional Borrowing	6	11.11%	15,000	8.06%
Mahajans and Dadans	39	72.22%	1,26,000	67.75%
Money Lenders	-		-	
Others	09		45,000	24.19%
Total of Non-Institutional Borrowings	48		1,71,000	
Total of Institutional and Non-Institutional Borrowings	54	100%	1,86,000	100.00

## Artisans not responded 06

1. Percentage of Borrowings to aggregate sales	11.80%
2. Percentage of Artisans depends on Borrowed fund	90.00%
3. Percentage of Institutional finance to total requirements	1.6%
4. Percentage of Non-Institutional finance to total requirements	17.33%
5. Percentage of total credit to total requirements	20.66%

Note : Total requirements determined on the basis of estimation per loom.

Source : Field Survey.

* Percentage of institutional borrowings to total requirements	1.60%
* Percentage of non-institutional borrowings to total requirements	17.33%
* Percentage of artisans depend on borrowed fund	90.00%
* Percentage of borrowings to aggregate sales	11.30%
* Percentage of institutional borrowings to total borrowings	8.06%
* Percentage of borrowings from mahajan and dadan to total borrowings	67.75%
* Percentage of artisans covered by institutional bodies	11.11%
* Percentage of artisans covered by mahajan and dadan	72.22%

It appears from the above findings that institutional facilities to artisans is meagre and constitutes only 8.06% in spite of the different government policies which were ought to be implemented through them. After 13 years of nationalisation this performance is not satisfactory. The mahajans and dadans after 40 years of independence and 35 years of planning, playing the same role as that of past.

9.3.2 The study of awareness of artisans in household sector about the credit facilities was conducted to highlight their propensity to borrow. It is interesting to note that 60% of the artisans were not aware of the existing credit facilities. It also appears from the study that the artisans having moderate and high turnover were better aware of the credit facilities (Table T 9.3.3). The degree of awareness also differs from urban to rural area. Urban artisans are

Table T 9.3.2

## COMPOSITION OF BORROWINGS BY SOURCE IN NON-H.H.I. SECTOR

Source	No. of entrepreneurs	Percentage of total	Amount Borrowed	Percentage of total
Institutional finance	04	40%	78000	26.70%
Mahajans & Dadans	05	50%	196000	67.12%
Others	01	10%	18000	6.17%

1. Total Credit to total requirements 58.4% Source : Field Survey
2. Institutional finance to total requirements 15.6%
3. Non-Institutional Finance to total requirements 42.8%

Table T 9.3.3

## AWARENESS OF THE CREDIT FACILITIES

Turnover (per annum)	No. of Artisans	Awareness		Unawareness	
		No. of Artisans	% of group total	No. of Artisans	% of group total
10,000-15,000	6	-	-	6	100.00%
15,001-20,000	6	-	-	6	100.00%
20,001-25,000	9	3	33.33%	6	66.66%
25,001-30,000	18	9	50%	9	50.00
30,001-35,000	18	9	50%	9	50.00%
35,001-above	3	3	100%	-	-

Source - Field Survey

Table T 9.3.3A  
AWARENESS OF CREDIT FACILITIES BY URBAN/RURAL

Zone	No. of Artisans	Awareness		Unawareness	
		No. of Artisans	Percentage	No. of Artisans	Percentage
URBAN	21	18	85.71%	3	14.28%
RURAL	39	06	15.38%	33	84.61%
TOTAL	60	24	40.00%	36	60.00%

Source : Field Survey

Table T 9.3.4  
PATTERN OF WILLINGNESS TO BORROW FROM BANKS

TURNOVER Rs.	No. of Artisans	Willing to Borrow		Unwilling to Borrow	
		No. of Artisans	Percentage of group	No. of Artisans	Percentage of group
10,000-15,000	6	3	50%	3	50%
15,001-20,000	6	3	50%	3	50%
20,001-25,000	9	6	66%	3	37%
25,001-30,000	18	15	84%	3	16%
30,001-35,000	18	18	100%	-	-
35,001-above	03	03	100%	-	-

Source : Field Survey

more conscious than rural artisans (Table T 9.3.3A).

9.3.4 To prove the potentialities for institutional credit, the willingness of the artisans to borrow from commercial bank has been studied. According to responses, 80% of the artisans (Table T 9.3.4) are willing to borrow. The degree of willingness is higher in case of artisans having good turnover. The artisans having lower turnover are less interested for bank facilities. The reasons for unwillingness are

- i) Insufficiency of property to be pledged.
- ii) The complexities of bank financing and
- iii) The time factor.

It also appears from the study (Table T 9.3.5) that 75% of the artisans 'willing to borrow' need funds for working capital. The artisans are also ready to offer securities for bank finance. Categorically the securities are (Table T 9.3.6) :

* Immovable properties	13.75%
* Finished goods	62.50%
* Equipment	12.50%
* Others	6.25%

Thus it follows that, every artisan willing to borrow has a genuine desire to utilize the institutional credit, if made available. Since most of the artisans are poor and migrated people, they have little property to be pledged. Though the artisans are willing to pledge the finished goods and equipment, but bank prefer immovable properties. Hence a change in banking policies as to their security pattern is desirable. So that the credit can be made available to these artisans.

Table T 9.3.5  
PURPOSE-WISE CLASSIFICATION OF WILLINGNESS

Purpose	No. of Artisans	% of total
Working Capital	36	75.00%
Fixed + Working Capital	09	18.75%
Consumption	-	-
Workshed	03	6.25%
Total	48	

Source : Field Survey

Table T 9.3.6  
PATTERN OF SECURITIES OFFERED

Name of Securities	No. of Artisans	Percentage of total
Immovable properties	9	18.75%
Finished goods	30	62.50%
Equipments	06	12.50%
Others	03	6.25%
Total	48	

Source : Field Survey

Table T 9.4.1  
DISTRIBUTION OF OWNED CAPITAL

Size	Units	Percentage	Capital Turn-over Ratio
Upto Rs. 1000	6	10%	8.3
Rs. 1000-3000	6	10%	9.5
Rs. 3001-5000	18	30%	10.66
Rs. 5001-7000	24	40%	12.06
Rs. 7001-above	06	10%	12.73
Total	60		

Source : Field Survey

9.3.5 To conclude this part, the artisans engaged in cotton handloom industry in unorganised sector in the district are suffering from acute shortage of finance, specifically for working capital purpose. In spite of several government policies, the total credit available in comparison to requirements was insignificant in one hand, on the other, lion's share of assistance came from mahajan and dadan, who are supposed to exploit the artisans. Having vast potentialities for expansion of institutional credit, the same has not been very popular.

#### 9.4 CAPITAL STRUCTURE AND CAPITAL REQUIREMENTS :

9.4.1 To apprise the financial condition of an industry, existing of future requirements, a knowledge of composition of productive capital is essential. Having a clear knowledge of requirements one can criticise on the availability. Here we have tried to work out the capital structure of existing units on the basis of sample study and then estimated the capital requirements at expected level of operation on the basis of costing and technical information.

9.4.2 Every industry, so also the handloom industry needs capital investment in two type of assets, namely fixed assets and working assets (i.e. in other words fixed capital and working capital). Like all cottage industries, in handloom industry also the importance of working capital is more than fixed capital that needs a little investment. The fixed assets of a handloom unit consists of :

- \* Establishment (workshed)
- \* Loom (TAT)
- \* Accessories :
  - a. Warping frame (Drum)
  - b. Cloth beam and reed (Tana)



- \* Accessories :
  - c. Heald (baw)
  - d. Charka
  - e. Sley (Natha) etc.

All these accessories are made of wood, having longevity of 5 to 7 years. The working assets consists of :

- \* Yarn (Suta)
- \* Dye (Rang)
- \* Bleach
- \* Arrowroot
- \* Lubricants and
- \* Miscellaneous

9.4.3 The Survey result of 60 units operating in household sector given in table T 4.4.1 and T 4.4.2 and Table T 4.4.1 shows the distribution of units by total capital and their capital turnover ratio. It appears from the table that 30% of the units have their capital within Rs.3000 to 5000 each and 40% have within Rs.5000 to 7000. The table also shows that capital turnover ratio with a minimum of 8 times moves upward with the increase in total capital. This indicates that low capital often caused in discontinuation of work and thus affected sales and thereby their capital turnover ratio.

Table T 4.4.2 shows the distribution of units by working capital and working capital turnover ratio. It appears from the table that 55% of units have working capital of Rs.500 to Rs.1000 each and 30% have less than Rs.500. Here also the capital turnover ratio shows an upward movement. Fixed assets to working capital ratio of the existing units has not been carried out, since this would

Table T 9.4.2  
DISTRIBUTION OF WORKING CAPITAL

Size	Units	Percentage	Capital Turnover Ratio
Upto Rs. 500	18	30%	10.62
Rs.501-1000	33	55%	10.75
Rs.1001-2000	06	10%	11.96
Rs.2001-4000	03	05%	14.33
Rs.4001-above	-	-	-
Total	60	-	-

Source : Field Survey

Table T 9.5.1  
AGGREGATE FINANCE\* BY COMMERCIAL BANKS (Rs.in Thousands)

Bank	1977-78			1978-79			1979-80		
	No. of Account	Amo-unt	%	No. of A/c	Amo-unt	%	No. of A/c	Amo-unt	%
S.B.I.	22	80	36.3	28	96	28.2	50	156	33.4
U.B.I. (Lead Bank)	28	125	56.8	55	209	61.4	68	237	50.6
G.G.B. (Regional Bank)	10	15	6.9	25	35	10.4	47	75	16.0
Total	50	220		108	340		165	468	

Source : District Lead Bank Office

Percentage denotes - Percentage of total

\* ( In handloom Industry in H.H.I. Sector)

not serve any purpose, as these units were not operating at optimum or expected level, (i.e. most of the units were suffering from chronic disease of financial problem).

9.4.4 The total capital requirements of a handloom unit has been estimated per loom basis at 100% level of capacity utilization on the basis of costing and technical information at 1986-87 prices. Once per-loom requirement is find out, total requirements of the industry as a whole in the district at any point of time can easily be find out (if number of loom and price index is known) by multiplying the perloom requirements (subject to adjustment of price index) with total number of looms in the district.

Here we have estimated the capital requirements at three operative level, namely -

- \* Minimum requirements,
- \* Standard requirements and
- \* Maximum requirements.

According to our estimation (Section 9.4.5)

Fixed Capital (excluding workshed) is	Rs. 5000/=
Working Capital is	Rs.11138/=
and	
Work Shed is	Rs.10000/=

Accordingly maximum total capital requirements estimated at Rs.26138/= which includes the cost of fixed assets, working assets and workshed, minimum requirements Rs.11138/=, the cost of working capital only and standard requirements Rs.16138/= the cost of fixed and working assets.

## 9.4.5 ESTIMATION OF TOTAL CAPITAL REQUIREMENTS (PER LOOM) :

## \* Fixed Capital :

Loom (Tat)	Rs.3200.00
Beem & Reed	Rs. 500.00
Warper (Drum)	Rs.1200.00
Accessories	Rs. 100.00
	<u>Rs.5000.00</u>

## \* Working Capital :

135 Kg. <sup>1</sup> @ Rs.26.02 (per Kg.)	Rs.3538.00
Dye (Gross)	Rs.1000.00
Rs.50 wages per day for 60 days	Rs.3000.00
	<u>Rs.7538.00</u>

Stock of finished goods  
30 days production value Rs.3600.00

Total working capital Rs.11138.00

\* Cost of workshed 250 Sq.feet  
made of wood, bamboo and  
tin roof Rs.10000.00

\* Total requirements Rs.26138.00

- 
1. Per day maximum consumption 1.5 Kg. for 90 days.  
Price Rs.119 for per bale of 4.54 Kg. The price quoted  
in commodity market report as per Economic Times of  
India, taken for consideration. It is the average  
price of 40 to 60 counts yarn of standard quality.  
The price is subject to transportation cost.

