Financial Problems of Cottage Industries: A Study of Select Districts of West Bengal

Thesis submitted to the Degree of

Doctor of Philosophy

In

Commerce

Submitted by

Sreemoyee Datta

Enrolment Number: PHD/17/COM/06

Postgraduate & Research Department of Commerce

St. Xavier's College (Autonomous) Kolkata

Affiliated to

University of Calcutta

2024

Financial Problems of Cottage Industries: A Study of Select Districts of West Bengal

Preface

Cottage industries in India fall under the unorganised sector under the category of small scale industries. In fact, the term 'Cottage Industries' has not been separately and formally defined anywhere. Indian economy is also dependent on cottage industries, not only in terms of economic contribution but also in terms of rich cultural heritage. India is a developing country and majority of the population represents the rural India which is still lagging behind. Developing countries like India have a comparative advantage in terms of labour as compared to capital that enables them to produce more labour intensive goods at a cheaper rate. All developing countries including India suffers from the perils of unemployment, underemployment and poverty. To this context, the need of cottage industries is huge.

In India, West Bengal is a prominent example of a region thriving with cottage industries, benefiting from a comparative advantage in labour over capital, which allows for the cost-effective production of labour-intensive goods. However, cottage industries have seen a decline in performance and growth due to various challenges. Out of several problems that the small cottage industries have been facing till date it can be said that 'financial problems' are standing as the hub of all other problems, either directly or passively. The research has aimed at identifying such financial problems and also in providing suitable remedial measures.

The study relies mainly on primary data, with secondary data used for a descriptive analysis of the financial issues affecting cottage industries in India and specifically in West Bengal. The state is divided into five administrative divisions and one district from each division has been chosen based on the concentration of cottage industries. Appropriate statistical tools have been used to analyse the data, leading to meaningful conclusions and constructive suggestions to address the challenges faced by these industries. The study has helped not only in identifying the challenges faced by the cottage industries, but has also helped in coming up with some constructive suggestions, thereby helping in sustainable development.

Acknowledgement

I thank the Almighty from the bottom of my heart for blessing me and giving me the inner strength that has helped me overcome all the odds.

I would like to express my heartfelt gratitude to The Postgraduate & Research Department of Commerce, St. Xavier‘s College (Autonomous) Kolkata for considering me worth of pursuing the degree for Doctor of Philosophy (2017-24).

First and foremost, I would like to take this opportunity to thank my respected supervisor and guide Dr. (CA) Sanjib Kumar Basu, Dean of Post Graduate and Research Department, St. Xavier‘s College (Autonomous) Kolkata, for his constant support, guidance and encouragement throughout the research work. This achievement would not have been possible without his unconditional support. I would also like to extend my gratitude to Dr. Samrat Roy, PhD Coordinator, Research Department, St. Xavier‘s College (Autonomous) Kolkata, for his academic support and expert advice specially in analysis of research work. I would like to thank my external Research Advisory Committee Expert Prof. (Dr). Ashish Kumar Sana, Professor (Department of Commerce), University of Calcutta and internal RAC members for their constant support and monitoring throughout the research.

I am grateful to all the artisans, craftsmen, cottage industry owners and their family members who have extended their help by taking out time from their business hours to answer all the questions, thereby making this research possible. The contribution of all the office staff and library staff in respect to my research, deserves a special mention. I am thankful for all the facilities that I have received from my esteemed institution.

I would like to take a moment to thank my father, CA Sibaji Datta and my mother, Mrs. Purnima Datta for motivating and inspiring me. They have always loved, supported and believed in me and have encouraged me to pursue my dreams. I would thank my brother Rajarshi Datta for always keeping me in his prayers. The dissertation would not have been possible without the unconditional support of my beloved husband Mr. Sourav Das, my biggest pillar of strength who has stood by me during the most difficult times.

This thesis is dedicated to my dear son, Srithik Dass, the light of my life.

Sreemoyee Datta

CONTENTS

Description	Page Number
A. Preface	i
B. Acknowledgement	ii
C. List of Tables	vi
D. List of Graphs	vii
E. Acronyms & Abbreviations	viii

Chapters	Title	Page Number
Chapter I	**COTTAGE INDUSTRIES: AN INTRODUCTION**	**1-6**
1.1	Background of the Study	1
1.2	Rationale of the Study	2
1.3	Review of Existing Literature	2
1.4	Research Gap	3
1.5	Research Questions	3
1.6	Objectives of the Study	4
1.7	Research Methodology	4
1.7.1	Nature of Study	4
1.7.2	Collection of Data	4
1.7.3	Sampling Plan	4
1.7.4	Data Collection Instruments	5
1.7.5	Method of Data Analysis	5
1.8	Chapterisation	6
1.9	Further Scope of Study	6
Chapter II	**REVIEW OF EXISTING LITERATURE**	**7-31**
2.1	Introduction	7
2.2	Review of literature from Ph.D. thesis	7
2.2.1	International	7
2.2.2	National	8
2.2.3	Regional	16
2.3	Review of literature from Articles and Research Papers	16
2.3.1	International	17
2.3.2	National	19
2.3.3	Regional	28
Chapter III	**COTTAGE INDUSTRIES: AN OVERVIEW**	**32-83**
3.1	Introduction	32
3.2	Origin & Development of Cottage Industries	33
3.2.1	Cottage Industries – Global Perspective	33
3.2.1.1	Cottage Industries in Ancient Times	34
3.2.1.2	Cottage Industries in Modern Era	35

3.2.2	Cottage Industries – Indian Perspective	36
3.2.2.1	Cottage Industries in Ancient India	36
3.2.2.2	Cottage Industries in Medieval India	39
3.2.2.3	Cottage Industries in British India	40
3.2.2.4	Cottage Industries in different parts of India	42
3.2.3	Cottage Industries – Bengal Perspective	60
3.2.3.1	Cottage Industries in Bengal (Pre-Independence Era)	60
3.2.3.2	Cottage Industries in West Bengal (Post-Independence after Partition)	62
3.3	Role of Cottage Industries in Economic Development	72
3.4	Working of Cottage Industries	74
3.4.1	Challenges faced by Cottage Industries in India	75
3.5	A Critical Analysis of Definition of Cottage Industries	77
3.5.1	Difference between Cottage Industries and Small Scale Industries (SSIs) & Micro, Small and Medium Enterprises (MSMEs)	78
3.5.2	Classification of enterprises engaged in activities other than rendering services under MSME Act on the basis of investment	78
3.5.3	Classification of enterprises engaged in rendering services under MSME Act on the basis of investment	79
3.5.4	Registration under MSME Act	80
3.5.5	Reason behind why Cottage Industries cannot be clubbed under the definition of MSMEs	80
3.6	Advantages of Cottage Industries	81
3.7	Disadvantages of Cottage Industries	82
3.8	Conclusion	82
Chapter IV	**ANALYSIS OF FINANCIAL PROBLEMS OF COTTAGE INDUSTRIES OF WEST BENGAL**	**84-146**
I	Introduction	84
II	Procedures of Collection of Data	84
III	Tools for Analysis	88
IV	Analysis of Data	91
	1. Reliability Test using Cronbach Alpha	91
	2. Exploratory Data Analysis (EDA)	91
	3. Normality Test using Kolmogorov-Smirnov test; Shapiro-Wilk test	118
	4. Cross Tabulation using Chi-Square	118
	5. Exploratory Factor Analysis (EFA)	137
	6. Wilcoxon Signed Rank Test	142

Chapter V	**FINANCIAL PROBLEMS OF COTTAGE INDUSTRIES OF WEST BENGAL: FINDINGS & OBSERVATIONS**	**147-158**
5.1	Financial Problems of Cottage Industries of West Bengal - Findings	147
5.1.1	Internal Financial Problems	151
5.1.2	External Financial Problems	153
5.2	Problems other than Financial Problems	154
5.3	Financial Problems of Cottage Industries of West Bengal - Observations	156
5.4	Problems other than Financial Problems of Cottage Industries of West Bengal - Observations	157
Chapter VI	**SUMMARY FINDINGS, CONCLUSION & RECOMMENDATIONS**	**159-175**
6.1	Introduction	159
6.2	Summary Findings	160
6.3	Government Initiative to Cottage Industries	167
6.4	Policy Recommendations	170
6.4.1	Recommendations for the Cottage Industry Entrepreneurs	170
6.4.2	Recommendations for Supporting Organisations	172
6.4.3	Recommendations for the Government	173
6.5	Limitations of the Study	174
6.6	Conclusion	174

Description	**Page Number**
References	176
Annexure	181

List of Tables

Table No.	Chapter	Description	Page No.
Chapter I			
1.1	I	Classification of 'Literature Review'	3
1.2	I	List of districts of West Bengal that has been classified into five administrative divisions.	4
Chapter III			
1.1	III	Different states of India engaged in weaving fabric	43
1.2	III	Different types of Silk weaved by different states or regions in India.	45
1.3	III	Number of registered and unregistered small scale industries in India	46
1.4	III	Distribution of unregistered SSI units in India	47
1.5	III	Overall performance of small scale industries in India	49
1.6	III	Contribution of Small scale industries to India's total export	51
1.7	III	Total number of units of small scale industries in India (state-wise)	52
1.8	III	Employment details in small scale industries in India (state-wise)	54
1.9	III	Total investment details of small scale industries in India (state-wise)	55
1.10	III	Total production details of small scale industries in India (state-wise)	57
1.11	III	Selected State-wise Financial Assistance Provided to Small Scale Industries under Entrepreneurship Development Institute Scheme in India	58
1.12	III	Different districts of West Bengal engaged in different types of crafts.	67
1.13	III	District wise cluster of crafts in West Bengal	71
Chapter IV			
1.1	IV	List of districts of West Bengal that has been classified into five administrative divisions.	84
1.2	IV	Reliability statistics using Cronbach Alpha.	91
2.1-2.7	IV	Individual demographic profile of the respondents.	92-94
2.8-2.11	IV	Family structure of the respondents.	94-95
2.12-2.16	IV	Business profile of the respondents.	95-97
2.17-2.22	IV	Estimation of market demand	97-99
2.23-2.32	IV	Training related problems faced by the respondents.	99-103
2.33-2.47	IV	Raw material related problems faced by the respondents.	103-108
2.48-2.50	IV	Labour related problems faced by the respondents.	109-110
2.51-2.53	IV	Infrastructural and storage problems faced by the respondents.	110-111
2.54-2.58	IV	Post-production marketing related problems faced by the respondents.	111-113

2.59-2.62	IV	Post-production selling & distribution related problems faced by the respondents.	113-114
2.63-2.68	IV	Travel related problems faced by the respondents.	115-117
2.69-2.70	IV	Post sale activities of the respondents.	117
3.1	IV	Values of skewness and kurtosis derived from Normality Test.	118
3.2	IV	Test statistic and p-value or level of significance derived from Kolmogorov-Smirnov test and Shapiro-Wilk test; Normality Test.	118
4.1-4.16	IV	Test statistic and p-value or level of significance derived from Chi-square Test w.r.t. hypothesis formulated (H_{01}- H_{016})	120-136
5.1	IV	Test statistic and significance value derived from KMO and Bartlett's test; Exploratory Factor Analysis.	137
5.2	IV	Commonality; Exploratory Factor Analysis.	138
5.3	IV	Eigen values; Exploratory Factor Analysis.	139
5.4	IV	Factor loadings by Rotated Component Matrix; Exploratory Factor Analysis.	139
5.5	IV	Principal factors that have been identified; Exploratory Factor Analysis.	141
6.1-6.5	IV	Test statistic and p-value or level of significance derived from Wilcoxon Signed Rank Test w.r.t. hypothesis formulated (H_{01}- H_{05})	143-146

List of Graphs

Figure No.	Chapter	Description	Page No.
Chapter III			
1.1	III	Origin and development of cottage industries in terms of different perspectives, further classified into different eras.	33
1.2	III	State-wise distribution of unregistered SSI sectors in India.	49

Acronyms & Abbreviations

SSI: Small Scale Industries

SHGs: Self Help Groups

SMEs: Small and Medium Enterprises

MSME: Micro, Small and Medium Enterprises

MSE: Micro and Small Enterprises

MSMEDI: Micro, Small and Medium Enterprises Development Institute

MSE-CDP: Micro and Small Enterprises Cluster Development Programme

SPSS: Statistical Package for Social Sciences

EDA: Exploratory Data Analysis

EFA: Exploratory Factor Analysis

B.C.: Before Christ

GOI: Government of India

FIs: Financial Institutions

MSMED Act, 2006: Micro, Small and Medium Enterprises Development Act, 2006

KVIC: Khadi and Village Industries Commission

KVI: Khadi Village Industry

SFURTI: Scheme of Fund for Regeneration of Traditional Industries

PMEGP: Prime Minister's Employment Generation Programme

NER: North Eastern Region

CVY: Coir Vikas Yojana

MPDA: Market Promotion & Development Assistance

MDTC: Multi-Disciplinary Training Centres

NSIC: National Small Industries Corporation

DIC: District Industries Centre

SIDF: Small Industries Development Fund

NEF: National Equity Fund

PLIs: Primary Lending Institutes

SIDBI: Small Industries Development Bank of India

SIDO: Small Industries Development Organisation

CART: Council of Advancement of Rural Technology

CHAPTER ONE

COTTAGE INDUSTRIES: AN INTRODUTION

1.1 Background of the Study

Cottage industries in India account for 40% of the total industrial output, standing second to farming and agriculture, in terms of providing employment.[1] In other way, Indian economy is dependent on small cottage industries, not only in terms of economic contribution but also in terms of rich cultural heritage. The goods manufactured by the small cottage industries bears a distinct speciality of their own which is quite different from the other goods. Each and every product manufactured by the cottage industries are crafted with a personal touch which might makes it visibly distinct from other products in the market. May be that is the sole reason why even today in the era of globalisation and flourishing international markets, in such tough competitive business environment, the cottage industries are still standing out with a uniqueness of their own. Cottage industries are the only reason for the indigenous goods being able to compete with the foreign goods in today's world.

Cottage industries in India fall under the unorganised sector under the category of small scale industries. In fact, the term 'Cottage Industries' has not been separately and formally defined anywhere. In general parlance, cottage industries are small business enterprises carried in the home or cottage, involving only the family members. It is the most unorganised and informal way of carrying on business at one's own cottage. The handicrafts manufactured in the cottage industries by the artisans portray their immense skill, expertise and perfection that they have inherited from their ancestors over generations.

However in an article, Datt, R. and Sundaram have more formally defined cottage industries as small family unorganised business venture, involving the family members (Not more than five) who are highly skilled and can work at their own cottages, requiring less than three hundred square feet of space, less than one Kilo Watt power without creating pollution.[2]

Cottage industries play a vital role in the economies of a developing country like India, as it contributes around 40% of the Gross Industrial Value Added in the economy.[3] India is a developing country and majority of the population represents the rural India which is still

[1] Annual Report 2017-18, Government of India, Ministry of Micro, Small and Medium Enterprises.
[2] Datt, R and Sundaram, K.P.M. (1979), S. Chand & Co. Ltd. New Delhi, Indian Economy.
[3] Annual Report 2017-18, Government of India, Ministry of Micro, Small and Medium Enterprises.

lagging behind. Developing countries like India have a comparative advantage in terms of labour as compared to capital that enables them to produce more labour intensive goods at a cheaper rate. All developing countries including India suffers from the perils of unemployment, underemployment and poverty. To this context, the need of cottage industries is huge. In our country, majority of the total population resides in the rural areas. Although their primary occupation is agriculture and farming, but during off seasons, they engage themselves in to cottage industries that saves them from being unemployed.

1.2 Rationale of the Study

The area of study has been selected after reviewing several literatures pertaining to the same context. Out of several problems that the small cottage industries have been facing till date it can be said that 'financial problems' are standing as the hub of all other problems, either directly or passively. The research will aim at identifying such financial problems and also in providing suitable remedial measures. After reviewing several literatures pertaining to the context, it has been found that the cottage industries in West Bengal are suffering from various problems. The literature review revealed that most of the problems were related to scarcity of raw materials, improper procurement of raw materials, paucity of working capital, lack of investment proportion, credit discrimination, scarcity of credit, procedural stagnation of financial institutions and lack of financial support etc. The cottage industry is a form of unorganised sector and hence it is difficult for them to have access to proper financial assistance from the financial institutions. Most of the problems that the cottage industries have been facing are directly or indirectly related to finance. In a way it can be said that financial problem is the hub of all other problems.

1.3 Review of Existing Literature

An extensive review of past literature has been done pertaining to the relevant area. Around sixty-five literatures have been reviewed. 'Literature Review' has been primarily classified broadly under two heads - 'Review of literature from Ph.D. thesis and 'Review of literature from articles'. Each of them have been further classified under three heads – 'International', 'National' and 'Regional', on the basis of location of the small scale industries and the cottage industries. However, a separate chapter i.e. Chapter two of the thesis has been dedicated exclusively for literature review and has been named as 'Review of Existing Literature'.

Table No. 1.1: Classification of 'Literature Review'			
Nature/Type	**Review of Literatures from Approved Ph. D Thesis**	**Review of the Literatures from Published Articles**	**Total Number of Literatures Reviewed**
International	One	Five	Six
National	Twenty-five	Twenty-two	Forty-seven
Regional	Two	Eight	Ten

1.4 Research Gap

After reviewing several literatures in the relevant area, it has been observed that there has been no extensive research work on the financial problems of various cottage industries of West Bengal as a whole. There has been studies on a random cottage industry in the state, or cottage industries of a specific region in the state. Studies have been conducted on the overall problems of the cottage industries of West Bengal, but there has been no extensive study, exclusively highlighting the financial problems of these cottage industries.

1.5 Research Questions

On the basis of the review of the literature and the gap identified, following research questions have emerged:

- What is the present scenario of cottage industries in India?
- What is the present status of cottage industries of West Bengal?
- What are the financial problems faced by the cottage industries of West Bengal?
- How probable solutions to these problems can be provided and what would be the expected outcomes?

1.6 Objectives of the Study

Based on the research questions, following objectives have been set:

- To study the present scenario of cottage industries of India.
- To assess the present status of the cottage industries of West Bengal.
- To examine the financial problems faced by the cottage industries of West Bengal in recent times.
- To provide remedial measures against such financial problems faced by the cottage industries of West Bengal.

1.7 Research Methodology

The methodology used in the research has been summarised and presented under the following heads.

1.7.1 Nature of Study

The study is analytical in nature.

1.7.2 Collection of Data

The study is mainly based on primary data. However secondary data has been used for the descriptive analysis of financial problems of cottage industries in India as a whole and in West Bengal, that has been presented in Chapter three of the study.

1.7.3 Sampling Plan

West Bengal can be divided into five administrative divisions.

Table No. 1.2: Table no. 1.2 shows the list of districts of West Bengal that has been classified into five administrative divisions.

Presidency Division	Medinipur Division	Burdwan Division	Malda Division	Jalpaiguri Division
1. Howrah	1. Bankura	1. Birbhum	1. Murshidabad	1. Alipurduar
2. Kolkata	2. Jhargram	2. Paschim Bardhaman	2. Malda	2. Cooch Behar
3. Nadia	3. Paschim Medinipur	3. Purba Bardhaman	3. Dakshin Dinajpur	3. Darjeeling
4. North 24 Parganas	4. Purba Medinipur	4. Hoogly	4. Uttar Dinajpur	4. Jalpaiguri
5. South 24 Parganas	5. Purulia			5. Kalimpong

One district from each division has been selected on the basis of concentration of cottage industries. These are:

- **Nadia district from Presidency division**
  91 responses have been collected from Ghurni village; Bhandarkhola Gram Panchayat; CD Block; Krishnanagar-1 town; Nadia district; Presidency Division.
- **Bankura district from Medinipur division**
  103 responses have been collected from Panchmura village; Taldangra Gram Panchayat; Khatra subdivision (block); Bankura district; Medinipur Division.
- **Birbhum district from Burdwan division**
  105 responses have been collected from Shonajhuri Haat; Shantiniketan, neighbourhood of Bolpur town; Birbhum district; Burdwan Division.
- **Malda district from Malda division**
  A total of 102 responses have been collected from two separate blocks in Malda district. Responses have been collected from Gayesbari village of Kaliachak-I Block and from Alomtola village of Kaliachak-II Block in Malda district.
- **Cooch Behar district from Jalpaiguri division**
  106 responses have been collected from Ghugumari village, Cooch Behar I CD Block from Cooch Behar district.

Responses from all 5 districts have been merged together and have been analysed, sample size being 507. Primary data has been collected within a span of 7 months, from March 2023 to September 2023.

