



An Analytical Study of Cottage Industries in Uttar Pradesh

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Abstract

The cottage industries with their various factors appear as an imperative and persevering entity that shapes the financial and economic plans of India. The details provided in this paper are empirical in nature as they are primarily based on the information accumulated from small cottage industry employers and employees using a standardised set of questionnaires. The study has, therefore, been confined to those cottages small and tiny industrial units which are registered in Amroha, Bhadohi, Lucknow and Moradabad. These places are important for the study of cottage and small scale industries in India.

Key Words: Cottage Industries, Uttar Pradesh, Small & Tiny Industrial Units.

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1. INTRODUCTION

It is obvious that cottage industries deserve much more attention in terms of planning and resource allocation than has been the care so far. In order to take this view of the situation when one need not necessarily be a Gandhian. Like many other elements of Gandhian philosophy and practice this emphasis on cottage industries follows from the very logic of the Indian situation. India is a predominantly agricultural country with the second largest population in the world and planning fits in harnessing National resources to weed out unemployment and poverty and drawing a vast network of cottage industry is a great imperative. Therefore, the strategic role of small scale sector in country's economy has been recognized because it has proved to be a powerful instrument for a rapid and decentralized growth of a developing economy like ours with large army of unemployed labour and paucity of capital resources. Thus, this sector occupies an important place in our pluralistic economic structure.

For the economic development of India the relevance of cottage industries has been increasing with the passage of time while keeping the objectives of employment, equitable distribution of national income, mobilization of resources of capital and skill and industrial dispersal focus, the sector is increasing being envisaged to play crucial role in the overall development strategy of the economy.

The cottage industries with their various factors appear as an imperative and persevering entity that shapes the financial and economic plans of India. Their development has been from the very beginning one of the key programmes under the five year plans.

2. OBJECTIVES & PURPOSE OF STUDY

One of the objectives of the cottage industry programme is the promotion of decentralization and dispersal of industry in the rural areas and small towns in order to extend work opportunities raise income and standard of living and to bring about a more balanced and integrated rural economy.

The guiding principle is that in branch of industry a comprehensive view of the requirements of the community, the contribution which the small scale industries can make in relation to the large scale industries and the extent to which the processes and stages of production can be decentralised is to be taken. The next objective is to promote the development of the cottage industries as ancillaries to the large scale ones. The final objective is to organise industrial cooperatives of the cottage industrialists with state participation. In attempting to evaluate the impact of the different planned measures it can be said with a degree of confidence that whereas the growth of the small scale industries has been remarkable in all aspects, i.e., production number units, employment provided, value of output growth of entrepreneurship, changed composition of the small sector and so forth.

The principal purpose of this empirical study is to identify the problems encountered by cottage industries and to make proposals that would resolve the challenges faced by the industry. The main objectives are the following:-

- (a) To examine the growth and working of cottage industry sector along with a description of the role played by cottage industry promoting agencies including both the Central and State Governments ;
- (b) To describe the growth and working of cottage industries in the state of Uttar Pradesh;
- (c) To analyse the structure and performance of Cottage sample units;
- (d) To ascertain the various problems faced by the sample units of the study.

The details provided in this paper are empirical in nature as they are primarily based on the information accumulated from small cottage industry employers and employees using a standardised set of questionnaires. A small amount of industrial units were reached out to for pretesting, and the final set was built by making some alterations, additions and removals. The researcher visited the sample units of cottage industry and collected the data from the respondents i.e. small entrepreneurs of Amroha, Bhadohi, Lucknow, Moradabad places of Uttar Pradesh. Bhadohi is called District Sant Ravidas Nagar but popular name is Bhadohi while collecting the data the research.

3. RESULTS & DISCUSSION

The study covers a period of 5 years 2018-19 to 2022-23. This period seems to be the normal period of the cottages small and tiny industrial sector owing to the absence of any serious economic fluctuation during the period. An attempt had originally been made to trace back the study to still earlier years, but due to difficulties faced in the collection of data, the idea was dropped. The period from 2018- 19 to 2022-23 is appropriate to analyse the different problems of Cottage Industry sector.