## 9.5 ROLE OF COMMERCIAL BANK :

9.5.1 After nationalisation, the commercial banks were given a special role to play for the economic development of the country. In view of the government policy, the Reserve Bank of India issued guidelines from time to time to these banks, to channel their funds in the direction of government policy. In the context of cottage industries and in view of their short-comings, R.B.I. has issued a guideline to commercial banks during Sixth Plan which was as follows :

" Artisans or units engaged in small industrial activities (manufacturing, processing and servicing) in villages and small towns, with a population not exceeding 50,000, often involving utilization of locally available natural resources and human skill, with maximum total credit requirements upto Rs.25,000 are eligible for loan from banks on every liberal terms."

In these cases, credit upto Rs.25,000 should be sanctioned as a composite term loan for purchase of machinery or working capital or for both. While sanctioning loan, the bank should assess liberally the actual requirements of the borrower in a given period and add 10 to 20 percent in the original itself, to be disbursed in any unforeseen contingency due to operational bottlenecks or for some essential consumption requirements.

The repayment should be spread over seven to ten or even more years and it should not be less than seven years in any case. The repayment schedule should be so drawn that the instalment amounts repayable are not normally more than one percent of the principal per month. Actual repayment of principal and payment of interest should commence only after

Table T 9.5.2

## COMPARISON OF WORKING CAPITAL NEED AND BANK FINANCE

Particulars	Amount 1977-78	Amount 1978-79	Amount 1979-80
1. No. of loom <sup>1</sup>	1,696	1,722	1,973
2. Working Capital per loom <sup>2</sup>	7,000	7,000	7,000
3. Total Requirements (1 x 2)	11872000	12054000	13811000
4. Total Bank Finance	220000	340000	468000
4 as a percentage of 3	1.85%	2.82%	3.38%

1. Source : District Handloom Development Centre

2. Estimated figure

Table T 9.5.3

## NATURE OF OVERDUES IN COMMERCIAL BANKS

1	2	3	4	5
Year	Demand	Collection	Balance	4 as percentage of 3
1977-78	187000	99860	87140	46.59
1978-79	256000	124648	131352	51.30
1979-80	316000	176712	139288	44.07

Source : Report of Divisional Office of  
Commercial Banks.

18 months .... No margin or collateral security or guarantee should be insisted upon.<sup>1</sup>

9.5.2 We have already noted the banks operating in the district. Their performance from 1977 to 1980 given in table T 9.5.1. It appears from the table that bank credit to cotton handloom sector was undoubtedly minimum. Table also shows that finance by regional bank gradually increasing, though lead bank finance was the highest.

A comparison of estimated working capital requirements and available bank finance worked out in the table T 9.5.2. It appears from the comparison that bank finance was only 1.85% of working capital requirements in the year 1977-78. In 1978-79 and 1979-80 that was only 2.82% and 3.38% respectively. In view of total number of artisans, the coverage by banks may be considered negligible.

9.5.3 The Commercial banks usually feel shy to finance small artisans. The main reasons responsible for this state of affairs may be analysed under two heads :

- i) Limitation of small artisans, and
- ii) Attitude of banks.

Limitation of small artisans : Firstly, the depressed condition of small artisans is not conducive to the granting of credit. Secondly, artisans can not offer adequate security for loans. Thirdly the unawareness of rural artisans and lastly the wide dispersion of artisans in remote villages.

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1. Special Credit Schemes of Banks : Guidelines.  
Reserve Bank of India.

Attitude of banks :

- i) The banks, generally prefer 1st class security, which the artisans can not offer.
- ii) The resources at the disposal of banks are limited in relation to the actual demand for money.
- iii) The high rate of overdues (Table T 9.5.3) is also one of the major factors responsible for inverse attitude of banks. The overdues as worked out shows that about 45% to 50% of the demand remains uncollected, thus preventing the growth of finance by commercial banks. Though larger part of the overdues is attributable to the slackness on the part of the recovery staff, some of the overdues possibly resulted from natural calamities.
- iv) The vast procedural requirements, time gap and lack of expert hands in bank, were also responsible for non-popular of bank finance.

Thus it appears that a total re-organisation of credit system is necessary, if they like to play a even role in the development of cotton handloom sector in particular and small artisans in general.

9.5.4 The Role of Regional Bank (Gour Gramin Bank) :

In view of the failure of commercial banks to provide finance for development of rural sector and in mobilising savings of rural peoples, an ordinance for setting up of Regional Banks was passed in 1975, on 25th September. The objectives of these banks are :-

- \* to provide banking facilities to the rural peoples, living even in remote villages.



- \* to channelise small savings of rural peoples for development of rural sector (both agriculture and unorganised industries).
- \* to provide funds at the door step of villagers.
- \* to create banking habits among the villagers and
- \* to create habit of saving.

In view of <sup>the above</sup> objectives, these banks primarily and only operate in villages. That is why these banks are also termed as Village Bank or Gramin Bank. Initially capital of these banks was fixed at Rs.1 Crore in which Central Government (RBI) contributes 50%, sponsoring bank 35% and State Government 15%. These banks provide finance of small quantity (upto Rs.25000) for short duration, with inadequate security at minimum interest rate. The important function of these banks is follow-up — be it for repayment of instalments or utilization of funds or execution of projects. The philosophy of these banks is "bank behind man than man behind bank".

These banks were created for every or every two or three districts. The area of operation made limited to attain efficiency and for indepth service to peoples; since large area of operation may result in inefficiency in the way of service proposed.

Accordingly Gour Gramin Bank - the regional bank set up for Malda, Mursidabad and West Dinajpur (3 adjacent) districts and came into existence in November 1975. Upto 31 December 1986, this bank has opened 106 branches all over the districts, of which 49 branches are in Malda district, 26 in Murshidebad and 51 in West Dinajpur. All

the branches are situated in remote villages. Somewhere even no communication facilities are available.

During a span of 10 years of actual functioning (1986) the bank has proved its worth. The following statistics will speak for itself.

* Capital (1st January, 1976)	Rs. 1,00,00,000
* Total deposits as on 31.12.1986 (excluding staff security deposits)	Rs.21,30,37,973
* Growth rates in savings and deposits.	
1982 -	27.56%
1983 -	38.75%
1984 -	55.46%
1985 -	36.75%
1986 -	29.05%

Average growth rate - 37.51%

Savings and deposits in rural sector is closely linked with the production of commercial crops, namely jute and mango. Since production goes up and down, a steady rate of growth in savings and deposits is unexpected. In spite of the ups and downs the average rate of mobilization of savings by this bank is worth mentioning.

* Total advances as on 31.12.86	Rs.19,68,31,495
* Growth rate in advances	
1982 -	37.75%
1983 -	21.52%
1984 -	27.28%
1985 -	27.48%
1986 -	33.42%

Average growth rate - 29.49%

## \* Credit - Deposit ratio (C.D. ratio)

1982	-	1.33
1983	-	1.16
1984	-	0.95
1985	-	0.89
1986	-	0.92

## \* Distribution of advances in between different sector :

Agriculture and allied (short & medium term)	-	62%
Industry (cottage & village)	-	11%
Service (grocery & village transport)	-	27%

## \* Share of village and cottage industry in incremental finance :

1984	-	6.25%
1985	-	9.00%
1986	-	13.82%
1987	-	15.25%

\* Average rate of overdues is 56.58%. But rate of overdues in industrial sector was only around 32%, which is much better than that of commercial banks.

The bank's priority sector are agriculture and allied activities ; village artisans and craftsmen and village service sector. This bank also implements different policies of the government for rural development and poverty ameliorating programmes like, IRDP, DRDA, IFP etc. and the schemes of NABARD (National Bank for Agriculture and Rural Development).

## Anx-7.

MAJOR COMMERCIAL BANKS AND THEIR  
NUMBER OF BRANCHES AS ON 1980 IN  
THE DISTRICT OF WEST DINAJPUR

State Bank of India	22 Nos.
United Bank of India	27 Nos.
Gour Gramin Bank	10 Nos.
<b>Total</b>	<b>59 Nos.</b>

Source : District Lead Bank Office.

DEPOSITS AND ADVANCES BY GOUR GRAMIN BANK  
( TOTAL AMOUNT OF THREE DISTRICTS )

Year	Rs. in Lakhs.	
	Deposits	Advances
1981	439	543
1982	560	748
1983	777	909
1984	1,208	1,157
1985	1,652	1,475
1986	2,132	1,968

Source : Annual Reports of Gour Gramin  
Bank.

It appears that this bank has made a good start, but it has to go a long way. Overall savings mobilisation and advances is worth mentioning. Though the share of village and cottage industries in total advances was minimum, but its share gradually increasing as it appears from the incremental finance (Source : Annual Report G.G.B.)

#### 9.6.1 THE ROLE OF MAHAJANS AND DADANS :

Mahajans and dadans provide an important source of working capital to village artisans. Mahajans are those, who advance money for finished goods and dadans - who supplies raw-material and finance, both for finished products. It is important to note here that mahajans do not charge any interest on their advance, but is included in the price settled for finished goods. During fifties, sixties and first half of seventies, the mahajans and dadans did controlled 100% of artisans. The present study shows that about 70% of finances to the artisans came from these sources. Though no records are available as to the number of mahajans and dadans operating in the district and the amount of finance advanced by them, still, in course of investigation, in the major concentrated area of artisans, we find 22 of such mahajans and dadans, who are actually controlling the entire handloom industry in the district of West Dinajpur, be it in respect of raw-materials or marketing of finished goods. These persons have an average of Rs. 2 lakhs to Rs. 3 lakhs as capital. What is peculiar is that they got finances from banks.

We noticed a sound popularity of mahajans and dadans among artisans. The reasons are :

- \* Instant supply of raw-materials or finance;
- \* No procedural requirements;

- \* Assured marketing of products and
- \* Close informal relation.

#### 9.7.1 SUMMARY :

This chapter brings out the following facts :

- \* The hand-loom industry in the district of West Dinajpur, suffering from acute shortage of capital;
- \* There are credit potentialities;
- \* Artisans are mostly unaware of institutional credit facilities;
- \* The role of mahajans and dadans is commanding;
- \* The finances by commercial bank is limited;
- \* The role of regional bank is worth mentioning.

The banks have to come forward to rescue the small artisans. Banks should immediately undertake the task of supplying credit to the needy artisans. In this regard, the banks have to take initiative, because the artisans, on account of their illiteracy, poverty and simplicity have developed a sense of inhibition towards approaching the banking institutions. The Banking personnel should make a direct approach to the artisans and help them in obtaining the needed credit, which is so indispensable for the welfare of the artisans in one hand and development and expansion of cottage industries on the other.

The study also suggests the creation of a special cell in the major concentrated area of industry, particularly for this sector in the light of Agriculture Development Bank.

## CHAPTER - X.

## THE STUDY OF PROBLEMS OF MARKETING

## Contents :

- \* Nature of marketing problems of cottage products
- \* Target market
- \* Marketing organisations
- \* Sales trend and composition
- \* Channels of distribution
- \* Marketing strategy
- \* Sales promotion activity
- \* Nature of competition
- \* Study of price differences
- \* Consumers survey
- \* Market survey
- \* Summary
- \* Table showing sales and its composition
- \* Table showing test of price difference
- \* Table showing result of consumers survey
- \* Table showing rural hats and fairs
- \* Table showing relationship <sup>between</sup> hats and distance from production centre

10.1.1 Production is possible with man, machine and material, but its viability or economic relevance exist only if it is profitably marketed. Thus marketing is the ultimatum. Unless there exist a market, there will be no venture. Once, Indian market was the market of cottage products. The development of large scale industries not only created unemployment among rural artisans, but also threw them out of market. Hence artisans are facing multi-face problems.

Indian handloom products were famous in home, as well as over the world till 19th century. Though most of the market were captured by 'MILL-MADE' products and synthetic fibres, still Indian cotton products have the same prestige in the world market. Even to-day, Indian handloom products have no competitor in the world market.