1.7.4 Data Collection Instruments

A well-structured questionnaire had been prepared comprising 70 questions. Almost all the questions other than a few demographic questions had been framed in the form of a Likert Scale. A pilot survey with a sample size of 50 had been conducted previously in the year 2021, the result of which had been analysed critically. After reviewing thoroughly some more statistical tests were decided to be done, in addition to the existing statistical tests that had already been run for analysis of data for the pilot survey. Apart from this, a few minor changes had been made in the questionnaire for better understanding of the study.

1.7.5 Method of Data Analysis

The following statistical tests were performed on the basis of data collected from all 5 districts of West Bengal. All the statistical tests performed throughout have been done with the help of SPSS (Statistical Package for the Social Sciences) software (IBM SPSS Version 23)

1. Reliability Test using Cronbach Alpha
2. Exploratory Data Analysis (EDA)
3. Normality Test using Kolmogorov-Smirnov test and Shapiro-Wilk test
4. Cross Tabulation using Chi-Square
5. Exploratory Factor Analysis (EFA)
6. Wilcoxon Signed Rank Test

1.8 Chapterisation

The study has been divided into six chapters as under:

Chapter 1: Cottage Industries – An Introduction

Chapter 2: Review of Existing Literature

Chapter 3: Cottage Industries – An Overview

Chapter 4: Analysis of Financial Problems of Cottage Industries of West Bengal

Chapter 5: Financial problems of Cottage Industries of West Bengal - Findings & Observations

Chapter 6: Summary Findings, Conclusion & Recommendations

1.9 Further Scope of Study

Cottage industries being the unorganised sector, cannot be categorised under any statutory definition. It would be unwise to categorise them under any head as classified under the MSME Development Act, 2006. The vastness of the official definitions provided under the Act for MSMEs is such, that it would be inappropriate to categorise cottage industries even under the head 'Micro Industries'. As a result, it is extremely difficult to obtain data of such cottage industries as practically there remains no official record of their facts and figures. Apart from this, since the work for research had already begun since 2019, the pandemic had affected the work adversely. It had definitely slowed down the progress of the work to some extent, as the study is mainly based on primary data. However, there is further scope of research in the same area in different other regions or states. Research can be done purely on the basis of secondary data if available in future. There is ample scope of research in this area but in different countries, especially the developing ones. One might conduct research on similar area with reference to a particular cottage industry specifically. It is believed that more research in this area would highlight the role and significance of cottage industries in the society. This would help to draw the attention of policy makers and government authorities to lay emphasis on these micro sectors.

CHAPTER TWO

REVIEW OF EXISTING LITERATURE

2.1 Introduction

A 'Literature Review' is a review of past and existing literature in a particular subject or topic, the search of which may help us to evaluate the available work. It helps us to understand the work that has already been done and the work that is yet to be done. This would help us to find out the research gap and thereby help to formulate the research questions.

Sixty-three literatures have been reviewed for this study and the 'Literature Review' has been primarily classified broadly under two broad heads - 'Review of literature from Ph.D. thesis' and 'Review of literature from articles published'. Each of them has been further classified under three different heads – 'International', 'National' and 'Regional', on the basis of location of the small scale industries and the cottage industries.

2.2 Review of literature from Ph.D. thesis

It has already been discussed that the literatures reviewed for this study have been broadly classified under two heads one of which is 'Review of literature from Ph.D. thesis'. Review of literature from doctoral thesis is of utmost importance as it helps us to understand the intricacies of the research area which further helps in in-depth examination of the research problem. 'Review of literature from Ph.D. thesis' has been further classified under the heads 'International', 'National' and 'Regional', on the basis of location and operation of the small scale industries and the cottage industries.

2.2.1 International

The following literature reviews comprise of review of literature from doctoral thesis and have been classified under the head 'International' as the location and operation of the cottage industries are beyond Indian borders.

Sarker (2000) in his thesis, "Small scale and cottage industries of Bangladesh: A spatio temporal analysis", studied the overall condition of the small scale industries and cottage industries of Bangladesh. His objectives were to prepare an inventory of the small scale and cottage industries of the state, to estimate their present state of growth, to determine their contribution in the context of the overall economy of the state, to suggest plans for

their revival, to identify the techniques of their production and to identify areas for market development, production and marketing channels. The study was based on primary data as well as on empirical data. Basic tools like mean or average, simple ratio analysis, percentage calculations were used for data analysis. Apart from these, Chi square test and T-test were used for testing the hypothesis. He observed that lack of adequate finance, lack of communication facilities, dominance of the middlemen, poor marketing, poor incentives for development were the major problems prevailing in SSIs of Bangladesh. The researcher said that though the government had helped those small units in different ways, however, media had a significant role in spreading the word both locally and overseas.

2.2.2 National

The following literature reviews comprise of review of literature from doctoral thesis and have been classified under the head 'National' as the location and operation of the cottage industries are in different states of the country other than West Bengal.

Hussain (2018) in his thesis, "An analytical study of the role of small scale industries in economic development of Gujarat with reference to Ahmedabad district", discussed about the SSIs of Ahmedabad. The objectives were to study the significance of small units in terms of their contribution to the economy, to identify the problems and prospects of those small units and also to provide remedial measures. The research was made on the basis of both primary as well as secondary data. Statistical tools like correlation, regression analysis, Chi square test, ANNOVA and Cronbach alpha were used for data analysis. Overall the researcher observed that out of all problems, financial problem seemed to be the hub of all other existing problems. He also said that if adequate measures could be taken, then the existing financial problems could be eradicated to some extent.

Mexan (2014) in his thesis, "A study on the growth of cottage industries of Tirunelveli district", discussed about the cottage industries of that specific region. For the purpose of his study, he classified the registered units into three groups namely – manufacturing, trading and service industries. The objectives of his research were to study the cottage industries in that area, to study the socio-economic conditions of cottage entrepreneurs, to identify the factors influencing the growth of the cottage industries, to examine the problems faced by the entrepreneurs of cottage industries and to assess the growth of cottage industries. Proportionate stratified random sampling method was used to select samples. Both primary and secondary data were used and primary data was collected with

the help of well-structured interviews. Statistical tools like percentage analysis, analysis of variance, multiple regression, index number, factor analysis, Cronbach alpha were used for data analysis. The researcher studied the socio economic conditions of the cottage industries and identified some problems in that sector. The problems that were found included lack of awareness about the market, procedural stagnation of financial institutions, high price of raw materials, labour problems, power failure, lack of analytical skill, poor forecasting abilities, lack of idea about governmental assistance, multi responsibility in the society of members, lack of self-confidence etc.

Pande (2012) in his thesis, "Influence of Management Functions on Entrepreneurial Development - A study of small scale and tiny enterprises in and around Pune", wanted to find out the relation between management functions and entrepreneurial growth. The other objectives were to study how management functions played a vital role in entrepreneurial developments and how management functional norms were complied with by the small and tiny units. Both primary as well as secondary data were used. Tools like percentage analysis, variance analysis, factor analysis, Chi square test, t-test etc. were used to analyse the data. The problems identified by the researcher included faulty organisational structure, improper planning, lack of coordination, poor quality of products and poor marketing and lack of financial planning.

Subramanian (2012) in his thesis, "A study on the performance of rural industries in Madurai district of Tamil Nadu", studied the Khadi cottage and rural industries of Madurai district. The objectives were to study the growth and development of those units, to analyse their performance in terms of marketing, finance and production. The other objectives were to identify the problems faced by those units, to identify the factors affecting their growth and to provide overall suggestions. The period of study was for ten years. The study was empirical in nature. The study was mainly survey based. Selection of units for the survey was done on the basis of convenient sampling. F-test and Chi-square test were used for hypothesis testing. Factor analysis was done. Garrett's ranking technique was used to rank the significant problems faced by the small scale industries. The problems identified by the researcher included backdated technology, shortage of raw materials, high price of the raw materials, inadequate finance, unscientific repayment schedule of institutional banking, lack of consultancy services etc. The researcher found that the entire system of bank finance was ineffective because, banks insisted on security. Unfortunately, the small

units were not capable of providing any kind of security to the banks, that prevented them in availing bank finance.

Thomas (2010) in his thesis, "A study on the impact of globalisation and liberalisation in cottage industries in Kerala" studied the effects of changing economy on the small cottage industries of Kerala. His objectives were to examine the performance of the cottage industries of Kerala, to identify the level of awareness of globalisation and liberalisation among the exporters and also to find out how globalisation had affected the small industry sector and how the cottage industry owners had taken measures to overcome their problems. The study was mainly based on secondary data and was descriptive in nature. F-test, Cochran's t-test, linear correlation and regression, calibration graphs were used for analysing the data. It was observed by the researcher that liberalisation as well as globalisation policies post 1991 had affected the cottage industries adversely.

Michael (2010) in his thesis, "A study of problems and prospects of small scale industries in Tiruchirappalli Taluk, Tiruchirappalli district", wanted to study the overall problems and prospects of SSIs of that particular district. The objectives of his research were to study the various types of small units in that particular district, to analyse the performance of those units, to identify the problems and prospects of the units and to suggest appropriate measures for those units. Both primary as well as secondary data were used. Statistical tools like F-test, correlation, percentage, average, bar diagrams were used for data analysis and interpretation. He discussed about the significance and contribution of the small units to economy as a whole. The researcher also explained as to, how development of the small units could eradicate the problems of poverty in the rural areas by way of equitable distribution in wealth.

Aravinthan (2010) in his thesis, "Cottage Industries Information System with Reference to Handloom Silk Weaving Industries in Tamil Nadu", wanted to find out how the information system worked in case of the selected handloom silk weaving cottage industries of that specific region. The other objective was to find out the problems and prospects of the handloom silk weaving cottage industries of Tamil Nadu. The study was based on both primary data as well as secondary data. Primary data was collected with the help of a well-designed questionnaire. Chi-square test was mainly performed for hypothesis testing along with other basic statistical tools like correlation, regression, variance analysis, percentage analysis, ratio analysis etc. The problems identified by the

researcher were scattered nature of units, exploitation by middle men, unavailability of good quality raw materials, inadequate finance, lack of interest, little motivation, increasing cost of production, lack of infrastructure etc. The researcher also observed that production was carried throughout the year whereas sales was found to be seasonal.

Laskar (2009) in his thesis, "Small scale and cottage industries in Mizoram – Problems and Employment Prospects", discussed about the problems and employment prospects of the cottage industries in Mizoram. The objectives of his work were to study the structural pattern and growth of the small and cottage industries, to examine the problems related to finance, to analyse the effect of government policies towards the development of the units, to suggest appropriate measures in order to develop the units. Both primary and secondary data were used for the purpose of research. A field survey was conducted for collecting the primary data, which was followed by a two stage purposive sampling technique for the purpose of selecting the units. In analysing the data, simple statistical tools like percentage, comparisons, mean and coefficient of correlation were used. The researcher suggested for infrastructural development, development in transport and communication, financial assistance etc. for the further growth of the cottage industries.

Jaya (2007) in her thesis "A study on the impact of Kerala Handicraft Apex Cooperative Society on the working of Handicrafts Cooperatives in Kerala" studied the overall condition of cottage units in Kerala. The objectives were to examine the problems faced by industrial cooperatives, to evaluate the impact of Apex society on primary societies and to enquire into their present capacity and to make suitable recommendations. The study was descriptive in nature and was based on both primary and secondary data. Simple tools like average, percentage and ratios were used for analysis of data. The period of study was six years. Lack of marketing, lack of awareness, negligence on part of financial activities like timely payment of remuneration to workers was found to be the main problems of that sector. It was found that work related to procurement of raw materials was solely highlighted while other works were neglected.

Asokan (2007) in his thesis, "A Study on The Performance of Small Scale Industrial Units in Madurai District, Tamil Nadu", wanted to study the performance of the SSIs of the selected district of Madurai. His objectives were to study the performance of SSIs of that region and also to provide suitable measures for improvement of the performance of those units. The study was based on both primary as well as secondary data. The statistical tools

included t-test, F-test, Chi square test for hypothesis testing, ANNOVA etc. The technical efficiency and economic viability of the selected SSIs in terms of capital, labour productiveness, labour intensity, operational efficiency and profitability was analysed by the researcher to reach at meaningful conclusions. The annual average unutilized capacity was found to be moderate. The highest average unutilized capacity was found among the chemical based units, followed by forest based units. The problems included marketing and financial problems along with increasing competition with larger units.

Kala (2007) in his research work, "Role of District Industries Centre in The Promotion of SSI Units - A Study with Reference to Pudukkottai District" wanted to examine the relationship between the levels of attitude of the beneficiaries and the service rendered by District Industries Centre. The other objective was to find that how it affected the SSIs of the selected district. The research was purely descriptive in nature and was mainly based on secondary data. The tools used for analysing the data were Karl Pearson's coefficient correlation analysis, regression analysis, Chi square test, factor analysis etc. It was found that majority of the SSI entrepreneurs started their careers at middle age. He suggested that entrepreneurial training should be provided to the small units. It was also found that age had no influence but educational status and family income had greater influence on their entrepreneurship.

Sayeed (2007) in his thesis, "Financing of Small Scale and Cottage Industries in Uttar Pradesh", wanted to evaluate the governmental efforts for promotion & development of village & cottage industries in India and also to trace out the problems with respect to raw materials, technology, training, finance & marketing. His objectives were to study the governmental efforts and initiatives for development of the SSIs and cottage industries in India and also to identify the overall problems faced by those small units. The research was based mainly on secondary data. The study was descriptive and empirical in nature. Pearson's rank correlation, regression, t-test, variance analysis was some of the statistical tools that were used by the researcher to analyse the data. The researcher recommended introduction of participation loan by the state government and setting up of small business investment companies.

Ganeshan (2007) in his thesis, "Effectiveness of Bank Finance to Small Scale Industries in Madurai District - A study with Reference to Canara Bank", wanted to study how the microfinance works in SSIs in that particular region. The other objectives were to analyse

the effectiveness of the microfinance system and also to identify the problems faced by SSIs with respect to bank finance. The study was based on both primary as well as secondary data. Chi-square, F-test, ANNOVA and factor analysis were used for data analysis. Bank assistance provided to the SSIs was found to be inadequately effective. Disbursement of loans was found to be delayed. It was also found that there were too many formal procedures to be followed which was the main cause of delay. The researcher concluded by saying that banks should adopt new approaches in assessing credit requirements of the SSIs.

Natarajan (2004) in his thesis, "Institutional Finance for Small Industries: A case study of Visakhapatnam District in Andhra Pradesh", studied the trends in institutional finance provided to the SSIs of Vishakhapatnam district. His objectives were to examine the trends in institutional finance to small units of that region and also to identify the problems faced by the small units in availing institutional finance. The study was empirical and mainly based on secondary data. Simple tools like percentage analysis, ratio analysis, and comparative trend analysis were used for data analysis. The researcher found that the institutional financial assistance was not much of help to the SSIs due to several factors like unawareness of different schemes, complex formal procedures, institutional delay in formalities etc.

Ramasamy (2003) in his thesis, "Small Scale Industries in Virudhunagar District: An Empirical Study of their Growth and Diversification", studied the factors influencing the growth of the small scale industries and the diversification of the selected units of Virudhunagar district. His objectives were to study the growth and development of SSIs in that region, to identify the overall problems faced by those SSIs and also to give some suggestions for their revival. The study was empirical and was based on both primary and secondary data. Basic tools like mean, Chi square test, F-test and ANNOVA were used for analysing the data. The researcher made a point to conclude by saying that despite of many problems, SSIs paved the way for stable income of rural population. He observed that involvement of talented family members significantly influenced the diversification of the SSIs.

Nagammai (2001) in his thesis, "Institutional Finance to Small Scale Industries in Madurai District', wanted to study the different modes of institutional finance to SSIs. His other objective was to analyse the quantum and nature of financial assistance provided by

different institutions of Madurai district. The study was purely descriptive in nature and it was based on secondary data. Statistical tools like Wilcoxon's signed rank test, Kruskal-Wallis test and Friedman's test were used for analysing the data. He pointed out that majority of the institutional finance came from the channel of commercial banks. The contribution of the cooperative banks was found to be insignificant. He suggested that the government should think of separating banking activities for the tiny units or the cottage industries.

Inbalakshmi (2001) in her thesis, "An Empirical Study of the Growth of Small Scale Industrial Units in Dindigual", wanted to study the growth of the SSIs of that particular region. Apart from that, the other objective was to identify the problems of the SSIs of the selected district. The study was descriptive and empirical in nature. Her study was mainly based on primary data. Mann-Whitney U test, Mann-Kendall trend test, Mood's median test were performed in order to reach at meaningful conclusions. However, the researcher identified the problems and grouped them into six categories that included finance, marketing, labour, raw materials, technology, government policies and information technology.

Dixit (1996) in his thesis, "Industrial sickness in small scale sector in Satara district", tried to identify the reasons behind sickness of the small scale sectors in Satara district. The other objective was to provide suitable measures for the revival of their sickness. The study was descriptive and empirical in nature. It was based mainly on secondary data. Simple parametric tests like sample t-test, one way ANNOVA and exploratory factor analysis were used for data analysis. The problems identified by him were inadequate finance, lack of infrastructure, lack of new technology, lack of raw materials, poor credit facilities, high rate of interest to the local money lenders etc.

Colney (1995) in his thesis, "Industrial development in Mizoram – A case study of small and cottage industries", studied about the overall development of small and cottage industries of the selected region. The objectives of his research were to evaluate the nature of locally available raw materials for industrial resources, to study the distributional patterns and trends of growth of the existing small scale cottage industries in the study area, to analyse the existing industry structure and its changes, to study the locational set up of the SSIs and the cottage industries, to study the problems and to provide measures. Both primary as well secondary data were used. Stratified purposive sampling method was

used to select the samples. Cartographic methods were used. Statistical tools like coefficient of variation, coefficient of correlation (Karl Pearson method) were used. Remedies and suggestions were given by the researcher in terms of proper financial support, marketing of goods and easy procurement of raw materials.

Venugopal (1993) in his thesis, "A study of village and cottage industries in Kerala: Problems and Prospects", studied about the fibre, match, bee-keeping and lime shell village and cottage industries of Kerala. The objectives were to evaluate the governmental efforts for promotion & development of village & cottage industries in India and to trace out the problems with respect to raw materials, technology, training, finance and marketing. For detailed study, the industries had been chosen from the jurisdiction of State Khadi & Village Industry Board (SKVIB) in Kerala. The sample units included cooperative societies and registered institutions from SKVIB. Samples were drawn on multistage basis. Both primary and secondary data were used. Simple percentage & average were used for data analysis. Unemployment was identified as one of the major economic problems of the state. However, the researcher said that growth and development of small village cottage industries were the only solution to employment.

Rodinga (1991) in his thesis, "A study on the development of small and cottage industries in Mizoram", formulated the objectives to reduce the working population in the field of shifting cultivation, train the rural youths towards electronics, increase household income and make even distribution of wealth, educate the rural artisans, upgrade the standard of living of people and he also wanted to promote the growth of cottage industries. The entire work was done on the basis of secondary data and the research was descriptive and explanatory in nature. The problems identified in course of his research were historical backwardness, lack of innovation, lack of finance, difficulties in availing machinery and raw materials, lack of training and poor marketing. The researcher mentioned the policies and schemes adopted by the State Government to revive such industrial sickness among small units.

Ali (1973) in his thesis, "Marketing problems of small and cottage industries of Uttar Pradesh with special reference to Aligarh district", studied the problems faced by small and cottage industries of Aligarh. The objectives of his research were to find out the problems faced by the small and cottage industries, to analyse the problems and to provide adequate solutions. The research was entirely based on secondary data. The research was

descriptive and explanatory in nature. Exploitation by middlemen, underutilisation of resources, being more labour intensive and less capital intensive, outdated techniques of production, competition from large industries, and lack of bargaining power seemed to be the major problems as identified by the researcher. However, he said that proper assistance from the state in terms of finance and marketing, overall awareness and overcoming locational and geographical disadvantage might help in the revival of the sick units.

2.2.3 Regional

The following literature reviews comprise of review of literature from doctoral thesis and have been classified under the head 'Regional' as the location and operation of the cottage industries are within the state of West Bengal.

Ghoshal (1990) in his thesis, "Growth and development prospects of cottage industries of Murshidabad district", discussed about the cottage industries of Murshidabad. He mainly discussed about the silk cotton textile, woollen blanket weaving, bidi making, conch shell, ivory etc. The objectives were to assess the rate of growth in cottage industries of that region, to study the problems faced by the cottage industries and also to find out the means of barriers. The research was descriptive in nature. The work was entirely based on primary data. The researcher had to depend fully on primary data as no work had been done on the topic before. Being one of the backward regions of the state, not sufficient data could be collected from both published and unpublished sources. No sophisticated tools were used by the researcher. Simple comparative statements were used for data analysis. Except the silk, handloom and bidi industries, all the other ones were in the state of decay. The problems highlighted by the researcher were lack of raw materials, poor marketing facilities, lack of finance, competition of other cheaper materials, change of fashion, change of taste and preferences. However, he suggested that a lot of research and development activities were required in those industries for further growth and development. He also said that cottage industries had a promising future and government interference could improve the conditions of the industries in all aspects.