For satisfactory sample enquiry and accurate census of the universe is the most essential requirements. A systematic record of Cottage, small and tiny industrial units of Amroha, Bhadohi, Lucknow, and Moradabad could not available. The data could be available of four places by November, 2020.

The following details could be available from small scale industry and DIC:

Table 1.1: Cottage, Small and Tiny Industrial Units of Four Places Covered Under Study

| SSI Registration Book No. | Date | Cottage & Small Units | Tiny Units | Total |
|---------------------------|-------------------------|-----------------------|-------------|-------------|
| I | Upto June 2021 | 2012 | 234 | 2246 |
| II | July 2021 to Oct. 2021 | 1889 | 1008 | 2897 |
| III | Nov. 2021 to March 2023 | 1780 | 1100 | 2880 |
| | Total | 5681 | 2342 | 8023 |

Source: Small Scale Industry Register for Permanent Registration, District Industry Center of all the (04) places.

Note: Tiny units were identified by DIC only from November, 2020.

At the time of enquiry Cottage, small and tiny industrial units were classified into 12 groups by the DIC on the basis of the items of production. As the number of units are carpet, chicken,

Carchob, Handloom, bed sheets, bed covers and in forest area timber, resin, pharmaceuticals herbs, aroma plants , exotic spices etc In the selection of sample units simple random technique has been adopted. For the purpose of the study Cottage units is defined as a unit in which investment is low and number of workers employed in the unit are very little. Following this procedure 100 units have been selected. A picture of the sample size of different categories of industries is given in table 1.2.

Table 1.2: Sample Size of Different Cottage Industries

| S. No. | Category of Cottage Industries | Total No. of Cottage Units | Sample Size |
|--------|--------------------------------|----------------------------|-------------|
| 1. | Carpet | 400 | 30 |
| 2. | Bidi./Carchob | 800 | 27 |
| 3. | Chicken | 500 | 100 |
| 4. | Handloom | 100 | 16 |
| 5. | Bed Sheets/Covers | 200 | 17 |
| | Total | 2000 | 100 |

Source: Primary data collected on behalf of questionnaire received from entrepreneurs of Amroha, Bhadohi, Lucknow & Moradabad.

In most of the district of Uttar Pradesh the vast bulks of the poor live in rural areas and depend upon the flexuality features of agriculture. The mean acing poverty of these districts is also closely related to the enormous and scattered growth of population. Poverty their fore, is an intricate problem which cannot be managed easily of this area. If industry is the key to economic betterment, it can be applied to this rural area of the U.P. for development, where immense resources exist for Cottage industrial development. However, agricultural labourers are idle for most part of the year and waste their time in gossip and gambling. The economic development of Uttar Pradesh and consequently the eradication of poverty are possible only when the resources of cottage industries of the districts are full taped and the people become industrious of these areas.

Most of the scientists and economists are in agreement that a single person stands at the midst of economic activity and the individual plays numerous roles in the development process of such industrially backward areas, such as, as an organiser of human and material resources worker, consumer and exchange agent. From these several roles, his role as the organiser of human and material resource utiliser is the most important and basic one. It is widely accepted that the availability of entrepreneurship is the most important determent in the process of industrialisation of such areas. The government through its various agencies is attempting to create the entrepreneurship in the different areas of Uttar Pradesh by providing the monetary and non- monetary incentives through its various institutions and these agencies are also assisting in marketing and procuring the raw material, providing finance and grading subsidies on long term loans. The government policy and efforts are clearly designed to aid the enterprising persons of these areas.

The criterion of per capital income therefore, can be considered as a good measurement of economic development in a region or a country as a whole. The government has for all these reasons given a high priority to the development of these industries. The process of economic progress implicitly suggests a move in working manpower from primary sector to other sectors of the economy. This can be acquired by the expansion of cottage industries in regional economy of every state. So, in India, the small industrial units and also the small entrepreneurs have a major role to play and they have proved the future of cottage industry is good.

A question which may be raised here is way the study is confined to cottage industry only and when does it limit itself with to the small entrepreneurial activity? Reasonable answer for this question is that the industrial ethos of Uttar Pradesh had historically been one of the artisan framed in the form of Cottage industrial units and its future development is mainly depends upon the Cottage industrial development as the other sector cannot be developed that's why the study is confined to the role of cottage industry. Setting from a logical angle it appears reasonable to suppose that the cottage industry is better media for expression of entrepreneurial qualities of individuals as compared with the large enterprises, where complicated technology, large capital requirements and elaborate infrastructural requirements etc. are likely to be more dominating factors.