Handloom produces variety of products — from low cost to high cost. Hence target consumers group is also variety. For low cost products, the target is village lower income class and for high cost fine products - the high income class of urban areas.

West Dinajpur, with a total population of 24,02,763 (as per 1981 Census) is no doubt a wide market. 88.88% of it's people live in villages and dependent on agriculture. Being a backward area, more than 85% of it's population belongs to lower and lower-middle income class. Since this area was once famous for it's handloom products, the people of this area have a general fascination towards handloom products.



### 10.1.2 TARGET MARKET :

Indian artisans are competent enough to produce goods for all income class and can offer attractive fashions. Since market conditions have changed because of competition with 'mill-products' — that mainly produces goods for middle income class, the marketing strategy for handloom products needed to be refrained accordingly. Hence entire consumer groups should not be the target of handloom industry. Before the industry the markets available are

- i) Rural Lower Income Class and
- ii) Urban higher Income Class.

West Dinajpur is a market of low cost products. The goods produce in the district are mostly within 80 counts of yarn. Selection of a specific consumers group is essential for proper marketing of products. Since rural and urban choices differ widely, it is not feasible for an artisan to produce goods choiceable to both class of people. In view of competition in market, conduct of 'Market Research' is also very much essential, before the goods are produced. Since conduct of marketing research is not a job for an artisan individually, it is supposed to be the duty of District Handloom Development Centre. But no such activity has yet been undertaken by the Development Centre. We also enquired into the marketing cell of D.I.C. and we find nothing to be mentioned here.

### 10.1.3 MARKETING ORGANISATIONS :

Handloom production is a longer process. Therefore, it is not feasible on the part of artisans to undertake selling activity. So the artisans have to depend upon the intermediaries. These intermediaries, more specifically, the mahajans undertake to sale the products and

thus control the market of finished goods. The types of marketing organisations operating in the district are :-

\* TANTUSREE :

It is the retail outlet of National Handloom and Powerloom Development Corporation. There are only two of such outlet operating in the district, and have their authorised dealers, in the urban and semi urban areas. These outlets have their own show room, where one could see the handloom products on display.

\* TANTUJ :

It is the retail outlet of West Bengal State Weavers' Co-operative Society, the apex body at State level. Only one outlet of this type operating in the district, with its large number of authorised dealers.

This type of organisations are really suitable for marketing of handloom products. The joint campaign of such organisations not only increases sales but also creates product image. The sales of these outlet increasing day by day.

\* AUTHORISED DEALERS (of Tantuj and Tantusree) :

The dealers are operating throughout the district, both in urban and semi urban areas. These dealers procure goods from the main outlet and sale them out.

\* DIRECT SALES BY MAHAJANS (in Urban and Rural Markets) :

Mahajans procure goods from the artisans both in HHI Sector and NHHI Sector. The goods so procured are either sold by them directly in the urban markets or through their agents both in rural and urban markets. These Mahajans are many and scattered. They, in true sense, the only media for selling the goods produced in HHI and NHHI Sector.

\* DIRECT SALES BY ARTISANS (in village hats) :

The very small producers, who produce only the low cost products namely, 'GAMSA', 'LUNGI', 'SAREE' (Upto 40 count), sale their goods directly in the village hats. The number of such sellers though not negligible, but insignificant in respect of their volume of sales.

Tantuj and Tantusree sales only those goods that are produced at the Co-operatives. Hence the vast number of artisans operating in HHI and NHHI Sector depend upon the Mahajans for marketing of their products. Since no other alternative is available, Mahajans play the role of 'MONOPSONY' and enjoy the cream of the industry. The Mahajans are exploiting the artisans in two way. Firstly they offer very lower margin to the artisans and secondly they do not release the funds in time. Only the half of the amount released in kind, by way yarn and for the remaining half the artisans have to wait at least 2 to 3 months.

10.1.4 No collective effort has yet been made or organised for marketing of the products produced in HHI and NHHI Sector. More clearly, what we like to mean that the artisans have not yet formed any Co-operative marketing society, which may be very much useful not only from the point of view of artisans, but also from the point of view of consumers. Since there is no means other than mahajans, the artisans are getting poor day by day and do not get the value of work. So the present system of marketing is not at all healthy for both artisans and consumers. A network of distribution having large number of retail outlets in both rural and urban areas, in the form of Handloom Co-operative Marketing Society, like Co-operative Agriculture marketing society, may be helpful to artisans and also may expand the existing market and competitive strength of the artisans.

### 10.2.1 SALES TREND AND COMPOSITION :

Estimated sales of handloom products from 1965-66 to 1979-80, in the district of West Dinajpur given in table T 10.2.1. The overall growth rate calculated from the table is 9.6% p.a. From the annual growth rates, it appears that from 1965-66 to 1975-76, the annual growth rate was minimum and reached even to negative. The major reason behind the fall of sales was the economic disorder due to Bangladesh turmoil during that period. However after 1976, we noticed phenomenal growth in sales. In the year 1978-79 the annual growth rate reached to 69.46%. Increase in sales during 1976 to 1980<sup>was</sup> resulted by the Janata Saree plan (introduced in 1975) and rebate scheme (10% to 20%) during 1978.

10.2.2 A further analysis of sales shows that the share of co-operative retail outlets in the total sales was 15% during 1965-66 and had reached to 27% during 1979-80. The increasing share in Sales is attributable to the increase in number of dealership. Here one may suggest, that expansion of dealership network may further enhance the sale. Handloom Products are mainly consumed by the village peoples. It appears from the analysis that the share of rural sector of the total sales ranging between 65% and it was more or less constant.

10.2.3 The Dinajpur market is mainly a market of low cost products, namely, Gamsa, Lungi, Dhuti and Sarees of coarse yarn, as the major people, belong to poor income class. The sales of costly goods is limited in urban areas and their percentage to total sales was 14% to 15% during 1965 to 1980.

Thus we may conclude that there are market for handloom products in the district of West Dinajpur, specially the

Table T10.2.1

## SALES OF HANDLOOM PRODUCTS IN WEST DINAJPUR AND ITS CLASSIFICATION.

Year	Sales (Rs. in lakhs)	Annual Growth Rate (%)	Market Share (in %)		Share of channels (in percentage)		Share of variety (in percentage)		
			Rural	Urban	Co.op. <sup>1</sup>	Others <sup>2</sup>	Low cost <sup>3</sup>	Middle cost <sup>4</sup>	High cost <sup>5</sup>
1965-66	35.12	-	65	35	15	85	60	25	15
66-67	35.99	2.19	66	34	14	86	61	24	15
67-68	36.32	1.19	66	34	14	86	65	18	17
68-69	36.36	0.11	67	33	14	86	63	22	15
69-70	36.18	(-)0.49	66	34	15	85	63	22	15
70-71	36.37	0.52	65	35	15	85	61	21	18
71-72	36.95	1.31	65	35	16	84	61	21	18
72-73	38.00	3.12	58	42	16	84	61	25	14
73-74	40.00	5.26	55	45	17	83	62	25	13
74-75 <sup>6</sup>	40.70	1.75	60	40	17	83	61	24	15
76-76 <sup>6</sup>	42.20	3.68	58	42	18	82	62	24	14
76-77	43.70	3.55	65	35	18	82	65	22	13
77-78 <sup>7</sup>	55.32	26.59	68	32	20	80	69	17	14
78-79 <sup>7</sup>	93.75	69.46	65	35	25	75	67	20	13
79-80	128.25	36.80	67	33	27	73	66	20	14

Source: District Handloom Development Centre (estimation)

1. Co.op means Sales at Co-operative retail outlets of Trantusree and Tantuj and their dealers network
2. Others includes artisans + mahajans and their agents
3. Low cost denotes, products upto 40 count of yarn namely GANSA, LUNGI, BED COVER, DHUTI, SAREES, NET
4. Medium cost denotes products of 40 to 80 count of yarn
5. High cost denotes products of 80 to 120 count of yarn

6. Introduce Janata Saree scheme
7. Introduce Rebate Scheme (from 10% to 20%)
8. 1 Count = No. of hank per pound
9. 1 Hank = 7 Lee or 840 yard of yarn

\* O.G.R. = 9.6%  
(Overall growth rate).

It is interesting to know, whether changes in the relative share (% of total sales) of varieties of products was significant or not. Statistically said, whether standard deviation in relative share of varieties over the period, differed from one to another or not. For this we have used 'F' statistic, and compared the variance ( $\sigma^2$ ) of each distribution of varieties over the period.

$$\text{Here } F = \frac{n_1 s_1^2 / (n_1 - 1)}{n_2 s_2^2 / (n_2 - 1)} \quad \text{with df } (n_1 - 1), (n_2 - 1)$$

Where  $n_1$  and  $n_2$  are number of observation and  $s_1$  and  $s_2$  are Standard deviation of each distribution.

In our problem we have 3 varieties namely low cost (X1), Medium cost (X2) and High cost (X3), so we have compared

$\sigma_1$  with  $\sigma_2$

$\sigma_1$  with  $\sigma_3$

$\sigma_2$  with  $\sigma_3$

For this we have calculated

$$F_{12} = \frac{n_1 s_1^2 / (n_1 - 1)}{n_2 s_2^2 / (n_2 - 1)} \quad \text{to test } \sigma_1 \text{ and } \sigma_2$$

$$F_{13} = \frac{n_1 s_1^2 / (n_1 - 1)}{n_3 s_3^2 / (n_3 - 1)} \quad \text{to test } \sigma_1 \text{ and } \sigma_3$$

$$F_{23} = \frac{n_2 s_2^2 / (n_2 - 1)}{n_3 s_3^2 / (n_3 - 1)} \quad \text{to test } \sigma_2 \text{ and } \sigma_3$$

Our Null Hypothesis is  $H_{01} = \sigma_1 = \sigma_2$

$H_{02} = \sigma_1 = \sigma_3$

$H_{03} = \sigma_2 = \sigma_3$

Given the data in table T 10.2.1 we have calculated the following :-

$$n_1 = 15$$

$$n_2 = 15$$

$$n_3 = 15$$

$$\bar{x}_1 = 63.13$$

$$\bar{x}_2 = 22$$

$$\bar{x}_3 = 14.86$$

$$\sum (x_1 - \bar{x}_1)^2 = 99.63$$

$$\sum (x_2 - \bar{x}_2)^2 = 90$$

$$\sum (x_3 - \bar{x}_3)^2 = 37.74$$

$$s_1^2 = \frac{\sum (x_1 - \bar{x}_1)^2}{n_1} = 6.642$$

$$s_2^2 = \frac{\sum (x_2 - \bar{x}_2)^2}{n_2} = 6.000$$

$$s_3^2 = \frac{\sum (x_3 - \bar{x}_3)^2}{n_3} = 2.516$$

Calculated value of :-

$$|F_{12}| = \frac{n_1 s_1^2 / (n_1 - 1)}{n_2 s_2^2 / (n_2 - 1)}$$

$$|F_{13}| = \frac{n_1 s_1^2 / (n_1 - 1)}{n_3 s_3^2 / (n_3 - 1)}$$

$$|F_{23}| = \frac{n_2 s_2^2 / (n_2 - 1)}{n_3 s_3^2 / (n_3 - 1)}$$

Since  $n_1 = n_2 = n_3$

$$\text{We have } |F_{12}| = \frac{s_1^2}{s_2^2} = \frac{6.642}{6.000} = 1.107$$

$$|F_{13}| = \frac{s_1^2}{s_3^2} = \frac{6.642}{2.516} = 2.630$$

$$|F_{23}| = \frac{s_2^2}{s_3^2} = \frac{6.000}{2.516} = 2.380$$

Table value of 'F' with d.f. 14, 14 at 5% level = 2.13

It appears that  $|F_{12}| < F_t$  - Hence  $H_{01}$  i.e.  $\sigma_1 = \sigma_2$  is accepted i.e.  $\sigma_1 = \sigma_2$

but  $|F_{13}| > F_t$  - Hence  $H_{02}$  i.e.  $\sigma_1 = \sigma_3$  is rejected i.e.  $\sigma_1 \neq \sigma_3$

and  $|F_{23}| > F_t$  - Hence  $H_{03}$  i.e.  $\sigma_2 = \sigma_3$  is rejected i.e.  $\sigma_2 \neq \sigma_3$

Therefore we conclude that gain or loss in market share over the period in between low and medium cost goods was insignificant but it was significant in between low and high and middle and high cost.

low cost products in the rural area . The sales can be boost further if dealers network can be expanded and sale promotion schemes are adopted.