2.3 Review of literature from Articles and Research Papers

It has already been discussed that the literatures reviewed for this study have been broadly classified under two heads one of which is 'Review of literature from Articles and Research Papers'. Review of literature from articles, journals and research papers are of equal significance as compared to literature review from doctoral thesis. Generally, the

huge volume of literatures from articles and papers helps us to understand the importance and relevance of the research area which further helps in comprehending the research gap on the basis of which meaningful research questions can be formulated. 'Review of literature from Articles and Research Papers' has been further classified under the heads 'International', 'National' and 'Regional', on the basis of location and operation of the small scale industries and the cottage industries.

2.3.1 International

The following literature reviews comprise of review of literature from articles and papers and have been classified under the head 'International' as the location and operation of the cottage industries are beyond Indian borders.

Debelo, Teshome and Minalu (2015) in their research work, "Factors Affecting Developments of Micro and Small Enterprises (Case of Mettu, Hurumu, Bedelle and Gore Towns of Illu Bora Administrative Zone)", discussed about growth and development of the micro and small enterprises of the selected regions of Ukraine. The objective of their study was to identify the factors that affected the development of the micro and small enterprises of those particular regions. The research was descriptive in nature. Both primary and secondary data was collected. Primary data was collected with the help of a well-designed questionnaire. The units were selected on the basis of snow ball sampling technique. Mainly Chi square was used by the researchers to test hypothesis and the data was analysed with the help of Statistical Package for the Social Sciences. They pointed out several factors that affected the development of micro and small enterprises such as lack of experience, lack of access to capital, lack of promotion, lack of networking, lack of infrastructure, high rate of interest, poor transportation facilities, lack of knowledge, poor market linkage etc. However, the researchers identified that finance was the mother of all other problems of the micro and small enterprises of the selected regions.

Tasneem and Biswas (2014) in their research work, "Role of Cottage Industries in the Economic Development of Bangladesh: An Empirical Study", studied about selected cottage industries namely pottery, cane, nursery and boutiques of Khulna region of Bangladesh. The objectives of the study were to identify which industry plays more vital role on economic development, to find out the problems of the cottage industry, to formulate and test hypothesis of the role of cottage industries in economic development and to make some policy recommendations for overcoming those problems. The study was

mainly based on primary data. Structured questionnaire was prepared which comprised both open ended and closed ended questions. Since it was impossible for the researchers to take all the relevant and related areas of cottage industries in to account, only representative subsets from the whole cottage industry were taken as samples. The subset units were selected on the basis of convenient sampling technique. Simple correlation and regression analysis was done by the researchers to analyse and interpret the data. It was found that all the nurseries were sole proprietorship business. People who were working in showrooms were educated and most of them were women. The problems highlighted by the researchers included lack of capital, shortage of man power, lack of entrepreneurial abilities etc. The researchers also observed that business was seasonal. Most of the labourers were found to be unskilled. It was also found that demand for such handicraft products was decreasing with the introduction of substitutes.

Alam (2005) in his research paper, "A comparative study of financing small and cottage industries by interest-free banks in Turkey, Cyprus, Sudan and Bangladesh", wanted to make a comparative analysis of the microfinancing activities in selected countries. The objectives of his research were to make a comparative study of financing to small units in selected countries and analysing and interpreting the results. A qualitative research methodology was adopted. The research was based on secondary data. Simple mathematical calculations like average, percentage analysis and ratio analysis was used for analysing the data. The objectives being very clear, were fulfilled by analysing data based on 'institutional network' theoretical frame of references. The researcher said that although the basic principles of interest-free financing remained the same, the lender-borrower network relationship differed from one country to another. However, the research was useful to both the interest free financing institutions as well as the cottage industrialists.

Rietveld, Yuwono, Sandee and Supratikno (1994) in their research work, "Promoting small scale and cottage industries in Indonesia: An impact analysis for Central Java" wanted to shed light on the effectiveness of the existing financial assistance programmes to enhance the development of cottage industries with special reference to employment creation in Java and Indonesia. The objective of the researchers was to study whether the existing financial assistance programmes were effective enough in helping the small scale and cottage industries of the selected regions. The authors discussed about the prime handicrafts manufactured in those cottage industries and also how the rural population

depended majorly on the income from cottage industries for their living. The research was based on secondary data. Statistical tools were not used. The research was descriptive and explanatory in nature. It was found that as the budget for financial assistance of the Ministry of Industry was limited, they only extended support to the cluster of firms. Individual small cottage units were deprived of all financial benefits. Financial assistance was found to be fragmented. It was also found that participation rates in the credit programmes were low, the technical assistance was not synchronised and coordinated.

Bahar (1990) in his research paper, "Financing for micro enterprises, small, medium and cottage industries: Bangladesh Perspective", described Bangladesh as a poor developing country. The objective of his research was to study the microfinancing activities in Bangladesh. The research was based on secondary data and was empirical in nature. Statistical tools like correlation, regression, Chi square test, mean and ANNOVA were used for data analysis. Although the microfinance institutions lent their support towards the small scale industries and the cottage industries, but it was to be noted that the microfinance institutions were basically non-governmental organisations which lacked in proper regulatory framework unlike the banks. In fact, there were complaints that sometimes the microfinance institutions charged exorbitant rate of interest unlike the Grameen Bank. In order to improve the existing system, the researcher suggested several measures that could be adopted. He suggested that the banks should establish separate functional relationship with microfinance institutions to provide proper authorised guidelines regarding financial assistance. A monitory body should be formed in order to regulate the activities of microfinance institutions to make their functioning more transparent and easy.

2.3.2 National

The following literature reviews comprise of review of literature from article and papers and have been classified under the head 'National' as the location and operation of the cottage industries are in different states of the country other than West Bengal.

Verma and Tiwari (2019) in their research work, "Study of Marketing Strategies of Cottage Industry and Its Implications", studied the different marketing strategies adopted by the cottage industries in India. The objectives of their research were to study the importance of marketing in cottage industries and to find out the problems in marketing of cottage industries. The research was descriptive and empirical in nature. The study was

based on primary data. Chi-square test and factor analysis was used to analyse and interpret the data. It was found that the major problems in marketing were inadequate credit facility, lack of standardization, lack of quality product, poor transportation, non-availability of market information and lack of promotion of handmade products. They recommended that branding, certification of products, special clusters for cottage industries, cooperative marketing and e-commerce were a few aspects that required improvement for betterment of the cottage industries.

Pandey (2015) in his article "Problems of Small-Scale and Cottage Industries in India", discussed about the problems faced by the small scale and cottage industries in the country. The objective of his research was to identify the problems faced by the small scale and cottage industries in India. The study was based on secondary data and it was explanatory in nature. No statistical tools were used for data analysis. He identified that lack of finance and credit, infrastructural constraints, inverted tariff structure, unavailability of raw materials, lack of machines, lack of technology, lack of technical knowhow and marketing problems were the basic hindrances to the growth and development of cottage industries in India.

Srivastav (2015) in his article, "Cottage Industries in India: Meaning, Necessity, Impact, Advantages, Disadvantages and Solution", explained the role and socio-economic impact of cottage industries on the country, their advantages and their disadvantages, their problems, and he also suggested some remedial measures that would prevent the small units from being extinct. The article was descriptive and self-explanatory in nature. No statistical tools were used for analysis. Amongst the remedial measures, other than arranging adequate finance, capital equipment etc. The researcher had also mentioned about organising awareness campaigns both for the consumers as well as the cottage industry entrepreneurs in order to understand the significance of the existence of the cottage industries.

Boruah and Kaur (2015) in their research work, "A study on the analysis of economics of weavers' cooperative societies of Assam", discussed about the handloom cottage industries of selected districts in Assam. The objectives were to analyse the business operation of the selected handloom units of Assam and to suggest measures for their growth. The handloom units were selected randomly out of 12 districts of Assam. A multistage purposive cum random sampling was followed in selecting the districts.

Primary data was mainly used and it was collected with the help of semi-structured interviews. The data collected was analysed with the help of statistical tools like frequency distribution, percentage, mean, standard deviation etc. The authors concluded by highlighting some areas that needed improvement such as upgradation, modernisation, product diversification, training on marketing, promotional strategies, handloom mark or branding, sophisticated finishing of the products etc.

Bhatt (2014) in his research work, "A Role of Cottage Industries in Indian Economy", explained the different types of cottage industries in India and the variety of products manufactured by them. The objectives were to study the characteristics of the Indian cottage industries and also to study their role in Indian economy. The study was entirely descriptive and empirical in nature. It was based on secondary data. The researcher did not use any statistical tool to analyse the data. The study was explanatory in nature. However, he concluded by saying that cottage industries played a significant role in developing countries like India, where poverty and unemployment were the major problems.

Bhattacharya (2014) in his article, "Cottage Industry Clusters in India in improving rural livelihood: An Overview", stated that the Indian villages had been quite self-sufficient from a very long time. He explained in his study how Mahatma Gandhi had encouraged the growth of cotton industries to make a better self-dependent India. Over the years he had seen the medium, small and micro enterprises evolving in the country to encourage both the individuals as well as the clusters to go ahead with their small scale and cottage industries. The sole objective of his research was to find out how new schemes introduced by the government helped the small and cottage industries. The study was based both on primary as well as secondary data. Simple tools like comparative statements, trend analysis and correlation were used for data analysis. However, the researcher said that though many schemes had been introduced by the government for development of the small and cottage industries, but they were not properly implemented in many occasions. So he suggested the government to emphasize on the implementation procedure.

Joy and Kani (2013) in their research paper, "Emerging Opportunities and Challenges for Cottage Industries in India", studied the opportunities and threats for the small and cottage industries in India. The objectives were to identify the opportunities as well as the challenges before the cottage industries in recent times. The study was based on secondary data and was empirical in nature. Statistical tools like Chi square test, correlation,

regression and factor analysis were used for analysing and interpreting the data. They emphasised on the suitability of cottage industries for a country like India, where unemployment had always been a constant problem. The researchers also suggested how different initiatives were taken by the government of the country that helped the cottage industries in overcoming the barriers with time.

Pandey (2013) in his research work, "Trends, Opportunities and Challenges in Small Scale and Cottage Industries in Uttar Pradesh", discussed about the small scale industries and cottage industries of eight districts (Lucknow, Kanpur, Sultanpur, Faizabad, Barabanki, Sitapur, Hardoi and Unnao) of Uttar Pradesh. The objectives were to study the structure and growth of small and cottage industries in the state, to examine the level of contribution of these units in providing employment and income opportunities to the people, to examine the problems faced related to finance and marketing, to analyse the impact of government policies towards the development of small and cottage industries and to suggest suitable measures for development of the small units of the region. Both primary and secondary data were used. A field survey was done to obtain the primary data adopting a 'Two-stage purposive sampling' design with selection of industries. An aerial survey was done to select the districts. The selected units were randomly selected as sample units. Both structured and unstructured interviews were conducted. Tabular analysis was done manually and also with the help of SPSS and SYSTAT. Statistical tools like percentage analysis, mean and coefficient of correlation, comparisons, and bivariate model was used. The researcher identified the internal problems such as mean-mindedness, lack of team spirit, lack of expertise and poor logical reasoning. The external problems identified by him were lack of financial support, lack of investment proportion, poor quality control, poor research and development facilities, lack of professional training, lack of technology and infrastructure and lack of communication.

Kumar (2012) in his article, "A Study of Small Scale Industries: Marketing Strategies", discussed about the marketing problems and prospects of the small scale industries. The objectives of his research were to study the marketing strategies of the small scale industries and to identify their marketing problems. The research was purely descriptive and empirical in nature and only secondary data was used. Statistical tools like Chi square test, correlation and variance analysis was used for analysing the data. He made some valuable remarks by saying that marketing management would help in the increase of sale of products. Effective marketing strategies would ensure high level of income and

employment. He also said that marketing demanded greater attention from industrialists especially the small scale sector, planners and economists.

Banu and Sangeetha (2008) in their research work, "Role of Nationalised Banks in Small and Medium Enterprise Credit: A Study in Theni District", studied the banking credit facilities provided to small and medium enterprises of that particular district in Tamil Nadu. The objective of their research was to analyse the performance of banks providing credit to the small and medium enterprises of the selected district. The study was based mainly on secondary data that was collected from annual reports of the nationalised banks. The units for their study were selected on the basis of simple random sampling. Statistical tools like mean, percentage, variance, Chi square test, correlation, regression and factor analysis was used to analyse and interpret the data. Apart from these, different tabular charts and bar diagrams were used by the researchers to make a comparative analysis of the performance of the banks. However, it was found that most of the sample units were not satisfied with the loan amount disbursed by the banks.

Panda (2008) in his article, "Management of working capital in small scale industries", studied the working capital management in the small scale industries. The sole objective of his research was to study and analyse the working capital management in the small sector. The study was based on secondary data and it was quantitative in nature. The study was also descriptive and empirical. The secondary data was collected from different annual reports and websites. Tools like correlation, regression and Mann-Whitney test was used for data analysis. The researcher observed that majority of the small scale industries, both registered and non-registered faced problems in procurement of raw materials due to various reasons like inadequate finance, non-availability of credit, non-availability of raw materials and many more, which disrupted the working capital cycle and became a hindrance to their business.

Eresi (2008) in his article, "Management of Finance in Small Scale Industry – Allahabad", conducted a research with objectives to study the bank financing to smaller units of the selected region, to identify the financial problems faced by those units and to provide suitable remedial measures. The research was based on both primary as well as secondary data. The secondary data was collected from various annual reports, journals, books etc. Only correlation and regression was used for analysing the data. The researcher threw light on the different sources of long term as well as short term finances and also on the

problems faced by those small scale industrial units in availing microfinance facilities. He also studied the different microfinance procedures adopted by those units.

Parekh (2004) in his article, "Financing of Small Scale Industries in a Developing Economy", wrote about the role of financial institutions and state agencies in providing credit to small units in India. The objectives of his research were to study the role of financial agencies in microfinancing the small scale industries. The research was based on both primary as well as secondary data. Statistical tools were not used by the researcher to analyse the data. The research was descriptive and explanatory in nature, based on the researcher's detailed observations. The author pointed out that the financial institutions had an indifferent attitude towards helping the tiny units and the problem was with the basic structure of the institutions that affected the lending procedure.

Kumar (2002) in his article, "Role of State Financial Corporations in Financing Small Scale Industries in India during Post-Reform Period", conducted the research with an objective to study the role of financial institutions in financing the small scale industries post 90's in India. The study was based on both primary and secondary data. Primary data was collected with the help of informal interviews whereas secondary data was collected from different reports. Simple comparative analysis was done to interpret the data. He concluded by saying that state financial corporations should make efforts to provide loans sanctioned and disbursed to small scale industries. He also said that efforts should be given on loan sanctioning in a balanced manner and more emphasis should be given to small-sized category of loans.

Ramakrishna (2001) in his article, "Finance for small scale industry in India", studied the financial problems and prospects of small scale industries of the country. The objectives of his research were to identify the problems and prospects of small scale industries and also to provide solutions to the problems of the small industries of India, as a whole. The study was descriptive and historical in nature. It comprised of both primary as well as secondary data. Primary data was collected with the help of unstructured interviews and the responses were analysed theoretically without using any statistical tool. It was found that lack of finance lead to other problems. He said that the government, state financial corporations, and the banks had a role in helping those small industries. He highlighted methods of financing followed by several countries in North and South America, Asia and Europe.

Khan and Shaikh (2001) in their research work, "Financing of Small-Scale Industries in Maharashtra", studied the microfinancing procedure to small units of Maharashtra. The objectives of their research were to identify the financial problems faced by small scale industries and to provide suitable remedial measures. The study was mainly based on primary data which was collected with the help of a well-designed questionnaire. Statistical tools like correlation, regression, t-test and variance was used in data analysis. The researcher suggested that the management and the financial structural base of the state financial corporations and the Securities Industry Development Corporations (SIDC) should be stronger in order to function more smoothly in the small sectors. He also suggested that cluster approach could be adopted by the banks for betterment of small scale industries.

Himachalam (2000) in his research, "Entrepreneurship development in small scale sectors", wanted to study the different yojanas and schemes made for the development of the entrepreneurs of the small units. The objective of his research was to study, whether the small sector was benefitted from the financial assistance provided to them. The study was based on primary as well as secondary data. Statistical tools like correlation, regression, Chi square test were used for data analysis. According to the researcher, though the government had done enough to assist the small units, however it seemed that they have failed to attract the entrepreneurs of the small units due to several reasons such as lack of awareness about the schemes, lack of information about entrepreneurship development programme, lack of awareness about latest technology etc. He suggested that the entrepreneurs of the small units should be assisted in not only preparing project reports, but also in meeting financial requirements. He said that more effort should be given towards imparting technical training.

Ramesha (1999) in his article, "Institutional Credit to Small Scale Industry Sector: Role of Banks and State Financial Corporations in the Post Reforms Scenario", wanted to study the trends in credit supplied to small industries by scheduled commercial banks and the state financial corporations. The objective of his research was to study the inter-state disparity in credit supply by banks and state financial corporations. The study was empirical in nature. Data analysis was done on the basis of tabular charts, bar diagrams, simple mean, percentage analysis and ratio analysis. The researcher noted that the commercial banks played a vital role in credit supply when it came to small scale industries. He also stated that the banking sector had failed to meet the credit requirements

of the small units. The inter-state disparity between supplies of credit was pointed out by him. However, he said that there seemed to exist a complementary relationship between banks and state financial corporations in financing small scale industries.

Rajendran (1999) in his article, "Institutional Assistance for Small Scale Industries in Tiruchirappalli District", aimed to study the various kinds of financial assistance provided to the small scale industries. His other objectives were to identify the institutional assistance provided to the small scale industries of the selected region and the problems faced by the small units of that region. The study was based on both primary as well as secondary data. Statistical tools were not used for data analysis. The researcher made a detailed observation and passed his opinion. He identified several problems such as non-availability of adequate financial assistance, non-acquisition of raw material, marketing problems, technological and administrative problems, complicated procedure in availing loans etc. It was found that there seemed to be no coordination between the promotional institutions and the government agencies.

Malgawaker (1997) in his research paper, "Problems of Small Industry - A study in Andhra Pradesh" wanted to identify the problems of small industries in that particular region. The other objective was to provide measures for quick revival of the sick units. The study was descriptive and explanatory in nature. It was based mainly on primary data which was collected through unstructured interviews. Simple tools like mean, correlation and t-test was used for data analysis. Lack of infrastructure was identified as a general problem, while the other problems identified by the researcher were scarcity of raw materials and delay in the disbursement of the loans. However, the researcher suggested that the government, banks and other financial institutions should extend more support to assist the small units to help them recover from financial sickness.

Rostagi (1997) in his research work, "Employment Generation through Small Scale Village and Cottage Industries – A case study in Madhya Pradesh", studied whether small scale and cottage industries were self-sufficient enough. The sole objective of his research was to study the self-sustainability of cottage industries of the selected region. The study was entirely historical, descriptive and empirical in nature. The study was mainly based on secondary qualitative data. Statistical tools were not used by the researcher to analyse data. The study was inferential and explanatory. He stated that the small scale industries and the cottage industries were quite independent in producing indigenous products. Optimum use

of resources could make the small units more self-sufficient. Lastly he concluded by saying that poverty and unemployment could be eradicated by proper running of small scale industries and cottage industries because the small scale industries and cottage industries proved to have a comparative advantage than large sectors in terms of cheap and skilled labour.

Mishra (1996) in his research paper, "Factors affecting women entrepreneurship in small and cottage industries in India", wanted to portray a profile of women entrepreneurship and their enterprises in the small sector of selected states in the country. His objective was to explore gender differences in entrepreneurial characteristics. The other objectives were to identify the problems unique to women in running their units and also to document existing policies, programmes, institutional networks in promoting women entrepreneurship. The research was based exclusively on secondary data. Raw data was collected from 14 states from the offices of the Development Commission (Small Scale Industries) and Government of India. The time frame was short. Since secondary sources were to rely upon, it was difficult to maintain uniformity in sample size. Qualitative analysis had been used mainly, rather than rigorous statistical tools. However, several problems were identified by the researcher such as lack of supply of raw materials, low self-confidence, lack of family support, obstructive traditional norms, credit discrimination, administrative delays, lack of coordination with promoting agencies, improper account or record keeping etc. The author suggested that legislative measures could be taken in terms of appropriate interventions through government and non-government organisations in coordination with international efforts, pertaining to women's rights.

