



Challenges and Opportunities for Rural cottage and Handicraft industries in India

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ABSTRACT

The purpose of this research in paper is to assess the degree of problems of village and cottage industries and agriculture sector. Which are accommodating rural population have been losing grand to service and industrial sector and determine which hypothesized factors are reported by a majority of employees as being contributions to their entrepreneur. Cottage Industry is a concentrated form of small scale industry where the productivity of the goods takes place in the houses of the laborers and the workforce include the members of the family. Cottage industries in India face dearth of capital and large quantity of labor, which force them to buy capital-saving techniques. Hence, there is an urgent need for implementation of techniques which not only enhances productivity but develops skills of the laborers and meets the requirements of the local market. Government should also provide subsidiaries for the growth of cottage industries especially in the preliminary stages. The laborers of cottage industry often find themselves fighting against all odds at every stage of their business. The opportunities in the cottage and handicraft industry are enormous due to following factors like Less capital Intensive, Extensive Promotion & Support by Government, Reservation for Exclusive Manufacture by Small scale sector etc.,

INTRODUCTION OF COTTAGE INDUSTRY

Village and cottage industries have a popular role in the Indian economy. But now a day they are suffering a lot due to scarcity of physical capital, unemployment and underemployment, regional imbalances and disparities, inequalities in the distribution of income and wealth, unutilization or underutilization of rural resources. The government has accorded utmost importance for the growth of these industries through five year plans and industrial policies because of their high employment intensity.

Meaning of cottage industry

Cottage Industry is a concentrated form of small scale industry where the productivity of the goods takes place in the houses of the laborers and the workforce include the members of the family. The equipments used to generate products are not the hi-tech ones but generally those which are used at homes. Cottage industry is generally unorganized in character and falls under the category of small scale industry. They produce consumable products through the use of conventional methods.

Top Five Indian Cottage Industries

The term 'cottage industry' is used when products are manufactured on a small scale. These products are mainly crafts that require traditional skills and cannot be mass produced. India is well known for its large number of traditional cottage industries. But with the advent of the industrialization, cottage industries witnessed a sharp decline. However, the government has taken steps to revive cottage industries and they now play an important part in contributing to the economy of the country.

The top five Indian cottage industries are

- 1) Cotton weaving,
- 2) Silk weaving,
- 3) Carpet making,
- 4) Leather industry and
- 5) Metal handicrafts.

- Cotton weaving is a very important cottage industry in India. This skill dates back to ancient times as cotton clothing is widely worn around the country. Indian cotton weaving is known for traditional designs and patterns done by skillful weavers with their looms. The cotton industry in India is

concentrated in Maharashtra, Tamil Nadu, and Gujarat.

- Silk weaving is another famous cottage industry in India. India is one of the major producers and consumers of silk as it is worn on special occasions such as weddings and festivals. Mulberry, Muga, Tassore, and Eri are the types of silk produced in India. Around 70% of the silk weaving industry in India is concentrated in Karnataka.
- Carpet making was introduced in India during the Mogul era. Even though the Kashmiri carpets are world famous for their fine quality, India also is known for its durries and coir mats. The carpet making industry in India is in Kashmir, Rajasthan, Punjab, Uttar Pradesh Andhra Pradesh and Punjab. The Government of India has set up the Carpet Export Promotion Council for promoting hand-knotted rugs and all other types and styles of floor coverings from around the country.
- India is a supplier of high quality leather to the global market. The Indian tanning industry can produce around 10% of the global demand. This industry employs around 2.5 million people and is considered one of the major export earners for India. The major leather producing regions in India are Tamil Nadu, West Bengal and Uttar Pradesh. Metal has always been used in India to make figurines, utensils, jewelry. Metal handicrafts have a distinctly Indian touch and are widely appreciated around the world. They have been a significant contributor to the Indian economy.

Statement of the problem

Village and cottage industries have a popular role in the Indian economy due to scarcity of physical capital, unemployment and underemployment, regional imbalances and disparities, in the distribution of income and wealth, unutilization or underutilization of rural resources.