10.2.4 So far export sale is concerned, we have failed to collect information about the yearly export value. However, from the survey of wholesales markets we have seen that there are wholesaler buyers from other districts and states. The Dinajpur products are mainly exported to Bihar and Assam and also to adjoining districts, namely Darjeeling, Jalpaiguri and also to Bangladesh.

#### 10.3.1 CHANNELS OF DISTRIBUTION :

So far channel of distribution is concerned we have noticed that the direct sale by the artisans is insignificant. The sales made were either through the mahajans or through the co-operatives. Since goods produced outside the co-operatives are not sold over the counter of co-operatives retail outlet, the producers in HHI Sector and NHHI Sector depend upon the mahajans. We know that the channel is associated with cost; shorter the channel - lower the cost, longer the channel greater the cost. Since handloom products costs more than mill products, the difference to some extent can be reduced by shortening the channel of distribution. Hence co-operative sale counters are the ideal form for sale of handloom products.

#### 10.4.1 MARKETING STRATEGY :

The major drawback of handloom marketing was that they have no appropriate marketing strategy. The use of brand name and trade mark is totally out of practice and advertisement is only made by the apex body at State and Central level. Advertisement is an useful instrument for creation of product image and for sale promotion. Since



producers are tinny, it is not possible on their part to adopt any marketing strategy. If an apex body for marketing of handloom products be created at district level, the system not only be able to eliminate mahajans from the channel of distribution, but also be able to undertake such activities as will induce sales. Again use of brand name and trade mark may be encouraged to create image of product in consumers psychology. The use of guarantee scheme regarding the colour of the product may also promote sales.

#### 10.5.1 SALES PROMOTION ACTIVITY :

To promote sales of handloom products, the government has taken multiple sales promotion strategy. During 1976 the government of West Bengal undertaken Janata Saree plan. This product is mainly a low cost product suitable for both general artisans to produce and lower income class for consumption. The government of India gives a subsidy of Re.1 (one) per square metre of cloth produced under this scheme.

The government has also introduced 'Price-cut' from 5% to 20% on handloom products on and from the year 1978 to promote sales and rescue this industry from competition. Since government has no scheme for general artisans, producing goods in HHI Sector and NHHI Sector, a scheme for supply of yarn at a subsidised rate, at least coarse yarn, will be very much useful and will surely be helpful to large number of artisans who are producing goods of coarse yarn, namely dhuty, gamsa, bed cover, net, etc.

#### 10.5.1 COMPETITION :

It is generally supposed that handloom products are not subject to the competition of mill made goods, because of the high degree of artistic skill required

for their manufacturing. From this belief the corollary is drawn that handloom goods do not require any positive protection against competition. Now, while it is true that machine can not produce goods of the same artistic quality and range as the personal skill and creative imagination of the artisans, a complacent belief in the immunity of handlooms to the competition of Mill-made goods is erroneous for several reasons. In any case it needs several qualifications.

Firstly though mill-made goods may not compete with handlooms directly, their indirect effect on the size of the market for handlooms is enormous. Secondly machines may not produce exactly the same goods as handlooms, but they do produce similar goods for the same uses. Thirdly machine-made goods may not have the same intricate and ingenious artistry as handlooms, but they have sufficient beauty and variety to charm the modern consumers.

We may put forward a lot of arguments both in favour and against. But it is agreed fact that the handloom industry in India have come to an edge, because of Mill-made products. The fact of competition and need for protection has also been recommended by every committee on handloom Industries.

It seems that the degree of competition is not same in urban as well as in rural markets. The competition is more acute in urban markets than in rural market. This is because of the role of channel of distribution. Again the competition is acute mainly in case of medium cost products than in case of low cost and high cost products.

### 10.6.1 THE STUDY OF PRICE DIFFERENCES :

Consumers belong to lower income class are generally price sensitive and it is also an established fact that price is an important factor that influences consumers behaviour. From this point of view, we have studied the retail price of five products, which are produced both in mill and handloom. It is needless to cite again that these pairs of products are not identical in all respects. But are nearer to each other. The study of retail prices of the products shows that of the 5 cases, handloom product is cheaper in two cases. The price differences are also tested and 't' value shows that the differences are not significant at 1% level significance.

From the study of price differences we lead to the conclusion that price is not the only obstacle to promote sale. So we have interviewed a few consumers (Table 10.7.2) to unfold the reasons responsible for adverse attitude of consumers as to the handloom products.

### 10.7.1 CONSUMERS SURVEY :

To identify the clues that affect the marketing of handloom products, we have interviewed 50 consumers independently from different places and markets. We asked them 6 aspects of cloth namely Design; Colour, Aristocracy, Retaintivity, Price and Quality. The consumers were then asked to remark on each of the aspects, as they think appropriate for handloom products. The scores were classified under two heads : Positive and Negative remarks from the point of view of handloom products. The result of the test given in table T 10.7.1; shows that design has got 19 out of 50 i.e. 38% positive remark and 31 out of 50 i.e. 62% negative comment, colour - 23% positive, 72% negative, retentivity - 73% positive, 22% negative; price 52% positive and 48% negative and quality 42% positive and 58% negative comments.

Table T 10.7.1  
RESULT OF CONSUMERS SURVEY ( MARKET )

Aspects	Total respondents	Positive responses	% of total	Negative responses	% of Total
Design	50	19	38	31	62
Colour	50	14	28	36	72
Aristocracy	50	42	84	08	16
Longivity	50	39	78	11	22
Price	50	26	52	24	48
Quality	50	21	42	29	58

Among the others, price and longivity of fibre products are two important factors influence the buying behaviour of most of the consumers (specially poor class). Therefore a sample study was conducted with a view to test the consumers opinion (given in table T 10.7.1) about price and longivity of handloom products.

So far price is concerned, average retail price of five products produce both in handloom and in mill (paired on the basis of ~~xx~~ similarity) were collected, which is given below :-

Table T-10.7.2

DIFFERENCE OF PRICE OF POPULAR FIVE ITEMS PRODUCED BOTH IN  
HANDLOOM AND MILL

Item	Price of Handloom (x)	Price of Mill (y)	Difference d = (x-y)	d <sup>2</sup>
1	32.00	40.00	-8	64
2	80.00	72.00	8	64
3	375.00	390.00	-15	225
4	60.00	55.00	5	25
5	125.00	128.00	7	49
n = 5			$\sum d = -3$	$\sum d^2 = 427$

To interpret the above price difference statistically, we have used 't' test.

Where 't' =  $\frac{\bar{d}}{s/\sqrt{n-1}}$  with (n-1) d.f.

$\bar{d}$  = mean difference

s = standard deviation of the difference =  $\sqrt{\frac{\sum d^2}{n} - \left(\frac{\sum d}{n}\right)^2}$

n = number of samples

Our null Hypothesis (Ho) is  $\bar{x} = \bar{y}$ , i.e. Price difference between handloom products and mill made products is not significant.

Calculated value of 't' = - 0.013015

where  $\bar{d}$  = - 0.6

s = 9.22 =  $\left(\sqrt{\frac{427}{5} - \left(\frac{-3}{5}\right)^2}\right)$

df. = 5-1 = 4

Table value of 't' with d.f.4 at 5% and 1% level of significance is 2.13 and 3.75 which is greater than the calculated value.

Since calculated  $|t| <$  table value of 't', null hypothesis is accepted i.e.  $\bar{x} = \bar{y}$  or in other words retail price differences in between handloom products and mill made products are not significant. Therefore we may conclude that price may not be the only factor affecting marketing of handloom products.

As to the longevity of products, data relating to the longevity was collected from house-wives using handloom, powerloom and mill-made products (Saree). The data presented below :-

Table T 10.7.3

LONGIVITY (in days relating to the common Sarees produce in all sector upto 60 S )

X1 Handloom	X2 Powerloom	X3 Mill-made
165	158	175
160	160	155
155	175	149
150	152	155
162	168	162

To test, whether longivity of different categories of product differs significantly or not, we have carried out Analysis of Variance of the above samples

Our hypothesis is population means are equal i.e.

$$\bar{X}_1 = \bar{X}_2 = \bar{X}_3$$

Our calculation run as follows :-

Sample data (after reducing by 160)

X1	X1 <sup>2</sup>	X2	X2 <sup>2</sup>	X3	X3 <sup>2</sup>		
5	25	- 2	4	15	225		
0	0	0	0	- 5	25		
-5	25	15	225	-11	121		
-10	100	- 8	64	- 5	25		
2	4	8	64	2	4		
T1=-8		T2= 13		T3 = 4		T = 9	
Total of square		154	357	400	$\sum \sum x_i^2 =$		911
Sample size		N1 = 5	N2=5	N3=5	N=15		

$$\text{now C.F.} = \frac{T^2}{N} = \frac{81}{15} = 5.4$$

$$\text{Total S.S.} = \sum \sum x_{ij}^2 - \text{C.F.} = 911 - 5.4 = 905.6$$

$$\begin{aligned} \text{S.S.B} &= \sum \left( \frac{T_i^2}{N_i} \right) - \text{C.F.} \\ &= \left( \frac{-8^2}{5} + \frac{13^2}{5} + \frac{4^2}{5} \right) - 5.4 = 44.4 \end{aligned}$$

$$\begin{aligned} \text{S.S.E} &= \text{Total S.S.} - \text{S.S.B} \\ &= 905.6 - 44.4 = 861.2 \end{aligned}$$

Analysis of variance Table

Source of variation	S. S.	d. f.	M. S.	F Values	
				Observed	Table
Between groups	44.4 (SSB)	2 (3-1)	22.2 (SSB/df)	0.3096	F = 3.89
Within groups (Error)	861.2 (S.S.E)	12 (5-1)+(5-1)+(5-1)	71.7 (S.S.E./df)	<del>MSB</del> / MSE	
Total	905.6	14 (15-1)			

Since the observed value is less than table value, null hypothesis is accepted i.e. population means are equal or in other words longevity of cotton fabrics is more or less same irrespective of the mode of production. Hence we conclude that there are some other factors which influence the buying behaviour of consumers. They may be advertisement, colour or design which can be ~~xxx~~ improved in case of handloom products.

It follows from the above study that design (printing) and colour are two important attributes that are against the handloom products. Thus we may conclude that improve modern design and colour combination may give a thrust to the marketing of handloom products.

#### 10.8.1 MARKET SURVEY :

Being a underdeveloped and backward area, the village 'Hat' and 'Fair' still the central place of purchase and sale of consumable products. The share of retail sales undoubtedly be higher in village hats and fairs. Therefore a knowledge of hats and fairs is very much useful in formulating marketing strategy. As shown in table T 10.8.1, in the 3 Sub-divisionsof West Dinajpur there are 11 hats of 'A' category, 22 hats of 'B' category and 172 hats of 'C' category. 'A' category hats are meant for wholesale (large scale) purchase and sale; 'B' category hats are meant for wholesale and retail purchase and sale and 'C' category hats are meant for only retail purchase and sale. Besides these hats, there are 133 fairs take place on different occasions. The important hats dealing in handloom products given in table T 10.8.2. The rank of these hats in terms of sales and distance from main production zone has been correlated. It appears that distance of market from main production zone is undoubtedly an important factor and is to be considered with proper weightage at the time of formulation of distribution network.

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Note : Hat means unorganised village market, that take place once or twice in a week. It is the nerve centre of village community.