Jadav (1992) in his research work, "Indian Handicrafts: Growing or Depleting?", studied the problems of handicraft cottage industries. The objectives of his research were to find out the major problems faced by the Indian handicrafts industries, to compare between Indian handicraft industry and Chinese handicraft industry and to provide suitable measures to their problems. The entire research was done on the basis of secondary data. Tables, charts and graphs have been used for analysis of data. Statistical tools like correlation, regression, Chi square test, Kruskal-Wallis test and ANNOVA was used for data analysis and data interpretation. Lack of finance, outdated technology, defective marketing, non-availability of raw materials and competition from mechanical goods seemed to be the significant problems as mentioned by the researcher. Comparative study

between China and India revealed that India lacked from technical assistance. India was more labour intensive than China and lacked in skilled labour. He also said that there was lack of access to credit facility in India. The researcher concluded that in spite of all kinds of governmental efforts, the focus should be on 'implementation part'.

2.3.3 Regional

The following literature reviews comprise of review of literature from article and papers and have been classified under the head 'Regional' as the location and operation of the cottage industries are within the state of West Bengal.

Hazra and Barman (2017) in their research work "Prospect of traditional craft in present economy: A study of earthen doll of Krishnnaagar, West Bengal", highlighted the prospects of clay and pottery industries of the selected region. The major objectives of the research were to study the socio economic conditions of that industry, to examine the trend of business of that industry, to analyse the factors of adoptability of new approaches from processing to marketing and also to highlight the challenges faced by them. The study was completely based on primary data which was collected from well-designed questionnaire as well as semi-structured interviews. A number of tools like correlation, regression, Chi square test, comparative statement analysis and trend analysis were used with the help of Statistical Package for the Social Sciences for data analysis. The researcher found that the clay pottery and clay doll industry had been facing a decline in its growth for quite a long time. This was mainly because of the innumerable challenges that had been coming their way such as decreasing demand, change of taste and preference of consumers, low quality of goods, lack of skilled workers, lack of knowledge about the market and marketing problems.

Sahoo, Joddar, Biswas and Sarkar (2015) in their research work "The significance of terracotta industry in the socio economic livelihood of people - A case study of Bankura terracotta craft hub", discussed about how majority of the population in the selected region were economically dependent on the cottage industries. The objectives of their study were to identify the dependency of the total population on cottage industry, to assess the socio economic impact of such industry on the local people and also to find out the status of the industry in terms of profitability. The entire study was mainly based on primary data which was collected with the help of well-structured questionnaire and informal interviews. Secondary data was collected from different annual reports. The study was descriptive in

nature. The researcher used only Chi square test for testing hypothesis to arrive at meaningful conclusions. From the study, it was found that majority of the rural population of that region depended on the terracotta industry for their livelihood. The researcher also found that besides terracotta craft making, many of them had a parallel engagement as a farmer as sales seemed to be seasonal.

Sana and Sarkar (2012) conducted their research work, "Problems of Coir Industry in West Bengal: An Analysis" with an objective to examine the problems and prospects of the coir industry in West Bengal. Both primary as well as secondary data were used for the research. Pearson's rank correlation, regression and Chi square test was used for data analysis. The major problems faced were found to be employee related problems, marketing and financial problems. However, in spite of all those problems, the researchers concluded by saying that the coir industry had good prospect because of its demand in both domestic and foreign market.

Gupta and Mukherjee (2006) in their article, "Scope of cottage and small industry in West Bengal in the early 2000" discussed about the different cottage industries in West Bengal and how significantly they contributed to the economy as a whole. The objectives were to study the significance of cottage industries of West Bengal and to study their contribution to the economy. The research was based exclusively on secondary data. No statistical tools were used by the researchers for data analysis. Tabular charts, comparative analysis and trend analysis was made to arrive at conclusions. The research was empirical and explanatory in nature. They said that majority of the handicrafts from West Bengal were a part of export, thereby helping in the economy of the country and also by providing employment to the rural people. They distinctly showed district-wise classification of the cottage industries of West Bengal but also pointed out the problems faced by the units. They conducted numerous surveys and found out that industrial sickness, lack of finance, lack of capital and lack of management were the perils of development of the cottage industries in West Bengal.

Ghosh (2000) in his article, "Shola cottage industry in West Bengal: Local history and future prospects", (originally written in Bengali, but later on translated in to English by Koyel Das) wrote about the background of the shola industry in West Bengal. The objective was to find out the problems faced by them. Shola being an agro based industry had been environment friendly. Most of the shola industries were situated in Bongaon,

Habra, Bashirhat and the Indo Bangladesh border. The shola industries over the years had flourished but in spite of this, the leading shola industry workers had complained of being deprived and exploited. After a good number of surveys, the author came to a conclusion by suggesting the government to take adequate steps in eliminating the middlemen who left the poor artisans with negligible profit.

Santra (1996) in his article, "Small scale industries in Darjeeling Hills: Problems and Prospects", discussed about the small scale industries of Darjeeling district. The main objectives were to find out the present position of the small scale industries in the selected region, to look into the problems faced by those units, to assess the prospects, if any and to study whether the measures taken by the government were properly implemented or not. Both primary data as well as secondary data were used. Rank correlation and weighted average methods had been used for analysis of data. Financial problems, infrastructural problems, marketing problems, production problems, employee problems, research and development problems and non-implementation of government policies seemed to be the major challenges faced by the industry, as pointed out by the researcher.

Kasemi (1992) in his study, "Problems of Pottery Industry and Policies for Development: Case Study of Koch Bihar District in West Bengal, India", discussed about the pottery industry of the selected region. He wanted to study and analyse the characteristics of pottery industry of that region. The major objectives were to examine the problems of the pottery industry related to production, marketing and labour and to suggest suitable measures for the development of the sector in that region. The study was entirely based on primary data, collected with the help of a questionnaire that was designed to gather information on general and economic performance of the industry. Area of study were urban and semi urban areas of Koch Bihar. Simple random sampling method was used without replacement for selecting the sample units. Statistical tools like Cobb-Douglas production function was used to study the nature of production function. Chi square test was used for testing hypothesis. The researcher found that there was dominance of male workers. It was also found that majority were skilled and semi-skilled artisans. The researcher also said that illiteracy was widely present. He observed that the average distance covered for purchase of raw materials was more than the average distance covered for selling the products. The problems faced by the cottage industries of that region were irregular supply of raw materials, high cost of raw materials, paucity of working capital,

low investment in fixed capital, obsolete technology, lack of diversification of products, competition from organised sector, marketing problems and other management problems.

Chandra and Chaki (1990) in their research work, "Problems of cottage industry in a backward region of West Bengal: A study of West Dinajpur district from 1951-1981", studied the problems of cottage industries of the selected region. The main objectives were to examine the relevance of the cottage industries to the economy of West Dinajpur., to identify the problems faced by the small sector and to identify their weakness. The study was empirical in nature and the period of study was 10 years. Both primary and secondary data were used. Statistical tools like rank correlation, multiple and partial correlation and regression, Chi-square test, F-test, t-test and ANNOVA was used for data analysis. West Dinajpur was formed due to the Bengal partition and as a result, it had to accommodate a huge population from East Pakistan, now Bangladesh. Although the main occupation of this region was agriculture, but cottage industry stood next as a source of livelihood. The cottage industries in this region were badly affected by the different industrial policies taken by the government.

CHAPTER THREE

COTTAGE INDUSTRIES: AN OVERVIEW

3.1 Introduction

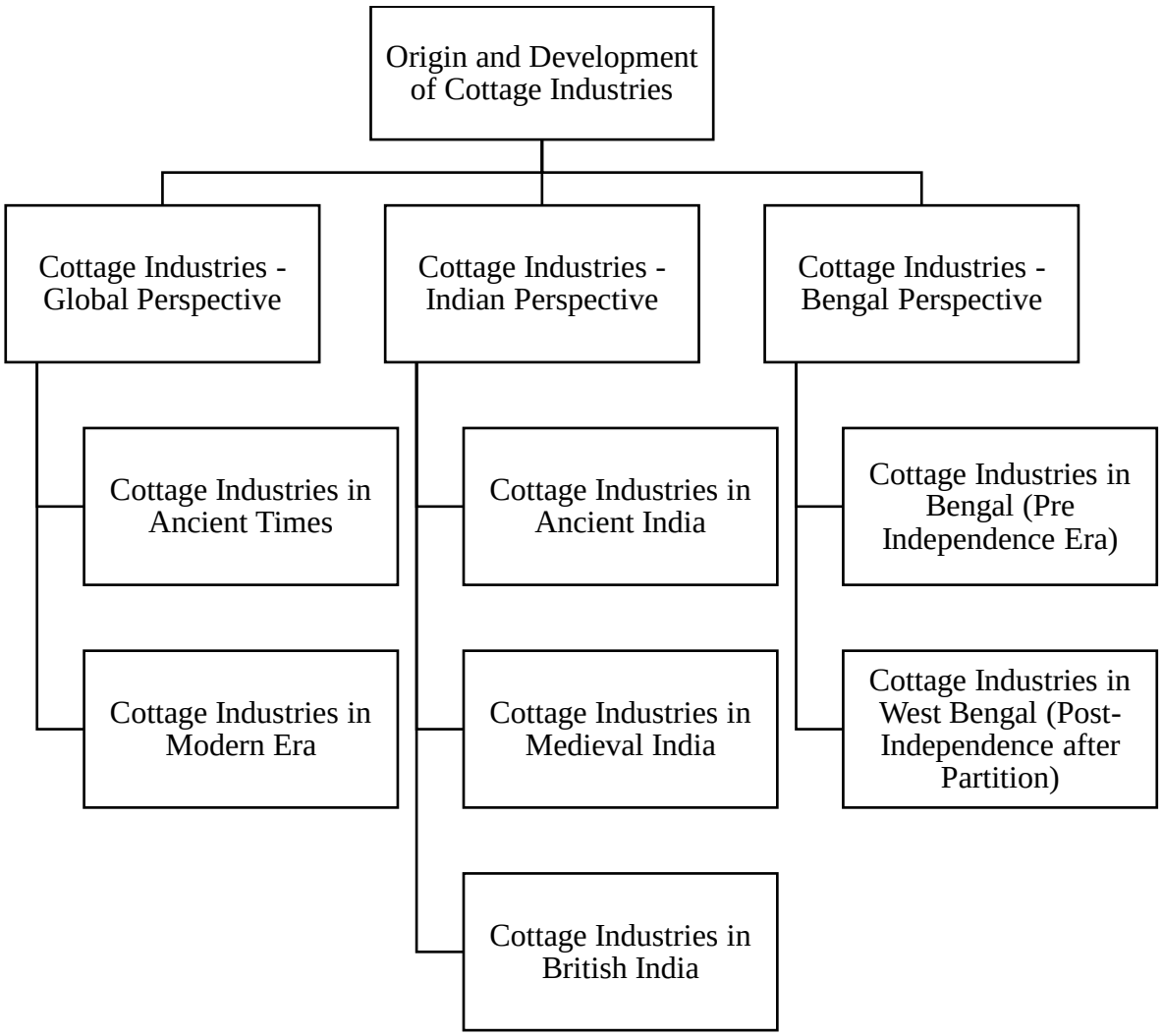
There is a popular saying that real India actually resides in rural India. A huge population of India comprises of the rural population and is dependent on small and cottage industries. In other way, Indian economy is dependent on small and cottage industries, not only in terms of economic contribution but also in terms of rich cultural heritage. The goods manufactured by the small and cottage industries bears a distinct speciality of their own which is quite different from the other goods. Each and every product manufactured by the small and cottage industries is crafted with a personal touch which might make it visibly distinct from other products in the market. May be that is the sole reason why even today in the era of globalisation and flourishing international markets, in such a tough competitive business environment, the small and cottage industries are still standing out with a uniqueness of their own. Small and cottage industries are the only reason for the indigenous goods being able to compete with the foreign goods in today's world.

Since the ancient period India has got a rich cultural heritage. It has attracted foreign merchants and traders from all over the globe. In fact, it has helped India to develop a good business relation with the Greeks, Chinese and the Arabs. During the Mughal era, India flourished to a great extent because of the meaningful contribution of the highly skilled artisans and craftsmen of India. In fact, it was that time when it was called the 'Golden Era of Indian History'. But the business environment in India drastically changed due to the British invasion. This is because of the fact that the British traders happened to find out that Indian labour was highly skilled and cheap as well. So they exploited the Indian artisans to such an extent that its effect started to show in the downfall of the small and cottage industries. In the same context, the Industrial Revolution in the West also seemed to trigger the gun that gave fatal blow to the Indian economy, which marked the decline of the Indian small and cottage industries. Though Mahatma Gandhi started the 'Swadeshi Movement' and 'Boycott Movement', but it was since then that the small and cottage industries have been lagging behind till date.

3.2 Origin & Development of Cottage Industries

Originally, the term ‘cottage industry’ described a production system where craftsmen made goods in their homes instead of factories. Now, it also refers to small-scale, often informal industries or economic activities focused on a specific niche.

Fig. No. 1.1: Fig. no. 1.1 represents origin and development of cottage industries in terms of different perspectives, further classified into different eras.



3.2.1 Cottage Industries – Global Perspective

The initial cottage industries played a crucial role in pre-industrial economies. In the Middle Ages, for example, the clothing and textile sectors thrived through cottage industries. The spinning and weaving of wool and other fibres were carried out within households, which helped bolster the local economy. This pattern was also observed in silk weaving, which was prevalent in regions across Asia and Europe.

3.2.1.1 Cottage Industries in Ancient Times

Evidence from different archaeological remains shows that in the Neolithic Age, human beings manufactured tools and weapons with a high level of skill and precision. People started to learn the art of weaving cloth from wool and cotton. Apart from weaving another important invention of mankind was the 'Potter's Wheel'. Pottery was an art that human beings started to learn from this age. Initially the pots were made by hand, but later on after the invention of potter's wheel their job became easier. Thereafter the invention of potter's wheel, soon they started manufacturing cloth from spinning wheel. There is evidence from remains of the existence of different metal handicrafts in the Metal Age. Various tools and instruments made of metals like copper, bronze etc. were manufactured by the people at their homes. Most of the times it was found that these tools were made by the artisans with their bare hands due to unavailability and non-existence of sophisticated machinery. People used to live in groups or tribes and used to manufacture such handicrafts together with the help of the members of their tribe. Tools and instruments like axes, spearheads, swords etc. were some of the most common equipment manufactured by the artisans in those days. Earlier before the Metal Age, such tools were made of stones carved out of rocks. It has also been found from the remains that before metal was in use, people used to make tools and instruments from bones and horns of the animals hunted by them. The Metal Age introduced the use of metal in manufacturing different goods of daily use, mostly tools, instruments and utensils. Similarly, clay pots and earthenware were gradually replaced by metal utensils made of copper and bronze in the Metal Age. Initially people used to somehow make cloth out of any kind of fabric available. Soon they learnt the art to dye and began manufacturing coloured clothes made out of naturally manufactured dyes made of organic elements found in the lap of nature. Gradually the clothes were found to be more appealing and attractive because of the use of colours and paints. Earlier human beings had started manufacturing goods just for the sake of using them in their daily lives. Utility and durability were the mere qualities that they looked for in any material. Eventually with time and with the advent of different inventions, utility and durability were not the only factors of importance in the course of manufacturing goods. They soon started to discover the aesthetic aspect of the daily objects that was well reflected in their creations. Now their crafts were not only useful and durable, but were also quite decorative in their own simple ways and were artistic.

3.2.1.2 Cottage Industries in Modern Era

The earliest cottage industries originated in the United Kingdom, involving light manufacturing operations and subcontracted garment making, shoemaking, sewing, textiles and metal handicrafts. During the same period, similar setups also started to emerge in the United States. In these setups, family members were responsible for producing finished goods using raw materials provided by a business manager. Many industries that now operate in facilities or factories were once cottage industries before the Industrial Revolution.

The dispersed population of the American colonies led to widespread independent farming and household manufacturing. Initially, textile production was a prevalent form of cottage industry, with families raising sheep and then spinning, knitting and finishing the cloth at home. Other items crafted in homes and later sold in rural markets included glassware, needles and thread, trinkets, cutlery, fabric and firearms. As early as 1640, an Act of the legislature in Massachusetts supported vocational education through lessons on spinning flax at home, indicating an early form of manufacturing in the Americas rooted in cottage industries. By 1820, two-thirds of textile production in the Americas still occurred in homes, though manufacturing was gradually shifting from homes to shops and then to factories.

Despite the shift towards industrialization, the spirit of independence and entrepreneurship remains strong in the Americas, with running a business being part of the American dream. While the cottage industry may have declined in the last century, home-based businesses continue to thrive in various forms.

Modern cottage industries primarily cater to customers seeking unique handcrafted products. These industries often specialize in services that require minimal personnel to operate. Creative artists, such as those skilled in pottery, painting and sculpture are frequently part of the cottage industry, as they can manage the entire production process alone or with a small team.

With the rise of e-commerce, many cottage industries are experiencing a resurgence. Artisans and creative artists can now use online platforms to sell their products, ranging from custom wood working to hand-sewn clothing and crafts. For example, platforms like Etsy in the United States enable vendors to list their products including a wide array of original artisanal items crafted by individuals or small groups for sale to a global audience. Similarly, eBay encourages individuals to create and sell products independently to a potentially vast market. While mass production has become the norm for most goods, handcrafted products are still revered for their perceived higher quality.

3.2.2 Cottage Industries – Indian Perspective

Cottage industries in India have a rich historical legacy dating back to ancient times. They were vital for many communities and played a key role in advancing India's economic growth. These industries produced a wide range of goods including textiles, pottery, metalwork and artisanal crafts. The handloom and textile sector, in particular, thrived for centuries, producing exquisite fabrics such as silk and cotton. The advent of British colonial rule in India brought significant changes to these industries. The British East India Company's exploitation led to a decline in indigenous production. Mass-produced British goods flooded the Indian market, impacting local artisans and craftsmen. Despite these challenges, cottage industries managed to survive and adapt, retaining their cultural and economic importance.

3.2.2.1 Cottage Industries in Ancient India

Ancient India was reputed for her skilled labourers and expert artisans. Evidence exists of small-scale home-based industries in ancient India around 3000 B.C., during which time there were trading interactions between India and Babylon. Along the banks of the Indus river from 3000 B.C. to 2000 B.C., inhabitants crafted various items from metals like bronze, copper etc. In the Indus Valley civilization, materials such as copper, tin, lead, shells, gold, silver, ivory, bones and ceramic were utilized to produce a range of goods. During that period, there is no indication that iron was used. Remarkable advancements were made by the people of that era in the field of pottery. The pottery from the Indus Valley was typically made using a wheel. It has been noted that this region's glazed pottery represents the earliest known examples of such craftsmanship in the ancient world. The pottery came in various earthy shapes and was utilized by the Indus people for everyday purposes. These clay pots had a glossy finish that remarkably still persists today. Although vessels made from copper, bronze and silver have been discovered in excavations, no items made of iron have been found. The craftsmen in the Indus Valley, including potters, weavers, blacksmiths, goldsmiths, ivory workers and stone cutters, possessed exceptionally advanced technical skills. A remarkable testament to the presence of cottage industries in ancient history is the use of premium Indian ‘muslin’ for the wrapping of Egyptian tombs, constructed around 2000 B.C. It was noted by different historians that there was significant commerce between India and Italy, with a considerable amount of Italian wealth being transferred to Indian producers. The globally renowned Dacca ‘muslin’ was referred to as "Gangetika" by the Greeks. During the Vedic Age, esteemed positions were held by craftsmen such as carpenters, goldsmiths, blacksmiths, potters and weavers. Aryan men

collaborated with women in their households to produce a variety of tools and decorative items. The Vedic Aryans displayed superior skills in both carpentry and metalworking, creating vessels, likely for home use, in addition to crafting gold jewellery, textiles and pottery and they were knowledgeable in sewing, spinning and tanning.

The skill of iron mining and processing emerged, with iron becoming a crucial material for crafting tools and weapons like axes, swords and daggers by 1000 B.C. This revolutionized handicrafts, as the widespread availability of iron enabled artisans to greatly improve their tools and creations.

During the Nanda era, there's archaeological evidence of domestic product manufacturing. Later Vedic texts reveal a sophisticated understanding and utilization of metals, with artisans working with copper, iron and also incorporating lead, tin and silver. Clothing materials ranged from cotton and linen to silk and wool. The royal ceremonies featured linen garments embroidered with ritual vessel motifs, highlighting an early embroidery trade. Moreover, this period saw the production of iron tools such as knives, axes, daggers, needles, along with bricks, plates and more. The jewellery and pottery sectors were well-established. Ancient texts detail how craftsmen were organized into groups, numbering eighteen, covering various professions including woodworkers, smiths, leather workers and painters, all recognized as experts in their fields. The existence and diversity of Indian arts and crafts, including wood carving, pottery, glass cutting, ivory carving, weaving and metalworking, are unequivocally acknowledged.