The Government, Institutions, and also Non Govt. originations have accorded utmost importance for the growth of these industries through five year plans and industrial policies because of their high employment intensity. Hence, the study "Challenges and Opportunities for Rural cottage and Handicraft industries"

Objectives OF THE study

- To know the present status of cottage industry in India
- To ascertain, challenges the cottage industries are facing today due to globalization.
- To collect what opportunities are available to cottage industry to empower in global through Govt. & Non- Govt. assistance

Challenges Faced by Small-Scale cottage and HANDICRAFT INDUSTRY

Cottage industries in India face dearth of capital and large quantity of labor, which force them to buy capital-saving techniques. Hence, there is an urgent need for implementation of techniques which not only enhances productivity but develops skills of the laborers and meets the requirements of the local market. Endeavors should be directed towards the development of technology so that laborers can enjoy a decent lifestyle. Government should also provide subsidies for the growth of cottage industries especially in the preliminary stages. The laborers of cottage industry often find themselves fighting against all odds at every stage of their business, be it buying the raw materials or promoting their products, arranging for capital or access to insurance covers, etc. To his utter misfortune he is exploited by all. Hence, it is important to ensure that the benefit of value added services reaches the worker on time. Cottage industries are the victims when it comes to attracting the attention of modern industry. This calls for preservation and promotion of cottage industries through formulation of public policies directed at improving the industry both in context of income of laborers and technological aspects.

The small-scale industries cottage industry, and handicraft industries are despite their importance for the economy, are not contributing to their full towards the development of the country. It is because these industries are beset with a number of problems in regard to their operations. These problems are discussed below.

- **Inadequate Finance:** A serious problem of these industries is in respect of credit, both for long-term and short-term purposes. This is evident from the fact that the supply of credit has not been commensurate with their needs associated with fixed and working capital.
- **Difficulties of Marketing:** The small-scale industries also faced the acute problem of marketing their products. The problems arises from such factors as small scale of production, lack of standardization of products, inadequate market knowledge, competition from technically more efficient units, deficient demand, etc. Apart from the inadequacy of marketing facilities, the cost of promoting and selling their products too is high.
- **Shortage of Raw Materials:** Raw materials are available neither in sufficient quantity, nor of requisite quality, nor at reasonable prices. Being small purchasers, the producers are not able to undertake bulk buying as the large industries can do. The result is taking whatever is available, of whatever quality and at high prices. This adversely affects their production, products, quality and costs.
- **Low-Level Technology:** The methods of production which

the small and tiny enterprises use are old and inefficient. The result is low productivity, poor quality of products and high costs.

- **Competition from Large-Scale Industries:** Another serious problem which these industries face is that of competition from large-scale industries. Large-scale industries which uses the latest technologies with access to many facilities in the country can easily out-priced and out-sell the small producers.

OPPORTUNITIES FOR RURAL COTTAGE AND HANDICRAFT INDUSTRIES IN INDIA

The opportunities in the cottage and handicraft industry are enormous due to following factor.

- Less capital Intensive
- Extensive Promotion & Support by Government
- Reservation for Exclusive Manufacture by Small scale sector
- Project profile
- Funding – Finance & subsidies
- Machinery Procurement
- Raw Material Procurement
- Manpower Training
- Technical & Managerial skills
- Tooling & Testing Support
- Reservation for Exclusive Purchase by Govt.
- Export Promotion
- Growth in Demand in the domestic market size due to overall economic growth
- Increasing Export potential for Indian products
- Growth in Requirement for ancillary units due to increase in number of Greenfield units coming up in large scale sector. Small scale industry sector has performed exceedingly well and enabled our country to achieve a wide measure of industrial growth and diversification

CONCLUSIONS

Everyone is talking of the challenges and Opportunities of the new millennium that is upon us, but if one were to look at the events of the last decade of the twentieth century one could almost believe that the new millennium for India began in 1991. Since these momentous days when the Government of the day took the most radical steps in over four decades to loosen the economy and allow global influences to wash over shores we have not look backed. The pages of financial media offer the reader existing glimpses of the new world that the Indian economy, or least the organized urban part of it is carving out of the opportunities that economic reforms are throwing up.

Finally this research shows the clear picture of the status, Importance, and challenges of rural cottage and Handicraft industries, and what are the opportunities available to the entrepreneurs of cottage industries, by the central government, state government and District Industry commission, co-operative society, etc...