Table T 10.1

## DISTRIBUTION OF RURAL HATS AND FAIRS SUB-DIVISION WISE

Name of the Sub-Division	Village hats			Fairs	Total of Rural Markets
	A <sup>1</sup>	B <sup>2</sup>	C <sup>3</sup>		
Balurghat	3	9	40	53	105
Raiganj	6	10	86	63	165
Islampur	2	3	46	17	68
Total	11	22	172	133	338

Source : District Information Centre,

1. 'A' denotes Whole-Sale market
2. 'B' denotes Whole-Sale and retail Market
3. 'C' denotes Retail Markets

Table T 10.8.2

DISTRIBUTION OF MAJOR HATS DEALINGS HANDLOOM PRODUCTS, THEIR RANK IN TERMS OF SALES AND DISTANCE FROM MAIN PRODUCTION ZONE

Name of Hats	Major Items sold	X Rank according to sales	Distance ( K.M. )	Y Rank according to distribution	D (X-Y)	D <sup>2</sup>
Billaspur	A, B	4	15	3	1	1
Itahar	A, B	1	10	2	1	1
Kushmandi	A, B, C	8	25	5	3	9
Hemtabad	A, B, C	5	5	1	4	16
Islampur	B, C, D, E	75	10	10	0	0
Rasakhoa	A, B, C	2	20	4	2	4
Dhankoil	A, B, C, D, E	3	30	7	4	16
Chopra	B, C, D	11	100	11	0	0
Saraihat	B, C, D	6	28	6	0	0
Hili	B, C, D	9	40	9	0	0
Saheb Kachari	A, B, C, D, E	7	32	8	1	1
N = 11					$\sum D^2 = 48$	

Source : District Handloom Development Centre  
&  
District Gazeteer

Note : Smaller the Distance - Smaller the rank  
Higher the Sales - Smaller the rank

Notation : A = Dhuti, B = Saree, C = Gamsa  
D = Lungi, E = Net & others

It appears from Spearman's Rank  
Correlation Co-efficient  $r = 1 - \frac{6\sum d^2}{N^3 - N} = 1 - \frac{6 \times 48}{11^3 - 11} = +.781$

That sale of handloom products is not uniform in every hats.  
The hats around the production centre dealing more handloom products than those at distance.

## 10.9 SUMMARY :

The study in this chapter brings out the following :

- \* There are scope for marketing of handloom products.
- \* West Dinajpur is a market of low cost products.
- \* The Mahajans play an important role in marketing of products.
- \* The village hats are main centre of marketing.
- \* Co-operative marketing society has a high degree probability to be survived.
- \* Expansion of Co-operative retail outlets may boost the sale of handloom products.
- \* The design and colour of products needed to be improved. Thus training of artisans is necessary.
- \* Price difference is not at all a factor responsible for poor performance of handloom sector.
- \* The industry needs a scientific approach to marketing, for which marketing research is an utmost need. Though it is supposed to be the duty of the development centre but they have done little in this respect.

## CHAPTER - XI

## THE ROLE OF TRADE UNION IN THE UNORGANISED SECTOR :

## A Case Study of West Dinajpur

## Contents :

- \* Definition of Trade Union
- \* Theoretical review of Trade Unionism
- \* Role of Trade Union in unorganised sector
- \* Trade Union movement in the district of West Dinajpur with reference to the handloom sector.

11.1.1 Though unorganised workers form an important segment in the total workforce, but they are not enjoying certain facilities, as are enjoying their counterparts in the organised sector. With the result they face certain problems. The legislative measures are not adequate to protect and promote their interest. In this chapter, it is attempted to examine the relevance of trade unionism in unorganised sector; the problems of unionism in this sector with reference to the cotton handloom weavers.

11.1.2 The trade union : A Trade Union, as defined in the Indian Trade Union Act, 1926 means "any combination, whether temporary or permanent formed primarily for the purpose of regulating the relations between workmen and employers, or between workmen and workmen, or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more trade unions". This is no doubt a broad definition. This wide meaning of trade union is sure to create confusion in the usual meaning in which it is generally understood, as an association of 'SRAMIK' (workers) to fight against the 'MALIK' (employers) to save the interest of Sramik.<sup>1</sup>

11.1.3 Trade Union of workers is the outcome of the modern factory system, where production is carried on a large scale basis under the doctrine of laissez faire economy and large number of workers employed in a single factory. The Marxist approach views trade unionism as the instrument for the complete displacement of the capitalists both in Government and industry by its revolutionary programme.<sup>2</sup> The Webbs<sup>3</sup> were the spokesmen of a non-

revolutionary theory of trade unionism. They argued that trade unionism "is not merely an incident of the present phase of capitalist industry, but has a permanent function to fulfil in the democratic state". Reflecting the changing attitude of Americans towards unions with the process of their growth and modification in their goals and policies, Selig Perlman<sup>4</sup> observed that trade union is essentially pragmatic and struggles constantly for the betterment of the economic conditions and relationships through broad schemes of social and economic reforms. Hoxie<sup>5</sup> also found trade unionism essentially pragmatic and non-revolutionary in its functioning. To Tannenbaum<sup>6</sup>, the main characteristic of unionism is its lack of ideology and its concentration on immediate ends. Gandhian approach view trade unionism as essentially reformist organisation and economic institution to promote class-collaboration and harmony as "Capital and Labour". Many recent studies have however, sought to check various theories in terms of stated reasons of union members for their participation.<sup>7</sup>

Here we are not interested in the theories or role or objectives of trade unions in organised sector, rather we want to know, what role being played or can be played by the Trade Union in unorganised sector.

We have already noted that the trade union movement got strength in organised sector, since there exist clear 'Sramik-Malik' relationship. But in unorganised sector,

specially where production is carried on household basis, i.e. where 'Sramik' is 'Malik', the position of Trade Union is peculiar. Prior to 1978 little or no attention was given by the trade unions in India to the vast workers operating in unorganised sector, the numerical strength of whom is ten times more than that of organised sector. Indian trade union movement was restricted to only in organised sector. Even in organised sector the progress and role of trade unions were unsatisfactory. To quote the CPI (M) - dominated CITU leader, Mr. Manoranjan Roy, "a large section of working force is uncovered by trade unions .....<sup>8</sup> It was for the first time in August 1978, Central Government of India has cared to give due thought to the question of development of organisations amongst the unorganised rural workers, particularly agricultural labourers and then after a long time of trade unionism in 1986. CITU declared to be in operation in unorganised sector. In unorganised sector trade unions have a lot of things to do, but not in traditional sense of trade unionism function. A study conducted by Krishnamurty<sup>9</sup> and others ends with the conclusion that "This sad state of affairs calls for the attention and initiative of all the concerned. The remedial measures to protect the workers in unorganised sector and to fulfil their basic needs at par with organised workers, should be initiated early."

11.1.4 In unorganised sector, there exist parties other than Sramik, who are directly or indirectly controlling favourably or unfavourably the interest of Sramik (artisans), e.g. in handloom industry, the parties other than the weavers are :- the mahajans - purchasing finished goods; supplying

raw-materials, supply credit - both in cash and in kind; the Government - regulating price of yarn and counter part of handloom i.e. powerloom; the Development agencies of government - to implement government policies in proper time, and at right place; the Bank - who are supposed to supply finance; and others ancilliary organisation. In NHHI sector, where production is carried on by hired artisans, there exist 'Sramik-Malik' relationship.

The objectives, of the parties as pointed out above, are conflicting and here a cycle of exploitation operating in such a way, that the unorganised producers failed to fight against them.

So to save the interest, the artisans themselves have to be organised to come out of the cycle of exploitation.

#### 11.2.1 ROLE OF TRADE UNION IN UNORGANISED SECTOR :

In our present study (Handloom Industry), let us know, what Trade Union can do (?). We have already came across the information that :

- \* the weavers and their families engaged in this industry are numerous and poor;
- \* they are illiterate;
- \* they are, for a long time, being sweated by the Mahajans;
- \* they are mostly suffering from lack of finance and high price of raw-materials;
- \* there are banks and they have policies, specifically designed to finance small artisans;



- \* there are developmental agencies of the government and also the policies for upliftment of the condition of artisans; and
- \* above all there is Government, who is responsible to look after the interest of poor millions.

Under the above circumstances, the Trade Union can :-

- \* organise the scattered artisans;
- \* educate the artisans about Government policies; bank facilities; the activities of developmental agencies.
- \* fight jointly against the Mahajans;
- \* educate the artisans about the utility of forming co-operative;
- \* take leadership in forming co-operative;
- \* jointly organise co-operative marketing society for marketing their small products;
- \* build up raw-materials bank;
- \* move jointly against the Government machineries;
- \* organise movement for greater protection;
- \* establish link with the organisations of other districts and states;
- \* uphold the demand of the artisans before the Government and mass people; and last by not the least;
- \* save the interest of artisans working in non-household sector.

But trade union movement in unorganised sector is very difficult and sometimes become invain.<sup>10</sup> The problems that

one faced in organising the artisans/workers in unorganised sector are :

- \* Scattered distribution of artisans; hence communication difficulties;
- \* Heterogeneity of work, hence lack of common interest;
- \* Ignorance of artisans/workers/craftsmen;
- \* Lack of time on the part of artisans;
- \* Non-enforcement of labour laws;
- \* Lack of union culture and
- \* Lack of proper leadership.

The problems of Trade Unionism in informal sector (unorganised) has been hinted upon by a number of studies. Indian Statistical Institute (in a study) observed the superior bargaining position of the formal sector units vis-avis the informal sector units. They have find that in almost all cases the raw-material is provided by the big industries and the final product of the informal sector is bought by them. This solves the marketing uncertainty of the informal sector units. But they loose almost all control over pricing of their products. It is more or less fixed by the big industries. As a result there are little bargaining capacity lies with informal sector workers.

Another studies by HARRIS-TODARO considered the migration equation of workers in un-organised sector According to them, migrants, who constitute the majority of workforce in urban unorganised sector, primarily aimed

at job in organised sector. As a result, their involvement in unorganised sector is a temporary phenomena. Hence little scope for Unionism.

A study by DATTA-CHOUDHURY<sup>11</sup> reveals that the existence of the unorganised sector depends upon the mercy of organised sector. They have shown that  $W_z < W_r$  always. Where  $W_z$  is ununionised wage rate and  $W_r$  is the Unionised wage rate of formal sector. As a result of unionised force of formal sector, union movement in informal sector cannot be strong.

#### 11.3.1 TRADE UNION MOVEMENT IN THE DISTRICT OF WEST DINAJPUR, WITH REFERENCE TO THE HANDLOOM INDUSTRY :

An intensive survey of the trade unions, carried out in the district of West Dinajpur, in the region having concentration of weavers, namely Gangarampore, Banshihari, Raiganj, Hemtabad, Itahar, and Karandighi. We have come across the information that prior to 1972, there was no union of weavers that operated in the district of West Dinajpur. However, there was Union of Beedi workers (1956) and other Majdurs (workers) named 'MAZDUR UNION'. The first Union of weavers, namely 'Gangarampur Tat Sramik Sangathan' came into existence in 1972, with its 6 branches in village areas around Gangarampur, under the leadership of U.T.U.C. (United Trade Union Congress) of R.S.P. (Revolutionary Socialist Party). Another Union namely "ITAHAR THANA TAT BASTRA UTPADAK SAMITI" established in 1974 under the leadership of C.I.T.U. (formerly AITUC) led by Communist (Marxist) Party of India, with its four branches in Raiganj Sub-Division. Later on during 1980 one more Union namely, 'Raiganj Sub-Divisional Weavers' Union was formed under leadership of I.N.T.U.C. led by Congress.

Besides these Unions, there were "SILPI SANGHA" in villages having concentration of weavers family. The membership of these Unions during last few years were as follows :-

Table T 11.3.1

Year	Gangaram- pore Tat Sramik Sangathan ( UTUC )	Itahar Tat Bastra Utpadak Samity ( CITU )	Raiganj Sub- Division Weavers Society ( INTUC)	TOTAL	% of total weavers
1972	25	-	-	25	1.0%
1976	125	40	-	165	3.5%
1980	650	140	50	840	17.0%
1986	2050	890	425	3365	42.6%

Source - Field Survey.