Ancient India was renowned for its industrial prowess, where its craftsmen's skills not only garnered widespread admiration but also fostered significant trade and profit. During the Mauryan era, these crafts evolved into cottage and small-scale industries, with the topography of cities supporting this development as traders of the same craft typically resided in the same areas. The Mauryan period witnessed a well-organized system of artisans and craftsmen, who were grouped into guilds, a practice that began in the early Buddhist period. The term "Kammara" was used to denote superior craftsmen such as carpenters, ironsmiths and potters, who often lived in distinct villages. This era was marked by advancements in glass making and hard stone carving, alongside the production of metal items like bows, javelins and swords, utilizing materials such as iron, copper, lead, gold and silver for both domestic and military purposes.

Notable artefacts from this period include the copper bolt on the Asokan pillar and Mauryan copper cast coins, evidencing the era's metal usage. Iron was crafted into tools and weapons at artisans' homes, with later periods showing a broader production range including agricultural implements and household items. The era's jewellery, exemplified by discoveries at Hastinapur and Bhir Mound, demonstrated the goldsmiths' exquisite skill.

Stone cutting and carving were revered for their artistic beauty, though their use was limited to the affluent. Wooden furniture gained popularity, especially during Asoka's reign, indicating the significance of carpentry. Ivory and bone work also flourished, with woodworking guilds being particularly active. The textile industry thrived as a key cottage industry, producing durable and fine cotton fabrics in regions like Madhura and Kalinga, alongside wool, linen and silk textiles, some of which were fine enough to pass through a ring. Pottery, another significant industry, saw widespread use of earthenware and the development of the sophisticated 'northern black polished ware', used extensively for dishes and bowls. The exact origin of this ware is uncertain, though it was highly priced and possibly exported from regions like eastern Rajasthan and Central India.

During the Gupta period, industries expanded to include cloth, pottery, wooden items and iron implements, with craftsmanship playing a crucial role in the economic landscape. Carpenters, in particular, were highly valued, reflecting the era's demand for wooden goods. Textile production was highly advanced, catering to diverse material needs such as muslin, silk, linen and wool, with the industry prominently based in Gujarat and the Deccan. The iron industry also flourished, producing essential tools and showcasing remarkable skill, as evidenced by the Mehrauli Iron Pillar near Delhi. Ivory was utilized in furniture making and seal manufacturing, showcasing the era's intricate craftsmanship and industrial variety.

The different handicrafts during the period of the Mauryas and later the Gupta dynasties eventually took the shape of the beginning of small and cottage industries in India. In fact, according to some researchers, the ancient Indian topography also helped in the development of a certain craft which was feasible only at a particular area with the help of the local inhabitants. In this way specific regions started to emerge with their own uniqueness in art and crafts bearing unique traditions. In the ancient period the arts of glass making and hard stone carving were mention worthy. Metals like iron, copper, lead, gold and silver were used to manufacture various articles for both domestic and military purposes, which comprised of bows, arrows, swords, spears, coins, crappers, jewellery, agricultural tools and equipment,

household vessels etc. Cotton was processed with such expertise that an entire stretch of cloth could pass through a small finger ring. Apart from cotton, other fabrics included silk, wool, and linen. Fabrics were used to manufacture garments and blankets. The art of making earthenware or pottery deserves special mention as it was the backbone of the small industries. This is because majority of the articles which were used on a day to day basis were comprised of earthenware. Remains of the past also reveal that the art of terracotta also reached enormous perfection in its own way in the ancient period in India.

3.2.2.2 Cottage Industries in Medieval India

However, the flourishing state of Indian industries experienced a decline in the 12th century, when Marco Polo, the Italian explorer, visited India. He was astounded by the finesse of Indian ‘muslins’, describing them as so delicate they seemed to be spun from spider webs, coveted by monarchs worldwide. The 14th century saw textiles emerge as a dominant industry, notably due to advancements in cotton production technology, including the introduction of the spinning wheel. The ‘charkha’, gained popularity by the mid-14th century, significantly boosting cloth production and spinner efficiency. In the twelfth century, there was a huge improvement in the textile industry with the invention of the famous spinning wheel or the ‘charkha’ to manufacture cloth. With the introduction of the ‘charkha’, the efficiency of the spinner as well as the level of production increased. The era's technological advancements in weaving looms remain uncertain. Various textiles were produced, ranging from the coarse 'pat' worn by the poor to 'mahin,' a slightly superior fabric popular among Turks and soldiers in Delhi and 'batik,' the priciest of all. Bengal and Gujarat were renowned for their exquisite cotton fabrics.

Silk and cotton-silk blends, like the ‘Juz’ cloth from Delhi and Mashru, were also significant, with Gujarat excelling in silk weaving and famed for its gold and silver embroidery. Kashmir's shawl industry, backed by the Sultanate's patronage, mirrored the tastes of Iran and Central Asia. Textile production was predominantly a home-based industry led by women. Muhammad Tughluq's Delhi workshops employed thousands in silk work, fulfilling substantial orders each winter.

Indian swords, renowned globally for their quality, were produced in various metals, including a prized possession known as ‘maujdarya’. Southern India was noted for its copper mines and the craftsmanship of bronze and brass, with records indicating a robust trade in these metals and crafted items with the West, underscoring the high regard for Indian metalwork.

Despite setbacks to many cottage industries due to continuous Muslim conquests up to the early 16th century, the Mughal Empire's establishment saw a resurgence. The rural economy was characterized by diverse cottage industries, from agriculture-based sectors like sugar cane and oil pressing to textiles. Women mainly threshed corn by hand due to the absence of organized industry, while flour-milling and rice-husking remained household tasks. The sugar cane industry thrived in regions like Bengal and Malabar, producing various sugar products. Oil pressing, too, was a notable industry across various Indian regions, continuing traditional methods.

Bengal and Gujarat leaded in manufacturing cotton fabrics in the medieval period in India. Along with the spinners, the weavers also made remarkable excellence in crafting gold and silver embroideries on the fabrics. Apart from the textile industries, the cottage industries also made their way by engaging into agro based cottage industries like sugar cane, oil pressing, indigo, jiggery, honey, wine, tobacco etc. These were the most leading agro based small and cottage industries in the Mughal period in medieval India. So it is well understood that the cottage industries were the backbone of the rural economy in the medieval period and so sufficient importance was given to the small and cottage industries sector in that era. However, Bengal marked its name for leading in the field of textile as well as agro based small and cottage industries in the medieval period.

3.2.2.3 Cottage Industries in British India

Before the British invaded India, the Indian economy had already flourished to a great extent due to the enormous contribution of the small and cottage industries. During the British period, along with the existing industries, the Indian cottage industries excelled in the art of making perfumes which deserves special mention. Other handicraft works included leather work, handmade jewellery, conch shell articles, pottery, soap making, ivory works, carpet weaving, goldsmith, silversmith, beauty products and cosmetics, tailoring etc. Various handicraft goods were manufactured and crafted with immense artistic beauty and high level of skill. Beauty products, purely herbal in nature were one of the many attractions over the globe. For instance, ‘Multani Mitti’, was manufactured by artisans from a place named Multan in the district of Sind. The fertile soil of the land of five rivers was the secret behind the uniqueness of the beauty pack that made it so special. Again, handmade paper was much in use at that time because before that palm leaves were used for writing. Another significant cottage industry was the brick industry and once again Bengal leaded the way to brick industry in that era. Lac

industry was another cottage industry which was very much popular throughout Bengal. Lac was cultivated all over Bengal and gum lac was used to make bangles, jewelleries, toys, furniture etc. Bengal cottage industry also marked its excellence in manufacturing different articles from bamboo. Among other bamboo products in Bengal, bamboo furniture seems to be mention worthy. But sadly the British traders happened to find out that Indian labour was highly skilled and cheap as well. So they exploited the Indian artisans to such an extent that its effect started to show in the downfall of the small and cottage industries. In the same context, the Industrial Revolution in the West also seemed to trigger the gun that gave fatal blow to the Indian economy which marked the decline of the Indian small and cottage industries.

Regrettably, the latter half of the 18th century saw a decline in Indian cottage industries as a result of the British government's unfavourable policies. Prior to this era, cotton weavers significantly boosted Bengal's economy, but the imposition of harsh working conditions and unfair prices led to the industry's downturn. The infamous 1770 famine further devastated the cotton industry, killing many cotton growers, spinners and weavers. However, the demand for cotton cloth in Bengal continued to rise.

During the Mughal era, there was no encouragement for opium cultivation, but later on, it had become a significant agro-based cottage industry, generating substantial profits. The advent of British trade introduced stiff competition from English handicrafts, which were cheaper and aesthetically appealing. Despite these challenges, textile industries remained a cornerstone of India's national industry, with substantial exports to the United Kingdom in the early 19th century. Bengal was particularly noted for its cotton weaving, silk weaving and reeling activities, with Dacca muslin being a notable export to England.

In early 19th century Southern India, various industries such as pottery, weaving, blacksmithing and dyeing thrived, alongside leather tanning and coconut oil production. The Mysore region was known for its coarse muslin and other textiles. Northern India and parts of Bengal saw a proliferation of spinning and weaving industries, with significant numbers of women engaged in weaving. Handmade paper, leatherwork and metalwork were also prominent in regions like Bihar, Shahabad and Bhagalpur, contributing significantly to local economies.

Spinning and weaving emerged as major national industries in the early 19th century, with detailed records of loom usage and production values indicating the scale of these activities. Despite the decline caused by the East India Company's policies, some cottage industries

managed to survive and even thrive, exporting goods to England. However, import duties and restrictive laws imposed by the British adversely affected many Indian cottage industries, with muslin production facing significant reductions by 1801 and declining calico exports thereafter.

Throughout history, India's indigenous cottage industries have consistently attracted international traders and merchants, playing a crucial role in establishing trade links with Greek, Chinese and Arab merchants. These industries thrived during the medieval period under the governance of Turk, Afghan, and Mughal rulers. However, the arrival of the East India Company marked a significant shift in the operation of these industries. Driven by a desire for luxury goods at minimal costs, European traders and merchants heavily exploited Indian workers, resulting in a marked decline in cottage industry production. Additionally, the Industrial Revolution in the West dealt a further blow to their economy, leading to a significant reduction in their numbers.

Prior to the early 19th century, Indian industries were thriving with mills and factories yet to make their appearance in the country. Despite the emergence of factories, cottage industries continued to decline, largely due to the British government's detrimental policies towards Indian industries. Nevertheless, a resurgence occurred for Indian cottage industries when the British lifted duties and tariffs on exported goods, signalling a return to the prosperous days for these traditional industries.

3.2.2.4 Cottage Industries in different parts of India

Cottage industries are crucial for India's economy, providing employment and livelihood. They are often family-run, small-scale and informal businesses, with the owner usually living on the premises. The Cottage Industry is an unorganized sector where individuals are involved in craftsmanship such as handicrafts, pottery, knitting, handloom weaving and similar activities. Cottage industries play a crucial role in India's economy and cultural heritage by providing employment, supporting rural development and preserving traditional craftsmanship. Cottage industries, essential to the Indian economy, are small, informal businesses typically operated from homes or nearby dwellings, managed by family members. These small-scale units rely on local labour and modest investments. They are characterized by their decentralized nature, often using simple hand-operated tools and local raw materials. With deep historical roots, these industries serve as pillars of cultural heritage and livelihoods. They continue to be vital for creating jobs, particularly in rural regions. Despite facing challenges like restricted access

to funding and markets, Indian cottage industries have a promising future, supported by government initiatives and opportunities in the digital era.

India, renowned for its rich cultural heritage, boasts a diverse range of cottage industries, spanning from traditional handicrafts to specialized sectors. Here are the primary cottage industries in India:

Textile Weaving

Cotton/Handloom Weaving: A vital sector in India, cotton weaving has ancient origins and produces garments renowned for their vibrant colours, intricate designs and handloom craftsmanship. The cotton weaving industry holds significant importance in India, as cotton clothing is widely worn throughout the country. This expertise has roots in ancient times and is renowned for its vibrant colours, timeless designs and intricate patterns crafted by skilled weavers using handlooms. Tamil Nadu, Maharashtra, and Gujarat are the leading states in cotton production in India. Malmal, Chhint, Durri and Khadi are some of the most famous handloom weavings of cottage industries of India. Leading cotton-producing states include Tamil Nadu, Maharashtra and Gujarat.

Table No. 1.1: Table no. 1.1 shows different states of India engaged in weaving fabric

S.No.	Handloom/Cotton Weaving	States/Regions Engaged in Production
1	Malmal	Meerut, Mathura, Madurai, Varanasi, Ambala
2	Chhint	Machhilipattanam
3	Durri	Agra, Jhansi, Aligarh, Ambala
4	Khadi	Amroha, Calicut, Pune

Silk Weaving: Sericulture is a farming-based industry that involves the cultivation of silkworms to produce raw silk. Raw silk is the thread extracted from cocoons spun by specific insects. Sericulture includes activities such as growing food plants for silkworms, harvesting silk cocoons and processing and weaving silk for various purposes. In India, millions of people are employed in the sericulture cottage industries, making it a significant source of employment in rural areas. India's silk weaving industry holds significant prominence both domestically and internationally. Karnataka, particularly, stands out as the foremost silk-producing state, with varieties such as Tussar, Mulberry, Eri and Muga silk widely cultivated. Karnataka, Andhra Pradesh, Uttar Pradesh, Assam, Tamil Nadu, West Bengal and Jammu and Kashmir are the

states in India known for silk production. Some of the renowned silk sarees from different states of India are the following:

Chanderi Silk Saree: Made from Chanderi cotton and silk cotton in Chanderi, Madhya Pradesh, these sarees are lightweight and have a shimmering appearance, recognized as Geographical Indications in India.

Banarasi Saree: Finely woven with gold and silver zari, Banarasi sarees are crafted from silk in Banaras, Uttar Pradesh. Variants include Tanchoi, Organza and Katan.

Assam Silk: Produced in Assam, Muga silk is highly durable and used in traditional Assamese dress like Mekhela chador and Assam silk sarees.

Sambalpuri Silk Saree: Manufactured in Sambalpur, Bargarh, Sonepur and Berhampur, these sarees are also listed under the Government of India's Geographical Indications.

Kancheepuram Silk Saree: Crafted in the Kanchipuram region of Tamil Nadu, these sarees are also listed under Geographical Indication by the Government of India.

Baluchari Sari: Originating from Bengal and made of tassar silk, these sarees are produced in Malda district, West Bengal.

Konrad Silk Saree: Also known as Temple Saree, these sarees are mainly woven for temple deities. They are part of the traditional beauties of South Indian silk sarees along with Mysore, Kanjeevaram Silk, Chettinad, Gadwal and Pochampally Sarees.

Paithani Silk Sarees: Made from very fine silk in Paithan town of Aurangabad, these sarees are considered as one of the finest and richest fabrics of India.

Patola Saree: Made in Patan, these sarees are usually crafted from silk and are highly popular among high-class women for their double Ikkat designs featuring elephants, flowers and parrots.

Mysore Silk Saree: Produced from mulberry silk and processed in the Mysore district of Karnataka, these sarees are renowned for their quality.

Bomkai Silk Sari: Also known as Sonepuri Sari, these are produced in Subarnapur district and are known for their exquisite designs.

Bhagalpuri Silk Sarees: Made from Tussar silk produced by silk worms, these sarees are known for their unique texture. Raigarh Kosa Silk Saree and Jharkhand Tussar Silk Sarees are other variants produced from Tussar silk, known as Kosa silk.

Table No. 1.2: Table no. 1.2 shows the different types of Silk weaved by different states or regions in India

S.No.	Types of Silk Weaving	States/Regions Engaged in Production
1	Chanderi	Chanderi- Madhya Pradesh
2	Banarasi	Banaras- Uttar Pradesh
3	Assam	Assam
4	Sambalpuri	Sambalpur, Bargarh, Sonepur and Berhampur- Orissa
5	Kancheepuram	Kancheepuram- Tamil Nadu
6	Baluchari	Malda district- West Bengal
7	Konrad	Mysore- Karnataka
8	Paithani	Paithan- Aurangabad
9	Patola	Patan- Gujarat
10	Mysore	Mysore- Karnataka
11	Bomkai	Subarnapur- Orissa
12	Bhagalpuri	Raigarh- Jharkhand

Woollen Knitting: Amritsar, Dhariwal, Ludhiana, Machhilipattanam, Sri Nagar, Warrangal are the leading states in manufacturing woollen textiles.

Carpet Weaving: The art of carpet weaving was introduced to India during the Mughal period. Kashmiri carpets are particularly renowned for their distinctive texture and high quality. Additionally, coir and durries carpets are popular choices. The carpet industry is widespread across India, with major production centres located in Rajasthan, Kashmir, Uttar Pradesh, Punjab and Andhra Pradesh. To further promote the industry, the Indian government has established the Carpet Export Council, focusing on promoting knotted rugs nationwide. Introduced during the Mughal era, India's carpet weaving industry produces renowned Kashmiri carpets known for their distinctive texture and quality. Additionally, ‘Coir’ and ‘Durrie’ carpets are popular, with major production hubs located in Rajasthan, Kashmir, Uttar Pradesh, Punjab and Andhra Pradesh.

Leather Production: India ranks among the world's leading producers of high-quality leather, catering to meet the global demand. Employing millions of individuals, the leather sector is a key contributor to India's exports, with West Bengal, Tamil Nadu and Uttar Pradesh being major producing states.

Metal Work: Utilizing metals to craft a wide array of products including utensils, figurines and jewellery, India's metal handicrafts are highly esteemed worldwide. These products, crafted with traditional hand-operated tools, are renowned for their craftsmanship and significantly contribute to the country's economy.

Table No. 1.3: Table no. 1.3 showing number of registered and unregistered small scale industries in India as on 31.03.2007

State-wise Number of Registered and Un-Registered Small Scale Industries (SSI) in India (As on 31.03.2007)			
States/UTs	**No. of SSI Units Functioning**		
	Registered	**Un-Registered**	**Total**
Jammu & Kashmir	20782	68944	89726
Himachal Pradesh	18139	77433	95572
Punjab	69604	372193	441797
Chandigarh	1536	25076	26612
Uttarakhand	30268	107350	137618
Haryana	43945	219363	263308
Delhi	7676	203229	210905
Rajasthan	65967	472761	538728
Uttar Pradesh	287627	1829164	2116791
Bihar	74868	554641	629509
Sikkim	244	230	474
Arunachal Pradesh	469	1109	1578
Nagaland	3479	15545	19024
Manipur	5294	51877	57171
Mizoram	4458	9877	14335
Tripura	1146	27995	29141
Meghalaya	4257	24334	28591

Assam	21837	213739	235576
West Bengal	49249	871972	921221
Jharkhand	28468	134752	163220
Orissa	19815	448653	468468
Chhattisgarh	41209	273909	315118
Madhya Pradesh	154439	822542	976981
Gujarat	186106	460273	646379
Daman & Diu	1924	1112	4579
Dadra & Nagar Haveli	1543		
Maharashtra	134212	855042	989254
Andhra Pradesh	72107	971405	1043512
Karnataka	159882	644929	804811
Goa	3089	5565	8654
Lakshadweep	126	549	675
Kerala	197842	344768	542610
Tamil Nadu	316518	690166	1006684
Pondicherry	2722	8398	11120
Andaman & Nicobar Islands	1063	2969	4032
India	2031910	10811864	12843774

Source: 4th All India Census of MSME 2006-2007 (Unregistered Sector) dated on 20.08.2007, Ministry of Commerce & Industry, Govt. of India. & Ministry of Micro, Small and Medium Enterprises, Govt. of India.