4. PROBLEMS & SUGGESTIONS

Five human qualities are necessary which are conducive to economic development. They are:-

- [i] An interest in material well being ;
- [ii] An interest in techniques and innovation ;
- [iii] An ability to look ahead and a willingness to take risks ;
- [iv] Perseverance and
- [v] An ability to collaborate with other people and to observe certain rules.

It is easy to see these five qualities are necessary for various reasons- the first because this provides a motive; the second because so many different technical aids are used in modern industry and these are constantly being improved; the third because installation of capital goods produces results lonely after a considerable time; The fourth because these results will prove this appointment and the fifth because the whole process requires continuous and harmonious co-operation and it is to work.

Most of the difficulties and problems traced by the Planning Commission are as follows:

- [i] Competitions of the small scale units and imported articles;
- [ii] Lack of raw materials;
- [iii] Shortage of machinery and equipments;
- [iv] Lack of manufacturer's organization;
- [v] Necessary financial resources.

The researcher felt the following problems in cottage industries;

- [i] Lack of raw materials.



- [ii] Lack of credit and finance.
- [iii] Low level of technology and skill.
- [iv] Marketing problems.
- [v] Shortage of power.
- [vi] Industrial estate.
- [vii] Problem of Sick units.
- [viii] Other difficulties.

In the field of Cottage entrepreneurial development, India has reached the problem today is how to harmonize all the factors of production available to take the country to a stage which could faster the economic growth, increase employment opportunities and radiate the confidence and satisfaction among the masses, industrial take off stage. During the plans and different industrial policy resolutions, a lot of industrial potential in term of infrastructure, large and basic industries have been created and the main products of the cottage industry in U.P. are Carpet, Bidi, Chicken Carchob, Handloom, Bed sheets, Bed covers as well as the forest area are Timber, resin, pharmaceutical herbs, aromatic plants, exotic spices, hides and skins.

During the first five year plan it received a raw deal and even after the first plan there was not much improvement in U.P. so far as its industrial development is concerned. But the present development of cottage industries in U.P. is not so far behind the expectation. It can be gained through Cottage entrepreneurship development as a whole.

However, researcher suggested following aspects for the development of small scale industries and cottage industries in rural areas;

Firstly, the workers may know how to use the latest machinery which is available at low rates.

Secondly, the quota of raw material fixed by the government may be easily available.

Thirdly, the sufficient remuneration may be given to be workers for the development of quality and quantity.

Fourthly, Indian standard institute may setup agencies for quality control.

Fifthly, The financing institutions may granting the loans for the necessity of rural workers.

Lastly, If financing institutions not provides the loans, the co-operative form may be useful and hence efforts should be made to make the co-operative movement a success.

If all the above facilities provides by the government, the cottage industry will develop. The following points are also considerable:

- [i] Development programmes may be organized.
- [ii] In the absence of the finance, tiny units will depend on middlemen for inputs and marketing outputs.

We should know that the policy of reservation of items for exclusive manufacturer in the Cottage industry sector has been a major barrier for growth and competition. We should know that the policy of reservation is not an end in itself but a means to an end. The end is diffusion, de-

concentration and decentralization of industrial production. So, the active encouragement of the cottage industries sector with its in different advantages of low cost employment potential and low capital investment becomes absolutely in escapable.

- [iii] In the absence of the proper statistics, the cottage industries are facing many problems to adopt flexible approach in sanction of credit limits but it will be necessary that relatively cottage units may not left out.

In this way, much of the thrust of new policy should be towards improving productivity through the exploitation of economics of scale. However, there is no dichotomy or contradiction between the growth of cottage industry sector as well as medium and large scale sector. In fact, accelerated development of the cottage industry sector will also help in the healthy, speedy and vibrant growth of medium and large scale sectors resulting in fostering of strong linkage between the sectors. It is, therefore, necessary that the policy for this sector should be fully implemented so that all the units can be made efficient viable and self - reliant.

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