It appears from the above data that increasingly the weavers are organising themselves under a common shed. But the growth in membership does not show any positive attitude of weavers towards the Union.

11.3.2 As regards to the activity of these Unions we have very little to say. So far as information collected Trade Unions are increasingly concerned with organising of co-operative society. The co-operatives established under their leadership upto 31 March 1986 were as follows :-

Name of Union	No. of Co-operatives
U.T.U.C.	9
C.I.T.U.	5
I.N.T.U.C.	3
Total	17

Source : Field Survey.

It seems that Trade Union movement is very much useful particularly in Co-operative movement in unorganised sector.

Among the other activities they select the artisans for training (under E.D.P.), move to Banks for loan and create pressure on the apex body of Co-operatives, namely, West Bengal State Weavers' Co-operative Society and National Handloom and Powerloom Development Corporation for regular supply of raw-materials, release of funds, establishment of branches and retail outlets etc.

No activity of the Unions reported to have taken venture for establishment of raw-materials bank or handloom marketing society. To uplift the condition of weavers and also for other entrepreneurs in unorganised sector, the role of Panchayets is worth mentioning. The Panchayet not only assists in forming Co-operatives but also takes measures and consults the appropriate authorities for development and expansion of cottage industries in rural sector.

#### 11.4.1 SUMMARY :

From the above study, we may conclude that the Trade Unions and Panchayets have a unique role in mobilising the potential of rural entrepreneurs in unorganised sector and government policies can be successfully implemented through Trade Unions and Panchayets.

## References &amp; Notes

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2. Lozevsky A. - Marx and Trade Union.
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5. Hoxie F.R. - Trade Unionism in the United States(1923)
6. Tannenbaum F. - A Philosophy of Labour.
7. Giri V. V. - Labour Problems in Indian Industry.
8. The Statesman - Calcutta September 17, 1971.
9. Shakhnaraiah, Srinivas and Krishnamurty A. - Problems of unorganised workers - Indian Journal of Commerce Part No. 142 1985.
10. Ibid.
11. Datta-Choudhury- A link between formal and informal sector.
12. The Unions as stated were not registered. They were informally connected with their master bodies. There was no policy of any trade union to operate in unorganised sector. It is the CITU, who declared in a report in 1986 to include unorganised sector within the perview of their activities and then Central Government has declared that the unorganised workers, should be organised (1988).

## CHAPTER - XII

## SUMMARY AND CONCLUSIONS

12.1 West Dinajpur which is a backward district of West Bengal in terms of all criterious forwarded by different committees was created along with the partition of Bengal in 1947 and a huge number of migrants came into the district from East Pakistan, presently Bangladesh. Being a border zone, the economy of the district had been shaken twice during the last 30 years, viz. China war during 1962 and Bangladesh turmoil during 1969-70.

12.2 In terms of population the district of which the migrants form 15% stands 9th in the State with moderate growth rate. All demographic characteristics are favourable except 'Age Composition' and 'Literacy'. 60% and 33% of the total population are Hindus and Muslims respectively. 35% of the total population i.e. 54% of Hindus belong to the scheduled castes and scheduled tribes.

12.3 The overall participation of workers in the district lag much behind the national participation. 68% of the population are non-workers. The primary-sector, secondary sector and tertiary sector account for 82%, 5.24% and 13.14% of the total workers respectively. Trade and Commerce (tertiary sector) alone accounts for 6.19% of total workers. No significant change has been noticed in the occupational structure except an unusual rise in the flow of landless agricultural labourers.

12.4 The district is mostly agricultural. Jute and Paddy are the main items of agricultural production. Though land utilization has reached the saturation point (86%) but due to underdeveloped agriculture process, productivity is lagging much behind the average productivity in the state. Most of the land are single cropped. Use of fertilizer and high yielding seeds is negligible and facilities for irrigation are limited. The use of agriculture equipments is



primitive and the joint farming is totally absent. Operational and actual holding are small, so also the size of farms. There is the existence of tremendous unemployment or under underemployment in this sector.

12.5 The district possesses no mining or forestry. However, the land are suitable for holding of water. Therefore fishery enterprises may be intensified.

12.6 The district possesses no large scale industry, nor has it much potential for large scale industry, except jute, which the district produces in a commanding quantity. The presence of organised industry is negligible, so also the employment in this sector.

12.7 After agriculture, it is the cottage and village industries which are providing livelihood to a large number of people. Cotton handloom, Jute weaving (Dhokra), Pottery, Beedi manufacturing, Bamboo and cane work are important among the others.

12.8 The artisans are poor and mostly belong to backward classes. They are scattered, unorganised and illiterate, each supporting a large family. Though the family as a whole provides labour, it is living at subsistence level. Most of them have twine occupations. A few are holding negligible areas of land and many are agriculture labourers. Their assets possession are negligible and most of them are indebted to mahajans.

12.9 In spite of the two incidents of economic disorder already mentioned, the cottage industries are achieving considerable expansion. Cotton handloom industry shows the highest growth in terms of employment. The peculiarity of the industry is that West Dinajpur is not a Cotton producing centre. The reason behind this peculiar

phenomenon is possibly the immigration of a large number of artisans from Pabna and Khulna districts of Bangladesh.

12.10 What is important to note is that the industry is not expanding in the household sector, thus deteriorating rural sector. In recent times we observed a tendency of the artisans to join non-household sector as wage earners, rather than having their own units of production. This tendency observed in all sector of cottage industries is indicated by a growth of number of artisans on the one hand and a decreasing number of establishment in the household sector on the other. This is a serious problem and is contrary to the interests of rural industrialisation. It is therefore to be studied in depth. The ownership of these industries is either based on sole proprietorship or on the joint Hindu family basis.

12.11 One of the major reasons for stagnation in expansion in household sector is the problems of entrepreneurship. We observed that the artisans have sufficient qualities for being successful entrepreneurs. But they have not been so, because of the lack of institutional support which they need most. We observed that the help of so called supporting system was limited in the district. Some of the facilities are not at all available and some others marginally present. The study criticised the role of District Handloom Development Centre and District Industries Centre as to their role played in the Development of handloom industry in particular and cottage industries in general.

12.12 The problem of finance as we observed in case of the artisans engaged in cotton handloom industry is acute. The artisans are not in a position to utilize their full production capacity due to lack of finance. In spite of

several policies of the government, the institutional finance in this sector was negligible. The low credit worthiness of artisans is perhaps the main reason. Financial assistance to the poor artisans may restrain them from joining non-household sector as wage earners.

12.13 The present sickness of cotton handloom industry in the district is partly due to their defective production policy and adoption of old techniques. Some techniques of production like, 'Ikat technique' are totally absent. The introduction of 'Ikat' technique may improve the present situation. The cost of production in the district is high in comparison to other places due to distance from raw materials centres. Since the artisans are poor, they can't buy in bulk and therefore they are subject to local retailers who charge them exorbitantly. Establishment of raw-materials bank may improve the situation.

12.14 Marketing problem faced by the artisans has been thoroughly studied. Some product faults are identified through consumers survey, like, design, colour (dye) etc. It is also observed that Sales across the counters of co-operative retail outlets are gradually increasing. In view of total capture of the market by Mahajans and their agents, establishment of a co-operative handloom marketing society with large number of retail outlets may be helpful. In view of market competition the study suggests shortening the channel of distribution.

12.15 The co-operative movement among the artisans has not been much of a success. The reasons may be the failure of existing co-operatives or lack of encouragement. Trade Unions can possibly play a unique role in organising the

artisans. The study also concludes that Panchayets may prove useful in implementation of government policies.

12.16 On the whole the study suggests :-

- \* more institutional assistance to the artisans in unorganised sector, be it in respect of finance, or training, or technology;
- \* the establishment of a raw-materials bank;
- \* the establishment of a co-operative marketing society;
- \* the launching of special campaign programmes to organise the rural artisans;
- \* the launching of Market research activity from time to time, to fill the gap of marketing knowledge of the artisans.

12.17 The study attempts within its limited scope to present an integrated and comprehensive analysis of the problems of cottage industries in general and handloom industry in the specific in West Dinajpur, a backward district of West Bengal. Just one study cannot be sufficient to fill all the gaps in our knowledge about the industry, which had a glorious past. Even now it constitutes an important element in the rural economy, inspite of its decline in the recent times.

At the same time, it faces a number of intricate problems. Justice will be done to it, if only further research to examine its other dimensions

is carried on. The present work hints at the field that require further in-depth treatment. In fact, each and every aspect of the industry covered in the present study may provide basis for further research. In conclusion, the cottage industries face multi-dimensional problems and play crucial role in the economy of a backward area. The development of them may develop the economy of this backward region.

CHAPTER

A N N E X U R E

## ANNEXURE - 1

Industries under the purview of Khadi and Village  
Industries Commission

## A. KHADI

"Khadi means any cloth woven on handlooms in India from cotton silk or woollen yarn handspun in India or from mixture of any two or all of such yarn."

## B. VILLAGE INDUSTRIES

"Village Industries means all or any of the industries specified in the Schedules and includes any other industry deemed to be specified in the schedule."

1. Beekeeping.
2. Cottage match industry, manufacture of fireworks.
3. Cottage pottery industry.
4. Cottage Soap Industry.
5. Flaying, curing and tanning of hides and skins.
6. Ghani Oil Industry.
7. Handmade paper.
8. Manufacture of cane gur and khandsari
9. Palm gur making industry.
10. Processing, packaging and marketing of food stuffs.
11. Manufacture and use of manure of methane gas.
12. Lime stone, lime shell and other lime products industry.
13. Manufacture of shellac.
14. Collection of forest plants and fruits.
15. Fruit and vegetable processing and preservation.
16. Bamboo and cane work.
17. Blacksmithy.
18. Carpentry.
19. Fibre other than coir.
20. Manufacture of household utensils in aluminium.
21. Manufacture of Katha.
22. Manufacture of gum resins.
23. Manufacture of Lokvastra cloth.
24. Manufacture of Polyvastra.
25. Processing of maize and ragi.

## Annexure - 3

## QUESTIONNAIRE

1. Location - Village/Towns      Blocks      P.S.
2. Distance from - Town -      Hqts -
3. Name of the Product - (1)      (2)      (3)  
Produce
4. Availability of Electricity for - Production -      Consumption -
5. Availability of Drinking water -      Yes      No
6. No. of rooms
7. Nature of workshop :      room        Verandah
8. Nature of construction of House              
Pakka      Katcha.
9. Use of machinery -      Yes      No
10. No. of Worker -      Males      Females      Males      Females  
                    
Family      Hired
11. Age of workers -
12. Literacy -      Yes      No
- Level of education                    
Primary      Middle      Above
13. Source of Skill acquired -              
Parents      Formal Training
14. Time taken -
15. Family non-earning dependents -
16. Other Source of earning      Agri      Poultry      Ag. Labour      Other
17. Time spent on production
18. Finance -      Amount =      Source =      Time =
19. Purpose of Loan -      Products       Pro.+Consum       Cost
20. Monthly Expenditure Total  
  - = Food
  - = Cloth
  - = Fuel
  - = Entertainment
  - = Savings



## ANNEXURE -4

## ADMINISTRATIVE STRUCTURE OF WEST DINAJPUR

C.D.Block	Area in Sq. Km.	Status	Number of inhabited villages
Hili	38.1	P.S.	76
Balurghat	372.2	Sader Town	299
Kumarganj	289.9	P.S.	211
Gangarampur	328.4	P.S.	198
Tapan	441.1	P.S.	270
Raiganj	482.8	Sub-Divn.Town	220
Kaliyaganj	311.6	P.S.	191
Hemtabad	191.6	P.S.	113
Itahar	427.6	P.S.	242
Kushmandi	310.5	P.S.	227
Banshihari	347.6	P.S.	274
Islampur	345.2	Sub-Divn.Town	124
Kerandighi	389.0	P.S.	238
Chopra	378.4	P.S.	136
Goalpokhar	372.8	P.S.	164
Chakolia	226.4	P.S.	190
West Dinajpur	5026	District	3173