Table No. 1.4: Table no. 1.4 showing distribution of unregistered SSI units (2019-2020)

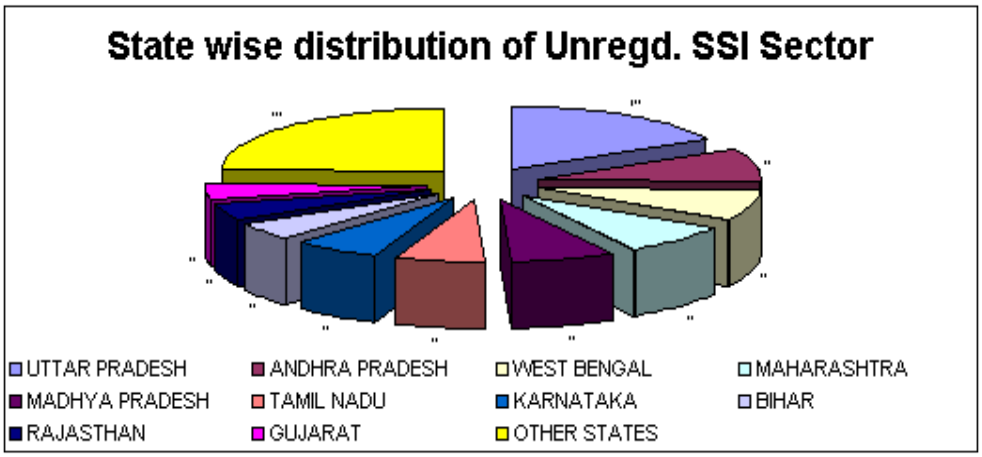
S. No.	Name of State/UT	Estimated no. of units in unregistered SSI Sector	Percentage to Total
1.	JAMMU & KASHMIR	58500	0.64
2.	HIMACHAL PRADESH	65307	0.71
3.	PUNJAB	311811	3.41
4.	CHANDIGARH	20966	0.23
5.	UTTARANCHAL	91199	1.00

6.	HARYANA	183710	2.01
7.	DELHI	169720	1.86
8.	RAJASTHAN	398427	4.36
9.	UTTAR PRADESH	1545039	16.89
10.	BIHAR	467244	5.11
11.	SIKKIM	194	0.00
12.	ARUNACHAL PRADESH	997	0.01
13.	NAGALAND	13293	0.15
14.	MANIPUR	43400	0.47
15.	MIZORAM	8383	0.09
16.	TRIPURA	23393	0.26
17.	MEGHALAYA	20581	0.23
18.	ASSAM	179926	1.97
19.	WEST BENGAL	729240	7.97
20.	JHARKHAND	114124	1.25
21.	ORISSA	375911	4.11
22.	CHHATTISGARH	229991	2.51
23.	MADHYA PRADESH	691613	7.56
24.	GUJARAT	391777	4.28
25. & 26.	DAMAN & DIU & DADRA & NAGAR HAVELI	1291	0.01
27.	MAHARASHTRA	720470	7.88
28.	ANDHRA PRADESH	812513	8.88
29.	KARNATAKA	548334	6.00
30.	GOA	4958	0.05
31.	LAKSHADWEEP	464	0.01
32.	KERALA	305838	3.34
33.	TAMIL NADU	607933	6.65
34.	PONDICHERRY	7139	0.08
35.	ANDAMAN & NICOBAR ISLANDS	2530	0.03
All India		9146216	100.00

Source: 4th All India Census of MSME 2006-2007 (Unregistered Sector) dated on 20.08.2007, Ministry of Commerce & Industry, Govt. of India. & Ministry of Micro, Small and Medium Enterprises, Govt. of India.

Approximately 75.58% of the units in the unregistered SSI Sector were located in 10 States viz., Uttar Pradesh, Andhra Pradesh, West Bengal, Maharashtra, Madhya Pradesh, Tamil Nadu, Karnataka, Bihar, Rajasthan and Gujarat.

Fig. No. 1.2: Fig. no. 1.2 represents state-wise distribution of unregistered SSI sectors in India.



Source: 4th All India Census of MSME 2006-2007 (Unregistered Sector) dated on 20.08.2007.

Table No. 1.5: Table no. 1.5 showing overall performance of small scale industries in India (1973-1974 to 2012-2013)

Performance of Small Scale Industries in India (1973-1974 to 2012-2013)							
Years	**Units (Million Nos.)**	**Production (₹ in Billion)**		**Employment (Million Nos.)**	**Prod. Per Employee (₹ thousand) At Constant Prices**	**SSI Exports**	
		At Constant Prices	**At Current Prices**			**₹ in Billion**	**US$ in Million**
1973-74	0.42	342.00	72.00	3.97	86	4.00	500
1974-75	0.50	361.00	92.00	4.04	89	5.00	678
1975-76	0.55	425.00	110.00	4.59	93	5.00	615
1976-77	0.59	468.00	124.00	4.98	94	8.00	857
1977-78	0.67	528.00	143.00	5.40	98	8.00	987
1978-79	0.73	582.00	158.00	6.38	91	11.00	1303
1979-80	0.81	664.00	216.00	6.70	99	12.00	1518
1980-81	0.87	722.00	281.00	7.10	102	16.00	2078
1981-82	0.96	783.00	326.00	7.50	104	21.00	2309

1982-83	1.06	847.00	350.00	7.90	107	20.00	2116
1983-84	1.16	935.00	416.00	8.42	111	22.00	2093
1984-85	1.24	1046.00	505.00	9.00	116	25.00	2137
1985-86	1.35	1181.00	612.00	9.60	123	28.00	2263
1986-87	1.46	1336.00	723.00	10.14	132	36.00	2851
1987-88	1.58	1505.00	873.00	10.70	141	44.00	3372
1988-89	1.71	1699.00	1064.00	11.30	150	55.00	3790
1989-90	1.82	1899.00	1323.00	11.96	159	76.00	4579
1990-91	6.79	847.28	788.02	15.83	54	96.64	5386
1991-92	7.06	873.55	806.15	16.60	53	138.83	5632
1992-93	7.35	922.46	844.13	17.48	53	177.84	6140
1993-94	7.65	987.96	987.96	18.26	54	253.07	8068
1994-95	7.96	1087.74	1221.54	19.14	57	290.68	9258
1995-96	8.28	1211.75	1477.12	19.79	61	364.70	10903
1996-97	8.62	1348.92	1678.05	20.59	66	392.48	11056
1997-98	8.97	1462.63	1872.17	21.32	69	444.42	11958
1998-99	9.34	1575.25	2104.54	22.06	71	489.79	11642
1999-00	9.72	1703.79	2337.60	22.91	74	542.00	12508
2000-01	10.11	1844.01	2612.97	24.09	77	697.97	15278
2001-02	10.52	2822.70	2822.70	24.93	112	712.44	14938
2002-03	10.95	3067.71	3148.50	26.02	116	860.13	17773
2003-04	11.40	3363.44	3645.47	27.14	122	976.44	21249
2004-05	11.86	3729.38	4297.96	28.26	130	1244.17	27690
2005-06	12.34	4188.84	4978.42	29.49	140	1502.42	33935
2006-07	36.18	11988.18	135.14	80.52	149	1825.38	40309
2007-08	37.74	13227.77	14351.79	84.20	157	2020.17	50202
2008-09	39.37	13755.89	15242.35	88.08	156	-	-
2009-10	41.08	14883.52	16193.56	92.18	161	3911.59	82494
2010-11	42.87	16536.22	17215.53	96.52	171	5077.39	111403
2011-12	44.76	17885.84	18343.32	101.17	177	6301.05	131483
2012-13	46.75	18099.76	-	106.14	171	6981.66	128316

Source: 4th All India Census of MSME 2006-2007 (Unregistered Sector) dated on 20.08.2007, Ministry of Commerce & Industry, Govt. of India. & Ministry of Micro, Small and Medium Enterprises, Govt. of India.

Table No. 1.6: Table no. 1.6 showing contribution of Small scale industries to India's total export (1951-1952, 1961-1962, 1971-1972 to 2005-2006)

Share of Small Scale Industries in Total Exports from India (1951-1952, 1961-1962, 1971-1972 to 2005-2006)					
					(₹ in Crore)
Year	**Total Exports**	**Percentage Increase**	**Exports from SSI Sector**	**Percentage Increase**	**% age Share of SSI Sector**
1951-52	716.0		Negligible		-
1961-62	660.0		Negligible		-
1971-72	1608.0	-	155.0	-	9.6
1972-73	1971.0	22.6	305.8	97.3	15.5
1973-74	2523.4	28.0	393.2	28.6	15.6
1974-75	3332.9	32.1	540.7	37.5	16.2
1975-76	4042.3	21.3	532.1	(-) 1.6	13.2
1976-77	5142.3	27.2	765.8	43.9	14.9
1977-78	5484.3	6.7	844.8	10.3	15.4
1978-79	5726.3	4.4	1069.2	26.6	18.7
1979-80	6458.8	12.8	1226.3	14.7	19.0
1980-81	6710.7	3.9	1643.2	34.0	24.5
1981-82	7805.9	16.3	2070.6	26.0	26.5
1982-83	8907.8	14.1	2045.0	(-) 1.2	23.0
1983-84	9872.1	10.8	2164.0	5.8	21.9
1984-85	11493.7	16.4	2540.8	17.4	22.1
1985-86	10894.6	(-) 5.2	2769.1	9.0	25.4
1986-87	12566.6	15.3	3643.7	31.6	29.0
1987-88	15741.2	25.3	4373.0	20.0	27.8
1988-89	20295.2	29.0	5489.6	25.5	27.1
1989-90	27681.5	36.4	7625.7	38.9	27.5
1990-91	32553.3	17.6	9664.2	26.7	29.7
1991-92	44041.8	35.3	13883.5	43.7	31.5
1992-93	53350.5	21.1	17784.8	28.1	33.3
1993-94	69547.0	30.4	25307.1	42.3	36.4
1994-95	82674.1	18.9	29068.0	14.9	35.2

1995-96	106464.9	28.8	36470.2	25.5	34.3
1996-97	117525.0	10.4	39248.5	7.6	33.4
1997-98	126286.0	7.5	44442.2	13.2	35.2
1998-99	141603.5	12.1	48979.2	10.2	34.6
1999-00	159561.0	12.68	54200.5	10.7	34.0
2000-01	202509.7	26.92	69796.5	28.8	34.5
2001-02	207746.0	2.59	71244.0	2.07	34.29
2002-03	252789.97	21.68	86012.52	20.73	34.03
2003-04	291582	15.35	97644.00	13.52	33.49
2004-05	355339.52	27.94	124416.56	27.42	33.15
2005-06	456417.88	21.60	150242.03	20.76	32.92

Source: 4th All India Census of MSME 2006-2007 (Unregistered Sector) dated on 20.08.2007, Ministry of Commerce & Industry, Govt. of India. & Ministry of Micro, Small and Medium Enterprises, Govt. of India.

Table No. 1.7: Table no. 1.7 showing total number of units of small scale industries in India (state-wise)

(Lakh)

State/Union Territory	First Census (1972-73)	Second Census (1987-88)	Third Census (2001-02)	Fourth Census (2006-07)	NSS 73rd round (2015-16)
Andaman & Nicobar Islands	-	0.00	0.03	0.14	0.19
Andhra Pradesh	0.08	0.39	8.75	25.96	33.87
Arunachal Pradesh	0.00	0.00	0.01	0.41	0.23
Assam	0.02	0.04	1.94	6.62	12.14
Bihar	0.05	0.35	5.19	14.70	34.46
Chandigarh	0.00	0.01	0.22	0.49	0.56
Chhattisgarh	.	.	2.64	5.20	8.48
Dadra & Nagar Haveli	0.00	0.00	0.02	0.09	0.16
Daman & Diu	-	0.00	0.01	0.06	0.08
Delhi	0.05	0.10	1.77	5.52	9.36
Goa	0.01	0.03	0.07	0.86	0.70
Gujarat	0.10	0.34	5.30	21.78	33.16
Haryana	0.05	0.23	2.23	8.66	9.70

Himachal Pradesh	0.01	0.07	0.76	2.87	3.92
Jammu & Kashmir	0.01	0.09	0.73	3.01	7.09
Jharkhand	.	.	1.32	6.75	15.88
Karnataka	0.06	0.41	6.59	20.19	38.34
Kerala	0.06	0.26	4.53	22.13	23.79
Lakshadweep	-	-	0.01	0.02	0.02
Madhya Pradesh	0.08	0.74	7.94	19.33	26.74
Maharashtra	0.15	0.30	8.04	30.63	47.78
Manipur	0.00	0.02	0.48	0.91	1.80
Meghalaya	0.00	0.01	0.23	0.88	1.12
Mizoram	0.00	0.01	0.11	0.29	0.35
Nagaland	0.00	0.00	0.14	0.39	0.91
Odisha	0.02	0.08	3.88	15.73	19.84
Puducherry	0.00	0.01	0.09	0.35	0.96
Punjab	0.14	0.45	3.77	14.46	14.65
Rajasthan	0.07	0.29	4.42	16.64	26.87
Sikkim	-	0.00	0.00	0.17	0.26
Tamil Nadu	0.16	0.57	7.88	33.13	49.48
Telangana	.	.	.	.	26.05
Tripura	0.00	0.01	0.24	0.98	2.11
Uttar Pradesh	0.13	0.53	17.08	44.03	89.99
Uttarakhand	.	.	1.06	3.74	4.17
West Bengal	0.14	0.46	7.71	34.64	88.68
ALL INDIA	1.40	5.82	105.21	361.76	633.88

Notes: Figures are based on-

1. First All-India Census of Small Scale Industrial Units 1972. Figures of Daman & Diu were included in the erstwhile state of Goa, Daman & Diu, before it got delinked as a separate Union Territory.
2. Second All-India Census of Small Scale Industrial Units 1987-88.
3. Third All-India Census of Small Scale Industries 2001-02.
4. Fourth All-India Census of Micro, Small and Medium Enterprises 2006-07.
5. NSS 73rd round (July 2015-June 2016).

Sources: Office of the Development Commissioner, Ministry of Micro, Small and Medium Enterprises (MSME), Government of India, and Ministry of Statistics and Programme Implementation (MOSPI), Government of India.

Table No. 1.8: Table no. 1.8 showing employment details in small scale industries in India (state-wise)

(Lakh)

State/Union Territory	First Census (1972-73)	Second Census (1987-88)	Third Census (2001-02)	Fourth Census (2006-07)	NSS 73rd Round (2015-16)
Andaman & Nicobar Islands	-	0.02	0.08	0.38	0.39
Andhra Pradesh	0.79	2.76	21.40	70.69	55.99
Arunachal Pradesh	0.00	0.03	0.03	1.19	0.41
Assam	0.20	0.34	4.29	14.25	18.15
Bihar	0.61	1.82	10.83	28.26	53.07
Chandigarh	0.03	0.11	0.48	1.23	1.29
Chhattisgarh	.	.	5.32	9.52	16.86
Dadra & Nagar Haveli	0.00	0.02	0.16	0.41	0.36
Daman & Diu	-	0.01	0.26	0.37	0.14
Delhi	0.65	1.22	6.27	19.81	23
Goa	0.07	0.20	0.30	1.88	1.60
Gujarat	1.15	2.77	12.68	47.73	61.16
Haryana	0.49	1.06	5.53	18.84	19.06
Himachal Pradesh	0.06	0.26	1.30	4.68	6.43
Jammu & Kashmir	0.10	0.41	1.52	5.75	10.88
Jharkhand	.	.	2.75	12.91	24.91
Karnataka	0.64	2.44	16.39	46.72	70.84
Kerala	1.27	1.69	11.15	49.62	44.64
Lakshadweep	-	-	0.04	0.06	0.03
Madhya Pradesh	0.60	1.59	13.44	33.66	48.8
Maharashtra	2.40	3.56	20.51	70.04	90.77
Manipur	0.03	0.10	1.36	2.36	2.92
Meghalaya	0.01	0.04	0.65	1.92	1.91
Mizoram	0.00	0.04	0.24	0.81	0.62
Nagaland	0.00	0.03	0.57	1.71	1.77
Odisha	0.19	0.69	9.25	33.24	33.26
Puducherry	0.03	0.09	0.35	1.01	1.84
Punjab	1.24	2.06	9.08	26.79	24.80
Rajasthan	0.46	1.23	8.68	30.79	46.33
Sikkim	-	0.01	0.03	0.79	0.45
Tamil Nadu	2.15	5.36	20.18	80.98	96.73

Tripura	0.02	0.10	0.57	1.75	2.95
Telangana	.	.	.	.	40.16
Uttar Pradesh	1.60	3.49	40.02	92.36	165.26
Uttarakhand	-	-	1.95	6.96	6.60
West Bengal	1.76	3.12	21.69	85.78	135.52
ALL INDIA	16.53	36.66	249.33	805.24	1109.89

Notes: Figures are based on-

1. First All-India Census of Small Scale Industrial Units 1972. Figures of Daman & Diu were included in the erstwhile state of Goa, Daman & Diu, before it got delinked as a separate Union Territory.
2. Second All-India Census of Small Scale Industrial Units 1987-88.
3. Third All-India Census of Small Scale Industries 2001-02.
4. Fourth All-India Census of Micro, Small and Medium Enterprises 2006-07.
5. NSS 73rd round (July 2015-June 2016).

Sources: Office of the Development Commissioner, Ministry of Micro, Small and Medium Enterprises (MSME), Government of India, and Ministry of Statistics and Programme Implementation (MOSPI), Government of India.

Table No. 1.9: Table no. 1.9 showing total investment details of small scale industries in India (state-wise)

(₹ Crore)

State/Union Territory	First Census (1972-73)	Second Census (1987-88)	Third Census (2001-02)	Fourth Census (2006-07)
Andaman & Nicobar Islands	-	4.21	37.13	96.95
Andhra Pradesh	45.87	625.80	12372.41	32757.63
Arunachal Pradesh	0.01	7.03	30.87	937.48
Assam	11.09	93.69	1090.37	6941.15
Bihar	31.79	333.34	2718.61	8405.45
Chandigarh	3.33	36.50	505.61	607.05
Chhattisgarh	.	.	1999.87	3303.41
Dadra & Nagar Haveli	0.31	12.26	1190.06	229.58
Daman & Diu	-	7.94	911.10	1881.53
Delhi	52.68	401.22	6960.90	10164.54
Goa	6.00	74.17	624.53	3820.19

Gujarat	96.04	887.40	11030.37	166753.60
Haryana	40.45	355.90	7988.63	25998.80
Himachal Pradesh	3.16	80.67	720.06	5599.25
Jammu & Kashmir	3.67	113.31	1283.26	8475.28
Jharkhand	.	.	601.96	5020.72
Karnataka	43.79	660.85	8430.23	27161.11
Kerala	44.08	387.51	7021.14	44353.53
Lakshadweep	-	-	15.43	17.30
Madhya Pradesh	30.43	260.15	3451.50	10530.40
Maharashtra	226.66	1260.25	27960.98	67941.24
Manipur	9.00	20.78	364.12	646.03
Meghalaya	0.87	8.88	136.81	468.55
Mizoram	2.10	13.88	120.56	403.14
Nagaland	0.28	7.29	267.77	1273.67
Odisha	8.79	156.46	1913.39	12284.89
Puducherry	1.97	36.20	503.16	1135.29
Punjab	81.54	567.34	11828.80	37126.69
Rajasthan	25.59	364.38	6600.81	25452.90
Sikkim	-	7.84	15.43	72.16
Tamil Nadu	111.15	1085.84	10989.32	77824.34
Telangana	.	.	.	.
Tripura	0.79	14.73	319.98	661.73
Uttar Pradesh	91.33	980.96	17291.63	56161.03
Uttarakhand	-	-	1450.81	6014.98
West Bengal	91.90	429.25	5601.06	39433.22
ALL INDIA	1054.68	9296.03	154348.70	689954.86

Notes: Figures are based on-

1. First All-India Census of Small Scale Industrial Units 1972. Figures of Daman & Diu were included in the erstwhile state of Goa, Daman & Diu, before it got delinked as a separate Union Territory.

2. Second All-India Census of Small Scale Industrial Units 1987-88.

3. Third All-India Census of Small Scale Industries 2001-02.

4. Fourth All-India Census of Micro, Small and Medium Enterprises 2006-07.

Source: Office of the Development Commissioner, Ministry of Micro, Small and Medium Enterprises (MSME), Government of India.

