

# CHAPTER - I

1

## INTRODUCTION

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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 it's 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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