## LIST OF COMMON HOUSEHOLD INDUSTRIES WITH THEIR INDUSTRIAL CODE NUMBER

Industrial Code Number	Household Industry	Industrial Code Number	Household Industry
<b>Major Group 00</b>	<b>Field Produce and Plantation Crops</b>	<b>Major Group 04</b>	<b>Livestock and Hunting—contd.</b>
003-1	Production of Vegetables	043-2	Rearing and production of ducks, hens etc. and other small birds e.g. pigeons, parrots, peacock, maina etc.
005-2	Production of roots etc., not included above	044-1	Bee keeping for production of honey and wax
006-1	Production of fruits and nuts in plantation, vines and orchards	044-2	Collection of wax and honey
006-2	Production of copra (from coconuts)	045	Rearing of tasar/eri/mulberry and other silk worms and production of cocoons and raw silk
007-1	Production of thatching grass	046-1	Dog breeding, rearing of rabbits and guinea-pigs
007-2	Production of wood, bamboo, cane reeds, etc. (excluding thatching grass)	046-2	Rearing of other small animals and insects n.e.c.
008-1	Production of juice (neera) by tapping coconut trees	048-1	Collection of bones
008-2	Production of juice by tapping other palms like date, palmyra n.e.c.	048-2	Manufacture of glue from animal carcasses
009	Production of other agricultural produce (including fruits and nuts not covered by 006 and flowers) not covered above	048-3	Manufacture of gut
		048-4	Production of other animal husbandry products such as skin, ivory, teeth and hair etc.
<b>Major Group 01</b>	<b>Plantation Crops</b>	<b>Major Group 10</b>	<b>Mining and Quarrying</b>
013	Production of tobacco in plantation	107-1	Extraction of chalk
015-1	Pan Cultivation	107-2	Quarrying of lime-stone
015-2	Plantation Crops except tea, coffee, rubber, tobacco, ganja, cinchona, opium and pan	107-3	Stone and slate quarrying
		107-4	Quarrying of sand, clay, gravel etc. n.e.c.
<b>Major Group 02</b>	<b>Forestry and Logging</b>	<b>Major Group 20</b>	<b>Foodstuffs</b>
023-1	Production of charcoal	200-1	Production of flour by village chakkies or flour mill by grinding wheat, maize, gram etc.
023-2	Production of other fuels by exploitation of forests	200-2	Hand pounding of rice by Dhekhi or Ukhal
024	Production of fodder by exploitation of forests	200-3	Production of rice by milling, dehussing and processing of paddy by rice mill
025-1	Production of Kathha	200-4	Grinding of chillies, turmeric etc.
025-2	Production of Lac	200-5	Production of pulses
025-3	Production of gum	200-6	Parching of grains
025-4	Production of resins, barks, herbs, wild fruits, berries and leaves etc., n.e.c.	200-7	Production and processing of other crops and food grains n.e.c.
026	Production and gathering of other forest products not covered above	202-1	Gur and Khaudsari making from sugarcane and palm
<b>Major Group 03</b>	<b>Fishing</b>	202-2	Production of bhoora and candy
030	Production of fish by fishing in sea	202-3	Production of jaggery from coconut and palmyra juice (neera)
031	Production of fish by fishing in inland waters and ponds including fish farms and fish hatcheries	202-4	Production of other indigenous products from sugar and jaggery n.e.c.
032	Production of pearls, conch, shells, sponges, sea herbs, corals etc., by gathering or lifting from sea, river, pond	203-1	Manufacture of achar, pickles, chutney and murabba
		203-2	Production of sauce, jam and jelly
		203-3	Processing of cashew nut
		203-4	Manufacture of kokam products
		203-5	Fruit preservation (canning of fruits)
		203-6	Making dried vegetables
		203-7	Production of other fruit products and preservation of fruits n.e.c.
		204-1	Slaughtering, preservation of meat and fish and canning of fish
		204-2	Fish currying or curing and salting (currying applies more to skin and hide)
		205	Production of bread, biscuit, cake and other bakery products
		206	Production of butter, cream, ghee, cheese, chhana, knowa and other dairy products
		207	Oil pressing ghani, kolhu or by small machines
		209-1	Confectionery
		209-2	Making of sweet-meats, laddu, peda, harphi, bathua etc.
		209-3	Sattu, bhunja, paper, barri, danauri, tilauri, sewai, apalam etc.
<b>Major Group 04</b>	<b>Livestock and Hunting</b>		
040-1	Rearing of goat for milk and animal power		
040-2	Rearing of buffalo for milk and animal power		
040-3	Rearing of cows for milk and animal power		
040-4	Rearing of camels and other big domestic animals		
040-5	Production and rearing of livestock mainly for milk and animal power n.e.c.		
041-1	Sheep breeding and rearing		
041-2	Production of wool		
042-1	Rearing and production of pigs and goats (mainly for slaughter)		
042-2	Rearing and production of other animals (mainly for slaughter) n.e.c.		
043-1	Poultry keeping and production of eggs		

## LIST OF COMMON HOUSEHOLD INDUSTRIES WITH THEIR INDUSTRIAL CODE NUMBER—contd.

Industrial Code Number	Household Industry	Industrial Code Number	Household Industry
<b>Major Group 20</b>	<b>Foodstuffs—contd.</b>	<b>Major Group 24</b>	<b>Textile—Jute—contd.</b>
209-4	Making of chura or chira, murl, murki, khol	244-1	Making of rope and cordage, out of hemp
209-5	Making of chat	244-2	Making of rope and cordage, out of jute
209-6	Making of dalmat, chanachur (jor) garam, rewari etc.	244-3	Making of rope by palm fibre
209-7	Making of other food products for residuary snacks	244-4	Making of rope by date palm fibre
209-8	Production of other food products like cocoan, chocolate, toffee, lozenge	244-5	Making of fibre, sunn-hemp fibre
		244-6	Making of other products from jute, and similar fibres such as hemp, mesta
<b>Major Group 21</b>	<b>Beverages</b>	<b>Major Group 25</b>	<b>Textile—Wool</b>
210-1	Manufacture of vinegar from coconut juice (neera)	250	Wool baling and pressing
210-2	Manufacture of distilled spirits, wines, liquor from alcoholic malt, fruits and malts in distillery and brewery	251	Cleaning, sorting, carding, scouring and processing of wool
211	Production of country liquor from material obtained from sources other than trees and shrubs	253	Spinning of wool by charkha or takali
212-1	Production of indigenous liquor such as liquor, toddy, neera from mahua and palm trees	254	Weaving of woollen cloth in powerloom such as blankets, asanis etc.
212-2	Production of other indigenous liquors from other materials from trees and shrubs	255	Weaving of woollen cloth in handloom such as blankets, rugs, pashmina, thulma, gudma, etc.
214-1	Production of mineral water	256-1	Embroidery with various colours, combinations of various threads and art work in woollen textile
214-2	Production of aerated water such as soda water, lemonade etc.	256-2	Shawls (with traditional borders)
215	Production of ice		
216	Production of ice cream, ice-candy or kulphimalal, milk-shake etc.	<b>Major Group 26</b>	<b>Textile—Silk</b>
218	Grinding of Coffee	261	Dyeing and bleaching of silk
219-1	Preparation of sharbats and squashes	262-1	Spinning of tussar, other than in mills
219-2	Preparation of jecrapani	262-2	Spinning of eri, other than in mills
219-3	Production of other beverages n.e.c.	262-3	Spinning of silk, other than in mills n.e.c.
<b>Major Group 22</b>	<b>Tobacco Products</b>	263-1	Weaving of Traditional silk (Atlas) by powerloom
220	Manufacture of bidi	263-2	Weaving of tussar by powerloom
221	Manufacture of cigars and cheroots	263-3	Weaving of eri by powerloom
223	Manufacture of hookah tobacco	263-4	Weaving of silk and artificial silk in powerloom n.e.c.
224	Manufacture of snuff	264-1	Weaving of mashru, himroo, brocade, kinkhab by handloom
225	Manufacture of jerda, kimam, khaini and other chewing tobacco	264-2	Weaving of silk and artificial silk in handloom n.e.c.
226	Manufacture of other tobacco products n.e.c.	265	Printing of silk textile
		266-1	Goaf making
		266-2	Making of silk cordage, rope and twine n.e.c.
<b>Major Group 23</b>	<b>Textile—Cotton</b>	<b>Major Group 27</b>	<b>Textile—Miscellaneous</b>
230	Cotton ginning, cleaning, carding, pressing and baling	270-1	Making of durries
231	Cotton spinning (by charkha and takali)	270-2	Making of carpets and druggets
233-1	Dyeing of cloth (cotton) and yarn	270-3	Manufacture of other similar textile products n.e.c.
233-2	Bleaching of cloth (cotton) and yarn	271-1	Making of hosiery goods such as banyans, socks, sweaters, mufflers etc.
233-3	Tie and dye (bandhani) of cloth and yarn		
234	Cotton cloth weaving in powerlooms	271-2	Making of nalas and azarbands
235	Cotton cloth weaving in handlooms	271-3	Making of paraudas and chootelas
236	Manufacture of khadi textile in handlooms	271-4	Manufacture of hosiery and other knitted fabrics and garments n.e.c.
237	Printing of cloth (cotton)		
233-1	Making of fishing net	272-1	Embroidery and making of phulkari
233-2	Making of mosquito net	272-2	Making of jari thread, zardoshi
233-3	Making of other nets	272-3	Traditional embroidery
239-1	Making of sacred thread	272-4	Patchwork embroidery
239-2	Making of thread, rope, cordage and twine (cotton)	272-5	Lace garland making
		272-6	Making of fringes and crepe laces
		272-7	Making of kargota, main garlands, shell garlands etc.
<b>Major Group 24</b>	<b>Textile—Jute</b>	272-8	Making of other embroidery products n.e.c.
240	Jute pressing and baling	273-1	Making of cap, hat, and other head-gear
241	Jute spinning and weaving of mats, asanis etc.	273-2	Traditional garments
242	Dyeing and bleaching of jute	273-3	Chrochet work (bora caps)
		273-4	Making of textile garments including rain-coats and head-gears n.e.c.