Table No. 1.10: Table no. 1.10 showing total production details of small scale industries in India (state-wise)

State/Union Territory	First Census (1972-73)	Second Census (1987-88)	Third Census (2001-02)	Fourth Census (2006-07)
Andaman & Nicobar Islands	-	8.97	92.58	254.24
Andhra Pradesh	85.91	3694.04	18261.62	58404.82
Arunachal Pradesh	0.11	26.24	56.45	1101.73
Assam	22.64	302.35	3315.67	13403.27
Bihar	72.03	877.81	3698.27	16709.30
Chandigarh	6.35	131.38	1300.68	1888.55
Chhattisgarh	.	.	2715.41	8437.34
Dadra & Nagar Haveli	0.47	60.34	4907.70	2177.43
Daman & Diu	-	30.43	5734.69	7735.73
Delhi	136.98	2530.63	15277.29	29672.34
Goa	10.80	198.75	2017.79	8147.46
Gujarat	208.62	3586.25	13286.23	55306.91
Haryana	101.79	1763.91	19964.64	53198.68
Himachal Pradesh	4.52	245.17	2410.73	17247.20
Jammu & Kashmir	11.03	303.09	2575.52	16035.39
Jharkhand	.	.	1274.69	10040.29
Karnataka	79.77	2526.86	12320.54	56317.61
Kerala	115.65	1136.91	8151.05	74821.73
Lakshadweep	-	-	28.23	20.01
Madhya Pradesh	70.03	1967.36	9702.34	34388.44
Maharashtra	529.47	7511.79	41014.51	126864.55
Manipur	3.32	29.88	480.90	1094.70
Meghalaya	1.20	27.00	322.87	1150.80
Mizoram	0.30	14.70	132.09	677.21
Nagaland	0.48	112.47	370.28	2845.03
Odisha	22.26	657.34	5266.97	29075.42
Puducherry	3.14	179.98	2238.04	5771.99
Punjab	243.37	2776.39	26017.69	81625.05
Rajasthan	56.38	1460.76	13672.51	50004.43
Sikkim	-	11.55	28.23	189.76
Tamil Nadu	321.78	4513.02	18256.77	105270.21
Telangana	.	.	.	.
Tripura	1.45	29.57	304.83	1177.84
Uttar Pradesh	222.67	3727.04	27424.30	111089.69

Uttarakhand	-	-	1969.13	16187.64
West Bengal	270.22	2530.03	17678.77	78880.05
ALL INDIA	2602.74	42972.01	282269.98	1077212.86

Notes: Figures are based on-

1. First All-India Census of Small Scale Industrial Units 1972. Figures of Daman & Diu were included in the erstwhile state of Goa, Daman & Diu, before it got delinked as a separate Union Territory.
2. Second All-India Census of Small Scale Industrial Units 1987-88.
3. Third All-India Census of Small Scale Industries 2001-02.
4. Fourth All-India Census of Micro, Small and Medium Enterprises 2006-07.

Source: Office of the Development Commissioner, Ministry of Micro, Small and Medium Enterprises (MSME), Government of India.

Table No. 1.11: Table no. 1.11 showing Selected State-wise Financial Assistance Provided to Small Scale Industries under Entrepreneurship Development Institute Scheme in India

Selected State-wise Financial Assistance Provided to Small Scale Industries under Entrepreneurship Development Institute Scheme in India (Up to 31.3.2005)		
Institution	**States**	**Amount (₹ Lakh)**
Institute of Entrepreneurship Development, Lucknow	Uttar Pradesh	50
Rural Development and Self-Employed Training Institute, Ghaziabad	Uttar Pradesh	22.5
Centre for Entrepreneurship Development of Karnataka, Dharwad	Karnataka	50
Centre for Entrepreneurship Development of Madhya Pradesh, Bhopal	Madhya Pradesh	95
Maharashtra Centre for Entrepreneurship Development, Aurangabad	Maharashtra	65
Institute of Entrepreneurship Development, Bhubaneshwar	Orissa	80

Kerala Institute for Entrepreneurship Development, Cochin	Kerala	90
Centre for Entrepreneurship Development, Madurai	Tamil Nadu	50
Entrepreneurship Development Institute, Chennai	Tamil Nadu	100
Tiruchirappalli Regional Engineering College - Science and Technology Entrepreneurs Park, Tiruchirappalli	Tamil Nadu	90.33
Entrepreneurship & Management Development Institute, Jaipur	Rajasthan	50
Centre for Entrepreneurship and Small Business Management, Ajmer	Rajasthan	100
Centre for Entrepreneurship Development, Hyderabad	Andhra Pradesh	25
Entrepreneurship Development Institute of India, Ahmedabad	Gujarat	98
Centre for Entrepreneurship Development, Gandhinagar	Gujarat	50
Entrepreneurship Development Institute, Ranchi	Jharkhand	100
Enterprise Development Institute, Kolkata	West Bengal	50
Institute of Entrepreneurship Development, Parwanoo	Himachal Pradesh	50
Centre for Entrepreneurship Development, Gurgaon	Haryana	50
Entrepreneurship Development Institute, Srinagar	Jammu and Kahsmir	40
Institute of Entrepreneurship Development, Patna	Bihar	62
Tripur State Entrepreneurship Development Centre, Agartala	Tripura	26.1

Source: 4th All India Census of MSME 2006-2007 (Unregistered Sector) dated on 20.08.2007, Ministry of Commerce & Industry, Govt. of India. & Ministry of Micro, Small and Medium Enterprises, Govt. of India.

3.2.3 Cottage Industries – Bengal Perspective

Cottage industries have been the backbone of the economy of Bengal from the very beginning. The term ‘cottage industry’ means any industry which is operated in one’s home or cottage itself. It refers to the traditional artisans of any place who are engaged in producing various household items from simple raw materials available locally, by rich artistic skill and expertise, which they have acquired through generations and ages. However, the history of cottage industries in Bengal in quite old and definitely interesting.

3.2.3.1 Cottage Industries in Bengal (Pre-Independence Era)

The silk industry in Bengal experienced a decline in the latter half of the 19th century. Concurrently, the ship and boat building industries gained popularity in India during the first half of the 19th century. During this period, Calcutta alone saw the construction of hundreds of ships, with raw materials sourced from Nepal and Bhutan for timber and from England, Europe and America for metal parts. Boat building in Bengal flourished alongside shipbuilding during this period. However, with the advancement of Indian roads and railways in the British period, these industries saw a decline in the latter half of the 19th century. The latter half of the 18th century witnessed a decline in Indian cottage industries due to the unfavourable policies of the British government. Before this period, cotton weavers played a significant role in boosting Bengal's economy. However, the imposition of harsh working conditions and unfair prices contributed to the industry's decline. The devastating manmade 1770 famine further worsened the situation, leading to the deaths of many cotton growers, spinners and weavers, despite the increasing demand for cotton cloth in Bengal. However, glimpse of a few industries of undivided Bengal has been given as follows:

Textile and Weaving Industry

The famous Moroccan traveller named Ibn Battuta has clearly mentioned in his travelogue about the ‘Muslin’ which had made Bengal famous all over the world. It is still believed that the ‘Muslin’ was so skilfully weaved by the then weavers of Bengal that the cloth could easily and smoothly pass through a small finger ring at one go. Dacca (presently Dhaka, the capital of Bangladesh) was famous all over the globe for its finest ‘Muslins’. Apart from ‘Muslins’, Bengal was also famous for its ‘Jamdanis’, ‘Katan’, ‘Malmal’ and several other fabrics. The districts like folio, Shantipur, Begumpur, Samudragarh, Murshidabad, Bishnupur, Tangail, Dhonekhali, Kumarkhali, Rajshahi, Pabna, Mirgarh and Decca were world famous for their

exclusive handloom products which comprised of ‘Sharee’, ‘Lungi’, ‘gamchha’, ‘Kantha’, towels etc.

Embroidery Industry

Bengal’s unique embroidery quills was one of its own kind. It was the famous ‘Nakshi Kantha’. There were thirteen different types of ‘Nakshi Kantha’ which were practiced throughout Bengal but out of all Rajshahi, Faridpur, Rangpur and Kushthia deserves special mention. Bengal marked its excellence in rich, exclusive and unique designs and motifs.

Cool Mat Industry

A very special type of mat was manufactured by the artisans in Bengal in the pre-independence period. It was manufactured from the barks of a tree named ‘Morta’. It was a very simple mat which was to be used on daily household purpose and cool to lie upon. The mat was crafted in such a way to make it most appropriate to be used in tropical climate of Bengal. The artisans used to craft beautiful designs of flowers, foliage, birds and animals with different colours.

Ornaments Industry

Bengal’s one of the finest cottage industries was making of ornaments. Ornament making required highly expert, experienced and skilled craftsmen namely the goldsmiths (Shwanrnakar) and the silversmiths (Roupyakar) who crafted beautiful fine designs and motifs of flowers, foliage, birds, animals and stars on the ornaments. This visibly indicates that the artistry of Bengal cottage industries was immensely inspired by the gifts of Mother Nature.

Brass and Bell Metal Industry

Many families from the Dhamrai, Nawabganj, Rangpur and Sylhet districts of Bengal had been involved in manufacturing brass and bell metal works over years.

Other Industries

Apart from these, the other significant small and cottage industries in Bengal were the jute industry, the ‘Shola’ industry, pottery, terracotta industry, opium cultivation etc. Bengal had reached its epitome of cottage industrial excellence in the pre-independence era, rather than the pre-British era. The business environment in India drastically changed due to the British invasion. This is because the British traders happened to find out that Indian labour was highly skilled and cheap as well. So they exploited the Indian artisans to such an extent that its effect started to show in the downfall of the small and cottage industries. In the same context, the

Industrial Revolution in the West also seemed to trigger the gun that gave fatal blow to the Indian economy which marked the decline of the Indian small and cottage industries. In pre-British Bengal, cottage industry was seen to be the backbone of the economy of Bengal. Initially the European traders and merchants started financing the weavers from Bengal so that they could manufacture rich quality export materials. Later on the East India Company started to impose several repressive measures on the weavers, curbing their freedom. They were eventually forced to work against their will. As a result, there was a sudden decline in the overall export. On the other hand, simultaneously the British started to introduce foreign fabric in India and started to impose laws which would compel the ordinary people to purchase foreign fabric instead of handloom fabric. Naturally this marked the era of decline of the indigenous weavers and artisans. Apart from this, the devastating famine of Bengal, 1770, gave a sudden blow to the small and cottage industries of Bengal.

3.2.3.2 Cottage Industries in West Bengal (Post-Independence after Partition)

As the Swadeshi movement spurred demand for local products, cottage industries including handloom weavers across Bengal, increased their production. This surge in output not only met local demands but also allowed for surplus materials to be exported to neighbouring regions. Particularly, there was a notable increase in demand for Bengal weaves, leading to a revitalization of handloom weaving in Shantipur. This resurgence was driven by the use of fine yarn, which became more accessible due to the inclusion of spinning wheels (charkhas) in the basic education curriculum campaigned by Gandhi and his followers. In line with the national movements spearheaded by Gandhi, weavers in Nadia and elsewhere aspired to end British rule and promote the local weaving industry as a means to support the nationalist cause. They believed that by producing indigenous goods, they were fulfilling their duty to the motherland.

Since independence, the impact of refugees on Nadia's economy has varied. Alongside the refugee influx, there was a severe food crisis in most parts of West Bengal, especially in the bordering districts of the newly formed Bangladesh. The challenge of food scarcity was compounded by the need to rehabilitate numerous refugees. It is worth noting that while the Central Government's ‘Property and Public Exchange’ policy quickly resolved the refugee problem in Punjab, the lack of a similar policy in West Bengal led to a critical and long-term issue. The effectiveness of the central and state governments in addressing the refugee problem in West Bengal remains debatable. From 1947 to 1950, the central government allocated minimal funds for refugee relief in Bengal.

Following the partition, refugees in West Bengal sought livelihoods through engagement in small cottage industries in neighbouring and bordering districts of Bangladesh. In 1950, Prime Minister Jawaharlal Nehru initiated the construction of the Phulia suburb in Bengal and announced the government's commitment to rehabilitating those affected in West Bengal. However, the government's efforts were deemed insufficient. A well-equipped office for small cottage industries should have been established in these districts, along with comprehensive plans for economic rehabilitation and sustainable livelihoods for West Bengal refugees.

These post-independence weavers from East Pakistan played a crucial role in expanding cottage industries in West Bengal. They returned to their traditional profession, providing them with a means of livelihood. Most refugees, belonging to the weaver community from East Bengal, settled in Shantipur, Nabadwip, Ranaghat, Phulia, Chakdaha in Nadia District, and Srirampur, Katwa, Dhatrigram, Samudragar in Purba Bardhaman District, areas adjacent to former East Pakistan. 'Phulia suburb' was established with considerable effort, where handloom weaving became a significant activity for refugee livelihoods. Many refugees from Tangail and Dhaka, who were not previously involved in weaving, joined the handloom production process in Phulia. Non-refugees in the local rural areas also engaged themselves in traditional handloom production, as it required minimal investment. Means of earning bread and butter by running cottage industries quickly gained popularity in these refugee-flooded districts post-partition.

Even after the Bengal partition, West Bengal still holds its name in the field of art and crafts, handicrafts and fine arts. West Bengal is known to the rest of the world for its expertise in cottage industrial goods, which have received enormous accolades all over the globe thorough out these years. Most of the handicrafts have originated many years ago before India was under British rule. At that time Bengal had flourished in terms of its cottage industries. But after partition, Bengal was divided into West Bengal and a new country named Bangladesh was born. So basically Bengal lost many of its skilled crafts men who had to take refuge to the new place. With this historic event, Bengal also lost many of its handicrafts which were specially crafted by artisans who had to relocate to new places. However, the following cottage industries have still managed to survive glorifying the name of West Bengal even today:

The Sericulture Industry

West Bengal is the land of it’s quintessential ‘Balucharis’, weaved from silk by the skilled weavers in their cottages itself. The uniqueness of the silk sarees is that several mythological

scenes are neatly crafted throughout the saree and the ‘pallu’ or the ‘anchal’ is weaved heavily with the same motifs, which readily gives the saree a gorgeous look. The ones that are weaved with golden silk threads depict a more gorgeous look and are popularly known as the ‘swarnachuris’. Apart from these, the types of silk vary in West Bengal from the elegant ‘Tussar’ to the delicate ‘Korial’. Again they range from the soft Murshidabad silk to the graceful traditional golden coloured ‘Garad’.

Handloom and Cotton Textile Industry

West Bengal is famous throughout the world for it’s ‘Tant Shilpa’ or the handloom cotton industry which is manufactured only in certain districts in West Bengal like Shantipur, Phulia, Dhonekhali and Begumpur.

‘Kantha’ Work

The ‘Kantha’ works are famous stiches of West Bengal. Though ‘Kantha’ and ‘Nakshi Kantha’ are the same, but however, ‘Kantha’ is a kind of embroidery quill which requires high artistic sense to be crafted for. ‘Kantha’ work is done on not only sarees and kurtas but also on bedcovers, cushion covers, table mats, pillow covers, curtains and even on handkerchiefs.

Jute Industries

Jute is also known as the ‘Golden Fibre’ in West Bengal. Over the years, jute has been grown, raised, cultured, woven by the artisans of West Bengal generally to make domestic storage like sacks, bags, ropes, beddings, cradles etc.

Horn Works

Bengal from the very beginning has marked its name in crafting beautiful horn works, especially horn combs. Previously these were used to adorn the long tresses of Bengali women. Though horn combs are not much into use at present, but possessing them is a symbol of royalty and sheer elegance even now.

‘Dokra’ Metal Industry

Dokra’ industry is one of the oldest cottage industries of West Bengal. This art of casting metals evolved around four thousand years ago. Metal is casted to give it a shape to form different figurines, idols, animals, jewelleries and other decorative artefacts. Originally it was discovered by the ‘Dokra Kamar’ tribes and hence the nomenclature. They casted raw metal like zinc and copper to give it a distinct shape to form the desired object.

‘Shital Pati’ Industry

‘Shital Patis’ also popularly known as the cool mats are beautiful soft, smooth handmade mats made from the tender green cane reeds. The word ‘Shital’ means cool and ‘Pati’ means mat. They are handcrafted to such perfection that there has been a popular saying amongst the locals even a snake cannot glide through a ‘Shital Pati’. Cooch Behar in West Bengal excels in manufacturing of these cool mats. And if we go by the nomenclature, then it is to be noted that ‘Shital Patis’ are handcrafted in the most appropriate way to beat the heat of Bengal summers.

Conch shell Industries

Conch shell works are generally found near coastal sides. In West Bengal, conch shell cottage industries had cropped up many years ago near the coast of Bay of Bengal. Kanthi and Digha are the only manufacturers of conch shell works in West Bengal. Conch shells are beautifully crafted and carved to depict floral, foliage motifs that are engraved in them. These are popular all over Bengal and even in the country. Conch shells are generally crafted to make decorative items, jewellery items to be used during ‘Pujas’ and also ‘Shankha’ which usually Bengali married woman wears.

Terracotta Works

The magnificent arts of terracotta are prehistoric in nature. Terracotta art has been running in the veins of Bengal since ages, generation after generation and has earned huge accolades worldwide for its magnificence. The exotic terracotta walls of the temples in Bishnupur, a place in Bankura district of West Bengal bears the royalty as well as the heritage. West Bengal is the only manufacturer of terracotta, crafting it to make wall tiles, jewellery and other decorative artefacts.

‘Shola Pith’ Industry

Shola pith, more popularly known as ‘Shola’ is obtained from the core of a plant that grows in the swampy and wild marshy wetlands of West Bengal. It is as light as a feather and is very close to artificial thermocol. Nature has always been kind to mankind and this is again an instance. The shola is much softer and spongier than the thermocol and their comparison is unparalleled. In no way can the later replace the shola. The sholas are beautifully crafted by the Bengal artisans to make decorative items like artificial flowers, leaves etc. The most important use of shola is to make the ornaments of Goddess Durga which is more popularly known as the ’Daker Saaj’ in West Bengal. Shola is also crafted to make crowns which are to be worn by Bengali brides and grooms during their wedding. The Malakar families of

Murshidabad in West Bengal had been crafting and carving innumerable shola products over generations.

'Chhau' Mask Works

Purulia in West Bengal is famous all over the globe for crafting vibrant and colourful masks called the 'Chhau' masks depicting the face of different mythological characters or birds or animals. These are made of paper pulp, clay and mud. Colourful feathers of birds are also added to make it look more vibrant and attractive. The mask is to be worn during performing dance drama popularly known as the famous 'Chhau Dance'. It is a mark of cultural heritage for West Bengal. 'Chhau' masks originated many years ago in the reign of Raja Madan Mohan Singh Deo of Baghmundi in Purulia district. However, it holds a place in almost every Bengali house as a symbol of culture and heritage.

Clay and Wooden Dolls

The Krishnanagar area of Nadia district of West Bengal is world famous for hand crafting intricate, beautiful clay dolls more popularly known as the 'Matir Putul'. 'Mati' means clay and 'Putul' means doll. Similarly, wooden dolls are also handcrafted by the artisans of Natungram village in the district of Burdwan. The dolls are crafted with immense perfection and later on they are hand painted mostly by the women in their leisure time, which gives the dolls a more vibrant appeal.

'Pwatochitra' Works

The 'Pwatochitra' is one of the splendid creations by the artisans of West Bengal where the 'Patua', the painter paints beautiful pictorial stories on long pieces of cloth. Most importantly the vibrant colours used to paint, are extracted from fresh fruits, flowers and vegetables.

Leather Works

The leather works of West Bengal deserves special mention as it is absolutely different from that of the rest of India. Bolpur and Shantiniketan from Birbhum district of West Bengal has mastered the art of handcrafting spectacular leather bags, pouches, shoes, belts and other decorative artefacts.

Ivory Works

Earlier when no ban had been imposed on import of ivory from Africa and other South American countries, ivory craft reached its peak in Bengal. The artisans would create

impeccable idols, hair pins, smoking pipes, chariots, idols of animals (for example, elephants, camel etc.) out of ivory. Since import of ivory has been banned in our country, not much work on ivory is done now. The same art is now replicated on wood to create similar artefacts and this craft is mostly practiced by the 'Bhashkar' families of Murshidabad, West Bengal.

'Gomira' Masks

The main purpose of crafting 'Gomira' masks was to drive out the evil and vicious forces. The name 'Gomira' has been derived from the Gomira dancers, who danced across the villages in Dinajpur districts of West Bengal. Nowadays, these masks have made their way to almost every Bengali household because of their vibrant colours, thereby representing heritage of Bengal. It is also considered to bring good luck and charm.

'Katwa' Dolls

'Katwa' dolls are ethnic handmade dolls made by the artisans of Natungram village of the Burdwan district. The most common artefact crafted is a wooden owl, painted in white, yellow, red and green which is very often found in all Bengali households and also considered to be auspicious. Originally, the craftsmen used to transform all mythological characters in to wooden dolls. The ancient craft was known as 'Sutradhars' by the locals because they would go around the villages narrating the mythological stories associated with the wooden dolls.

The districts in West Bengal, where the presence of cottage industries are dominant have been represented in a tabular way as the following:

Table No. 1.12: Table no. 1.12 shows the different districts of West Bengal engaged in different types of crafts.