## LIST OF COMMON HOUSEHOLD INDUSTRIES WITH THEIR INDUSTRIAL CODE NUMBER—contd

Industrial Code Number	Household Industry	Industrial Code Number	Household Industry
<b>Major Group 27</b>	<i>Textile—Miscellaneous—contd;</i>	<b>Major Group 28</b>	<i>Manufacture of Wood and Wooden Products—contd.</i>
274-1	Weaving of khes, bed covers, curtains, pillow cases and table-cloth, cloth bags etc.	289-1	Making of sticks and poles from wood
274-2	Making of newar	289-2	Making of wooden kharaus and other wooden articles
274-3	Manufacture of other made-up textile goods like mattress, quilt, reza! etc., n.e.c.	289-3	Making of artwheels
275	Manufacture of water proof textile products such as oil cloth, tarpaulin etc.	289-4	Manufacture of other wood and allied products n.e.c.
276-1	Making of namda felt	<b>Major Group 29</b>	<i>Paper and Paper Products</i>
276-2	Making of suzani (padded quilts)	291	Manufacture of pulp and paper by hand
276-3	Processing of coconut fibre for upholstery	292-1	Making of envelopes and paper bags
276-4	Handicraft articles made of flax and fibre	292-2	Papier mache articles
276-5	Manufacture and recovery of all types of fibres for purposes of padding, wadding and upholstery filling n.e.c.	292-3	Making of kite
277-1	Manufacture of coir matting, cactus fibre for ropes and rope making from coconut fibre	292-4	Paper decorations for homes
277-2	Making of brush, broom etc. from coconut fibre	292-5	Making of cart-board boxes and cards
277-3	Coir spinning	292-6	Making of paper toys
277-4	Coconut curing	292-7	Making of paper flowers etc.
277-5	Other allied products of coir industry n.e.c.	292-8	Manufacture of other paper products from paper, paper board and pulp n.e.c.
278	Manufacture and repair of umbrellas	<b>Major Group 30</b>	<i>Printing and Publishing</i>
279-1	Making of daura (thread) batua, cotton thread, buttons	301	Printing and publishing of books
279-2	Manufacture of dolls and toys (rags and cotton)	302-1	Printing works, printing of handbills, invitation cards etc.
279-3	Manufacture of other textile products not elsewhere classified	302-2	Lithography, engraving, etching, block making, type cutting and other work connected with printing industry
<b>Major Group 28</b>	<i>Manufacture of Wood and Wooden Products</i>	303	Book binding, stitching, sizing and other work connected with book binding industry
280	Sawing, planing and milling of wood	<b>Major Group 31</b>	<i>Leather and Leather Products</i>
281	Manufacture of wooden furniture and fixtures	310-1	Flaying, processing of hides and skins including taxidermy
282	Manufacture of structural wooden goods (including treated timber) such as beams, posts, doors, windows	310-2	Currying, tanning and finishing of hides and skins preparation of finished leather
283-1	Carpentry works concerned with repairs of agricultural implements (wood)	310-3	Stuffed animals
283-2	Manufacture of wooden industrial goods other than transport equipment such as hobbin and similar equipments and fixtures	311-1	Making of leather boots, shoes or chappals (slippers, sandals)
284-1	Lacquerware (if on wood)	311-2	Making of Poola shoes
284-2	Manufacture of wooden utensils, artware and decorative wooden boxes (patras)	311-3	Manufacture of other footwear n.e.c.
284-3	Manufacture of wooden toys	312	Making of clothing and wearing apparel (except footwear) made of leather and fur
284-4	Sandal wood and other wood carving	313	Manufacture of leather products such as leather upholstery suitcases, pocket-books, cigarette and key cases, purses, saddlery, whip, acquaducts (Kos), charsa and other articles
284-5	Bead making from wood	314	Repair of shoes, chappals and other leather footwear
284-6	Sawdust and plaster figure making	315	Repair of all other leather products except footwear
284-7	Marquetry boxes (inlay work)	<b>Major Group 32</b>	<i>Rubber, Petroleum and Coal Products</i>
284-8	Manufacture of photo frames and framing of photo paintings etc.	320	Vulcanising tyres and tubes
284-9	Manufacture of other wooden products n.e.c.	321	Manufacture of chappals from torn tyres and other rubber footwear
285	Manufacture of match splinters, plywood and veneers	322	Manufacture of rubber products from natural and synthetic rubber including rain-coats, oil cloths, waterproof cloths etc.
287	Manufacture of boxes and packing cases other than plywood		
288-1	Making of box from moongrass		
288-2	Making of rope mats etc. from moonj and sawal grass and making of cadjar for thatching purposes		
288-3	Making of mats, handfans and umbrellas from plant leaves		
288-4	Making of sirki, moora and chhaj		
288-5	Making of baskets and broomsticks		
288-6	Making of donas (drone) and pattals (patravali) from leaves		
288-7	Caning of chairs		
288-8	Making of chicks, cuscus-tatti and fans, sticks and poles from bamboo		
288-9	Manufacture of other articles from leaf, cane, bamboo, cork and other allied products n.e.c.		

## LIST OF COMMON HOUSEHOLD INDUSTRIES WITH THEIR INDUSTRIAL CODE NUMBER—contd.

Industrial Code Number	Household Industry	Industrial Code Number	Household Industry
<b>Major Group 33</b>	<b>Chemicals and Chemical Products</b>	<b>Major Group 34-35</b>	<b>Non-metallic Mineral Products other than Petroleum and Coal—contd.</b>
331-1	Manufacture of dyes, paints, colours, abir, sindoor, varnish etc.	354	Manufacture of Laboratory glass apparatus
331-2	Manufacture of indigo	355	Making of clay models, earthen images, busts and statues
332	Manufacture of fertilizer (including from bones)	356-1	Making of earthen toys and artware
333	Manufacture of fireworks and other explosive such as <i>palaka</i> etc.	356-2	Decorative ceramics
334	Manufacture of matches	357	Manufacture of glass and glass products except optical and photographic lenses
335-1	Manufacture of incense and perfumes	<b>Major Group 36</b>	<b>Basic Metals and their Products except Machinery and Transport Equipment</b>
335-2	Manufacture of Agarbatti	360-1	Re-rolling of M. S. Rods
335-3	Manufacture of rose water	360-2	Manufacture of iron and steel including smelting, refining, rolling, etc. such as billets, blooms, tubes, rods n.e.c.
335-4	Manufacture of powder, snow, cream, bindi, tikali, hair oil and nail polish	362	Manufacture of arms and weapons and their repair service
335-5	Manufacture of kumkum and hinglo	364	Manufacture of iron and steel furniture
335-6	Manufacture of mascara and kajal	365-1	Making of utensils of brass and bell metal
335-7	Manufacture of medicines (ayurvedic, unani etc.) and pharmaceutical preparations	365-2	Making of brassware
335-8	Manufacture of perfumes, cosmetics and other toilet preparations n.e.c.	365-3	Making of bottom part of hookah from brass and bell metal
336-1	Manufacture of soap and washing soda	365-4	Making of brass and bell metal ornaments
336-2	Manufacture of other washing and cleaning compounds n.e.c.	365-5	Making of other brass and bell metal products n.e.c.
337-1	Manufacture of plastic toys	366-1	Making of aluminium utensils
337-2	Making of plastic buttons	366-2	Making of other aluminium products n.e.c.
337-3	Manufacture of other plastic goods	367-1	Making of tin utensils
337-4	Making of celluloid goods	367-2	Making of articles from tin sheets
337-5	Manufacture of turpentine, synthetic resin and other materials n.e.c.	367-3	Copper utensils
338	Salt production	367-4	Bronze works including bronze images, medals and articles of alloys
339-1	Manufacture of ink including fountainpen ink	367-5	Manufacture of other metal products (excluding iron, brass, bell metal, aluminium) n.e.c.
339-2	Making of candles	368-1	Lacquerware (if on metal)
339-3	Making of tooth powder	368-2	Nickel plating and electroplating
339-4	Making of boot polish and inedible oils etc.	368-3	Engraving, embossing, polishing and welding of metal products
339-5	Manufacture of other chemicals products n.e.c.	368-4	Enamelling and galvanizing of metal products
<b>Major Group 34-35</b>	<b>Non-metallic Mineral Products other than Petroleum and Coal</b>	368-5	Plating and electroplating of metal n.e.c. including silverplating, goldplating, E. P. N. S. etc.
340-1	Making of bricks	369-1	Manufacture of agricultural implements such as ploughshare, khurpi, kudal etc.
340-2	Manufacture of roofing tiles	369-2	Manufacture of light engineering goods including bolts and screws
340-3	Manufacture of other clay products n.e.c.	369-3	Making of iron utensils (e.g. buckets etc.) and articles from iron sheets
341-1	Manufacture of cement door frames and sanitary fittings	369-4	Making and repairing of locks and trunks
341-2	Manufacture of cement jali and tiles	369-5	Cutlery
341-3	Making of cement statues	369-6	Manufacture of pins
341-4	Making of cement products n.e.c.	369-7	Manufacture of scales, weights and measures
342-1	Manufacture of lishu	369-8	Foundry Industry (including blacksmithy)
342-2	Manufacture of lime	369-9	Manufacture of other sundry hardwares such as G. I. pipe, wire net etc., n.e.c.
343-1	Stone carving	<b>Major Group 37</b>	<b>Machinery (All Kinds other than Transport) and Electrical Equipment</b>
343-2	Marble carving	370	Manufacture of mechanical water pumps, ube well pumps, air pumps etc.
343-3	Granite carving	372	Manufacture of small machine tools and machine parts
343-4	Manufacture of other structural stone goods, stone dressing and stone crushing n.e.c.	373	Manufacture of sewing machine parts
344	Making of chakki, chakla, silaut, lorha, joints, utensils and other articles from stone	375	Repairing and servicing of fans
345	Manufacture of stone images and toys	376	Manufacture of insulated wires
346-1	Making of images from soap stone	377-1	Manufacture of storage batteries
346-2	Manufacture of images, toys and other articles of plaster of paris	377-2	Manufacture of charging batteries
348-1	Mica splitting		
348-2	Manufacture of mica products, including mica grinding		
350	Making of earthenware such as pottery, etc.		
351	Manufacture of crockery		
353-1	Making of glass bangles		
353-2	Making of glass beads		
353-3	Manufacture of bead garlands (where making of garlands is undertaken at the place of manufacture of beads) (also see 399)		

LIST OF COMMON HOUSEHOLD INDUSTRIES WITH THEIR INDUSTRIAL CODE NUMBER—*concl'd.*

Industrial Code Number	Household Industry	Industrial Code Number	Household Industry
<b>Major Group 37</b>	<i>Machinery (All Kinds other than Transport) and Electrical Equipment—contd.</i>	<b>Major Group 39</b>	<i>Miscellaneous Manufacturing Industries—contd.</i>
377-3	Manufacture of other batteries n.e.c.	393-3	Manufacture of jewellery, silverware and wares using gold and other precious metal and precious and semi-precious stones
378	Repairing and servicing of radios	393-4	Silver artware, including silver repousse work on copper (such as in Tanjore) and silver images
379-1	Manufacture of domestic electrical appliances	393-5	Silver filigree industry
379-2	Repairing and servicing of electrical apparatus, heaters, oven etc.	393-6	Manufacture of gold and silver leaves
<b>Major Group 38</b>	<i>Transport Equipment</i>	393-7	Gold covering work (fancy jewellery)
382	Manufacture of body of trucks and buses including carpentry and joinery work involved	393-8	Bidriware industry
384	Repairing and servicing of automobiles	393-9	Manufacture of jewellery, silverwares etc., n.e.c.
385-1	Manufacture of cycle parts and accessories such as saddle, seat frame and gear etc.	394	Manufacture, repairing and tuning of musical instruments such as harmonium, tabla, sitar, bansuri etc.
385-2	Manufacture of rickshaw parts	395-1	Manufacture of chalk pieces
386	Manufacture of boats and barges	395-2	Making of slate and slate pencil
388	Repair of cycle and rickshaw	395-3	Making of rubber stamps
389	Manufacture of animal drawn and hand drawn vehicles such as bullock cart, tamtam, lagadi, palaki cab, wheelbarrow, handbarrow etc.	395-4	Manufacture of fountainpen parts
<b>Major Group 39</b>	<i>Miscellaneous Manufacturing Industries</i>	395-5	Manufacture of other stationery articles such as pencils, penholders etc.
390-1	Repair of spectacles	396-1	Manufacture of deshi sports goods such as lezzim and dumbbells
390-2	Manufacture of small photographic equipment	396-2	Making of rubber balls and balloons
390-3	Manufacture of optical and photographic equipment n.e.c.	396-3	Manufacture of other sports goods n.e.c. bats, rackets, balls etc.
391	Manufacture of scientific goods	399-1	Making of tikka and cowdung cakes
392	Repairing and servicing of watches and clocks	399-2	Making of beads from conch shells and horn goods
393-1	Inlay work with ivory and brass	399-3	Making of traditional objects such as Orissa, Mysore and Tanjore paintings etc.
393-2	Goldsmithy	399-4	Making of lac bangles
		399-5	Making of buttons (bone, shell, ivory)
		399-6	Making of gangavan (making of wig from human hair)
		399-7	Making of garlands from flowers, camphor, sandal wood shavings, seeds and other materials, like beads etc.
		399-8	Repair of petrolmax lights etc.
		399-9	Making and repairing of goods n.e.c.

**Notes:**  
n.e.c.—not elsewhere classified

Source: Census:

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