SERIAL NO.	DISTRICTS	CRAFTS THAT ARE DOMINANT IN THESE DISTRICTS
1.	Darjeeling	• Woollen items • Brass & bell metal • Wood carvings • Cane & bamboo products • White metal jewellery • Painting on cloth & embroidery

2.	Jalpaiguri	• Cane and bamboo • Wood carvings • Stone carvings • Jute items
3.	Coochbehar	• Cane & bamboo • Shitalpati • Wood carvings • Sholapith • Jute items
4.	Uttar Dinajput	• Bamboo items • Dokra • Sholapith • Wood carvings
5.	Dakshin Dinajpur	• Cane & bamboo • Wood carvings • Terracotta • Masks
6.	Malda	• Cane & bamboo • Dokra • Jute mat
7.	Murshidabad	• Brass & bell metal • Clay doll • Sholapith • Conch shell carving • Kantha stitch • Bamboo items
8.	Birbhum	• Brass & bell metal • Dokra • Kantha stitch • Batik • Artistic leather products • Terracotta • Sholapith

9.	Burdwan	• Dokra • Wood carvings • Kantha stitch • Sholapith • Terracotta • Wood carvings • Jute items
10.	Purulia	• Chhau mask • Natural fibre (Babui grass) products • Dokra • Wood carvings • Bamboo items • Lac items • Soft dolls
11.	Bankura	• Dokra • Terracotta • Baluchari sarees • Wood carvings on artefacts • Stone carvings on artefacts • Brass & bell metal • Pawtachitra • Conch shell & coconut shell carvings
12.	Paschim Medinipur	• Pawtachitra • Brass & bell metal • Carpet industry • Zari embroidery • Terracotta • Horn products
13.	Purba Medinipur	• Carpet industry • Brass & bell metal • Shell carving • Marine jewellery

		• Madurkathi • Kantha stich
14.	Nadia	• Clay doll • Terracotta
15.	Hoogly	• Zari & Chikan embroidery • Batik • Terracotta
16.	Howrah	• Zari works • Batik • Imitation jewellery • Jute items • Sholapith
17.	North 24 Parganas	• Cane & bamboo • Zari works • Kantha stitch • Terracotta • Imitation jewellery
18.	South 24 Parganas	• Zari works • Jute items • Embroidery • Silver filigree art
19.	Kolkata	• Copper Repousse • Embroidery • Batik • Kantha stitch • Leather items • Paper craft • Jute items

Clusters in MSE sector:

The cluster development initiative has been formulated with the objective of strengthening institutional network, creating strong backward and forward linkages and introducing

technology upgradation in order to enhance productivity and competitiveness of the MSEs in the cluster. The Directorate of Micro & Small Scale Enterprises has been monitoring and evaluating various stages of development of the clusters under Micro & Small Enterprises Cluster Development Programme (MSE-CDP).

The details of district wise cluster of crafts in West Bengal are given in the table below:

Table No. 1.13: Table no. 1.13 shows the district wise cluster of crafts in West Bengal

Districts	**Clusters**	**Handicrafts**
Kolkata	Baghajatin, Kasba, Rambagan, Kumartoli, Behala	Cane & bamboo, jute craft, kantha, embroidery/batik, dolls, clay modelling
Midnapore (Purba & Paschim)	Sabang, Digha, Nirvoypur, Naya Bajkul, Markandachak, Tamluk	Mat, sea shell, horn, pata chitra, wood carving, jute craft
North 24-Parganas	Barasat, Barrackpore, Madhyamgram, Goakhali, Bashirhat	Clay/terracotta, kantha, dry flower, jute craft
South 24-Parganas	Kamarpur, Baruipur, Canning, Magrahat, Hotar	Embroidery, kantha, terracotta, silver filigree, batik, sea shell, jute craft
Bankura	Panchmura/Hatagram, Bishnupur, Susunia, Bikna	Terracotta, baluchari and conch shell, stone craft, dhokra
Burdwan	Naturgram, Dariapur, Samudragarh,Tamaghata, Kalna	Coloured wooden toys, dhokra, art textile, embroidery
Birbhum	Surul, Sriniketan, Shantiniketan, Lokepur	Solapith, art leather, kantha, Suri bowl
Cooch Behar	Ghughumari, Diwanhat, Panishala	Sitalpati, Bamboo craft
Murshidabad	Khagra	Sandal wood carving, solapith, kantha, bell and brass metal
Howrah	Panchala, Howrah, Domjur	Zari, batik, dolls and kantha, silver filigree and imitation jewellery
Hooghly	Bagnan, Pandua, Chanditala, Balidewanganj	Chikon embroidery, jute craft

Darjeeling	Darjeeling, Kalimpong, Matigara	Tibetan carpet, Lepeha weaving, embroidery, hill craft, terracotta
Jalpaiguri	Jalpaiguri, Lataguri, Alipurduar	Cane furniture and bamboo/jute, sea shell
Nadia	Krishnager, Fulia, Santipur, Nawadeep, Ranaghat	Clay toys, jute craft, art textile, brass & bell metal
Purulia	Balarampur, Charida, Rajnuagarh	Lacquare, Chowmask, Date & Palm leaf
Dakshin Dinajpur	Mahisabathan	Wooden mask and bamboo carving
Malda	Shivajinagar, Gajol	Bamboo craft
Uttar Dinajpur	Kaliaganj, Kumar Subhashganj	Bamboo craft, Carpet, Terracotta

3.3 Role of Cottage Industries in Economic Development

Cottage industries play a crucial role in the economies of many developing nations, particularly in rural areas where large-scale factories are scarce. They serve as vital sources of employment, allowing local communities to leverage their skills and resources to sustain themselves, all while upholding traditional methods of production. The cottage industries play a significant role in India's economy, particularly in rural and semi-urban areas, by generating employment and fostering inclusive growth. They provide avenues for entrepreneurship and income generation, contributing significantly to exports, manufacturing and the overall industrial development of the country. The cottage industries play a pivotal role in India's economy, offering several benefits:

Employment Generation: These industries provide significant employment opportunities, particularly in rural areas, contributing to poverty reduction. Indian farmers facing financial challenges can benefit from engaging in cottage industries during periods when they are not occupied with agricultural work. Agriculture does not provide year-round employment, leaving farmers with idle months. Giving due attention to the cottage industry can stimulate the country's economic growth. It provides employment to many rural labourers who would otherwise be unemployed during certain periods of the year, thus impacting the social system

positively. By participating in simple cottage industries such as basket-making or rope-making during these periods, farmers can supplement their income. India's full industrialization will take time and its rural areas, the heart of the nation, will continue to rely on cottage industries. Even with the establishment of large industries, cottage industries will not disappear but instead thrive as complementary enterprises.

Regional Development: They contribute to balanced regional development by stimulating economic activity in rural areas. These cottage industries, deeply rooted in India's rural cultural heritage, make significant contributions to job creation, income generation and skill development and crucial for poverty reduction. Cottage industries foster inclusive growth by offering employment opportunities to people in marginalized communities, thereby promoting balanced regional development.

Women's Empowerment: Women play a significant role in these industries at both the working and managerial levels, promoting their self-reliance and economic empowerment. The cottage industry is a significant source of livelihood in Indian villages, apart from agriculture. It has emerged as a major source of employment in rural areas. Since women are often restricted from working outside their homes, the cottage industry plays a crucial role in their economic development by providing opportunities for home-based work. Many women are skilled in various forms of arts and crafts. Villagers produce a variety of handicraft goods, which are marketed to earn a livelihood. Moreover, it enhances women's role in society by increasing the active workforce and encouraging organizations to engage with them for work opportunities. Since many women working from home lack access to markets to sell their goods, collaborating with organized entities makes it easier for them to procure supplies and sell their products. The economic empowerment of women is crucial for achieving gender equality. Women should be empowered to participate in business decisions and hold leadership roles.

Support for Larger Industries: They provide allied services to larger industries by supplying raw materials such as small tools, spare parts and woollen products. India will require a considerable amount of time to achieve full industrialization. The heart of India lies in its villages, where cottage industries are essential. Even with the establishment of large industries, cottage industries will not become obsolete. Instead, they will evolve as adjuncts to large industries.

Environmental Impact: Sustainability and green innovation may be defined as all those practices that an organization may adopt to minimise environmental damage by optimum

utilization of resources. A sustainable business practice if adopted by an entity, might help to improve its competitiveness, economic and environmental performance by minimal energy usage, waste management, recycling, pollution control, resource sustainability. Organisations usually practice green innovation by reducing, reusing and recycling. The concept of sustainability and green innovation might be challenging for companies but it has always been practised sub-consciously by the cottage industries since inception. This is because cottage industries are small unorganised business ventures, generally consuming minimal power without causing much pollution. Cottage industries are eco-friendly and energy-efficient, with low levels of emissions, contributing to environmental sustainability.

Utilization of Local Skills: These industries leverage local skills and craftsmanship, requiring low capital investment. Cottage industries are not only morally and aesthetically appealing but also beneficial for society. In these industries, workers remain connected to their families, working alongside their own people with their support. This strengthens their family bonds and nurtures positive emotions. Unlike in large-scale industries, where there is a significant gap between capital and labour, cottage industries distribute wealth more evenly throughout the country, reducing the disparity between the extremely wealthy few and the vast majority of the poor. Thus, cottage industries play a significant role in promoting social cohesion and equality.

Export Potential: The traditional, environment-friendly and unique products from cottage industries have high export potential, meeting substantial global demand. They play a role in creating jobs, particularly in rural and semi-urban regions and support inclusive growth by offering avenues for entrepreneurship and income generation. Additionally, they contribute to exports, manufacturing and the broader industrial advancement of the nation.

3.4 Working of Cottage Industries

A cottage industry refers to a small-scale manufacturing business managed and run by an individual or a family, usually based in a home rather than a dedicated industrial space. These industries are characterized by their low start-up costs, often concentrating on producing labour-intensive goods. However, they often struggle to compete with larger, factory-based manufacturers producing mass-produced goods. Cottage industries are important contributors to the economies of developing countries, as they require minimal initial investments. These nations have a comparative advantage in establishing successful cottage industries, as their lower cost of living enables them to produce labour-intensive goods at competitive prices, ensuring profitability for small businesses. Certain cottage industries expand and create job

opportunities within the community. Due to the handcrafted nature of their products, typically made using traditional tools and equipment, their output is unlikely to match the volume of mass-produced goods. Cottage industries also serve as a vital source of additional income in rural regions. During off-seasons, farmers often rely on these industries for income. In villages, these industries can develop as local residents collaborate to create crafts for sale locally or even for export. Cottage industries flourished in the pre-Industrial era, allowing people in remote areas to earn a livelihood, by producing labour-intensive goods for larger enterprises. In modern times, cottage industries continue to thrive, with niche businesses emerging in homes worldwide to meet the demand for high-quality handcrafted products.

3.4.1 Challenges faced by Cottage Industries in India

The cottage industry is well-known for its huge potential for providing employment. However, in the last few years, employment opportunities may have heightened in this industry, but the income has certainly decreased as the marketers offer low prices to the manufacturers but take high ransom amounts from the buyers. In any case, it not just the dealers and the marketers. The updated foreign policies and globalization also accounts for the present scenario of the cottage industry. The handloom weavers are facing several issues from the power looms. The majority of the workforce in this sector has given their entire life to stitching and knitting and their expertise is unmatchable. The cottage industries in India encounter several significant challenges:

Access to Credit: Traditional banking institutions often impose high interest rates on loans compared to microfinance entities, primarily due to the rural borrowers' low income and inadequate credit history. This scenario makes it tough for cottage industries to attract investors, who generally favour investing in medium to large-scale enterprises that promise quick profits and substantial returns. As a result, cottage industries struggle to secure sufficient and timely financial support.

Management Inefficiencies: Typically run by families or individuals, cottage industries suffer from a lack of professional management and forward-looking business strategies. The responsibility for business management and outcomes frequently falls on a single individual, limiting the industry's growth potential and market expansion. Such concentrated management risks substantial losses if market demand declines.

Inadequate Infrastructure: The growth of cottage industries is further hampered by insufficient infrastructure. Despite road connections to Indian villages, many still lack proper accessibility, affecting sales and growth opportunities. Additionally, erratic electricity supply disrupts productivity and financial constraints hinder the acquisition of necessary machinery and equipment.

Technological Challenges: Advancements in technology are crucial for any industry's success. However, cottage industries often lag in adopting modern technology, tools and production methods. Limited internet connectivity in rural areas restricts access to market trends, digital marketing opportunities and stunting growth.

Raw Material Scarcity: Access to raw materials is another hurdle for cottage industries, which often depend on seasonal or diminishing resources. Financial limitations further exacerbate the challenge of timely and adequately sourcing these materials.

Low Demand of Handmade Goods: Cottage industries encounter difficulties in stimulating market demand for their handcrafted items, with tourists often representing a major portion of their customer base. The sparse local populace in the rural areas, where these businesses are situated, poses a problem for maintaining steady production levels. Additionally, logistical hurdles further complicate access to broader markets.

Marketing Difficulties: Effective marketing is essential for business growth, but cottage industries face obstacles in affording advertising and crafting robust marketing strategies. Limited budgets and expertise hinder brand development, reducing market visibility and consumer awareness. With restricted job opportunities, cottage industries must innovate in their marketing approaches. Relying heavily on word-of-mouth and referrals, these businesses find it challenging to extend their reach and make an impact on a wider scale.

Government Regulations: Cottage industries face the challenge of navigating through various state-specific regulations, including rules on business operation days and employee dress codes. This complexity of compliance requires thorough planning and understanding, adding layers of difficulty for new entrepreneurs.

Poor Working Conditions: The sector has been historically affected by issues such as prolonged working hours, exposure to harmful substances and low wages. Despite recent laws aiming to ensure fair wages and reasonable working hours, problems like restricted market reach and a lack of business acumen continue to be significant hurdles.

No Brand Identity: Due to financial limitations or a lack of marketing knowledge, small businesses often face difficulties in establishing a brand identity. This lack of visibility and recognition among potential customers highlights the importance for businesses to understand their unique selling propositions to attract their intended audience.

Quality Control Issues: Quality assurance is a significant challenge in family-run cottage industries, where the business owner often plays the role of the manufacturer as well. This can lead to hurried production processes, compromising the quality of goods and not meeting consumer expectations.

Lack of Government Support: Support from the Indian government for cottage industries is seen as insufficient, with policies not adequately encouraging their development. Challenges like limited concessions on utility costs add to the financial strain faced by these small enterprises.

Competition from Larger Industries: Cottage industries also contend with fierce competition from larger enterprises, which possess substantial resources for promotion and expansion. This intense rivalry makes it difficult for smaller entities especially the cottage industries to compete against the multinational corporations that do not face financial, material or infrastructural constraints.

Labour Shortages: Dependence on manual labour is a hallmark of cottage industries, which typically hire locally. Despite the potential for lower labour costs, the migration of skilled workers to cities, coupled with unattractive working conditions, results in a scarcity of labour. A major challenge faced by cottage industries is the scarcity of skilled labour, a situation worsened by economic downturns and the impacts of recession. Small-scale manufacturers, who are predominant in the cottage industry sector, find it difficult to recruit skilled employees owing to low pay, uncertain job security and extended work hours. This problem is compounded by increasing unemployment rates nationwide, adding to the difficulties faced by these industries. This shortage of skilled labour restricts the industry's ability to expand beyond local markets.

3.5 A Critical Analysis of Definition of Cottage Industries

Cottage industries are typically not designed to be scalable. If they expand beyond a certain point, they no longer fit the definition of a cottage industry. That is probably the reason why cottage industries have not been defined anywhere under any statute. In fact, one of the many

characteristics of cottage industries is that they totally belong to the unorganised sector. Success in cottage industries is often measured by the ability to provide a sustainable income for an individual or a family. However, it has been revealed from different published literatures that cottage industries are small family unorganised business venture, involving the family members (not more than five) who are highly skilled and can work at their own cottages, requiring less than three hundred square feet of space, less than one Kilo Watt power without creating pollution. It is often found that in many literary works like articles and journals, authors have used words like 'small and cottage industries', 'small scale cottage industries' or have interchangeably used words like 'small scale industries' (SSIs) and 'cottage industries'. While reviewing several literatures pertaining to this area, it was found that many studies have revealed data of small scale industries in the name of cottage industries which was acceptable in the earlier days. With the introduction of MSME (Micro, Small and Medium Enterprises) Act in 2006, the small and micro industries came under the purview of MSME Act.

3.5.1 Difference between Cottage Industries and Small Scale Industries (SSIs) & Micro, Small and Medium Enterprises (MSMEs)

The Union Ministry of Micro, Small and Medium Enterprises (MSMEs) had issued a Gazette notification to implement the revised definition and criteria of MSMEs in India, which has been effective from July 1, 2020. This revision came after 14 years since the MSME Development Act was enacted in 2006.

3.5.2 Classification of enterprises engaged in activities other than rendering services under MSME Act on the basis of investment

An enterprise involved in the manufacturing or production of goods related to any industry listed in the first schedule to the Industries (Development and Regulation) Act, 1951, is categorized as follows:

(a) Micro Enterprise: Investment in Plant and Machinery does not exceed ₹25 lakhs.

(b) Small Enterprise: Investment in Plant and Machinery is more than ₹25 lakhs but does not exceed ₹5 crores.

(c) Medium Enterprise: Investment in Plant and Machinery is more than ₹5 crores but does not exceed ₹10 crores.

3.5.3 Classification of enterprises engaged in rendering services under MSME Act on the basis of investment

An enterprise engaged in providing or rendering services is classified as follows:

(a) Micro Enterprise: Investment in equipment does not exceed ₹10 lakhs.

(b) Small Enterprise: Investment in equipment is more than ₹10 lakhs but does not exceed ₹2 crores.

(c) Medium Enterprise: Investment in equipment is more than ₹2 crores but does not exceed ₹5 crores.

Annual turnover has been introduced as a new component or parameter to the MSME definition by the Indian government, which has also revised the threshold of investment requirement. However, the new definition, announced in the Atmnirbhar Bharat package on May 13, 2020, has increased the limit for Micro manufacturing and services units to ₹1 crore of investment and ₹5 crores of turnover. For small units, the limit has been raised to ₹10 crores of investment and ₹50 crores of turnover, while for medium units, it has been increased to ₹20 crores of investment and ₹100 crores of turnover. However, the government decided on June 1, 2020, to further revise the definition, setting the limit for medium enterprises at ₹50 crores of investment and ₹250 crores of turnover. In other words, according to the revised definition, the eligibility criteria are as follows:

(a) The investment doesn't exceed ₹1 crore and the annual turnover doesn't exceed ₹5 crores in the case of Micro Enterprises

(b) The investment doesn't exceed ₹10 crores and the annual turnover doesn't exceed ₹50 crores in the case of Micro Enterprises

(c) The investment doesn't exceed ₹20 crores and the annual turnover doesn't exceed ₹100 crores in the case of Micro Enterprises.

The existing criteria for defining MSMEs, based on the MSMED Act, 2006, were different for manufacturing and services units and had relatively low financial limits. Following the announcement on May 13, 2020, there were several representations suggesting that the revision was still not aligned with market conditions and should be further increased. Taking these representations into account, the Prime Minister decided to raise the limit for medium units to be more realistic and to establish an objective classification system, facilitating ease of doing

business. Additionally, a new composite formula for classifying manufacturing and service units has been notified, eliminating the distinction between the two sectors. Furthermore, a new criterion for turnover has been introduced.

Officials from the Ministry stated that the new definition will strengthen and promote the growth of MSMEs. The provision to exclude exports from the turnover calculation aims to encourage MSMEs to export more without losing their MSME status, which is expected to significantly boost exports from the country, leading to economic growth, increased economic activity and job creation.

3.5.4 Registration under MSME Act

MSME industries form the backbone of a developing economy like India, driving overall economic growth and development. These enterprises, also known as SSIs (Small-Scale Industries), can register under the MSME Act for either manufacturing or service activities, regardless of their business sector. Although registration is not currently mandatory, it is advisable due to the benefits it offers in terms of taxation, business establishment and access to credit and loans. The MSME Act aims to support, assist and enhance the competitiveness of micro, small, and medium-sized enterprises.

Individuals cannot apply for MSME registration and not all businesses are eligible. Companies must meet certain criteria to qualify as an MSME. Entities categorized as Micro, Small and Medium Enterprises (MSMEs) according to the MSME classification are eligible to apply for MSME registration. However, individuals cannot apply for MSME registration. Proprietorships, partnership firms, companies, trusts or societies with investments and turnovers within the prescribed threshold are eligible for MSME registration.

3.5.5 Reason behind why Cottage Industries cannot be clubbed under the definition of MSMEs

A cottage industry is a type of business that is typically run by a family, either on a full-time or part-time basis. In contrast, a small-scale industry (SSI) is operated mainly with hired labour. Cottage industries are often household-based and rely on local resources, catering to a limited local market. Small-scale industries (SSIs), on the other hand, are more similar to mini factories, depending on resources from outside their immediate area. Examples of cottage industries include handwoven textiles, pottery, toy-making, rope-making and woodworking, while examples of small-scale industries include handloom industries, khadi and village

industries, sericulture and metalwork. As it is the unorganised sector, it is quite evident that these are run by individuals and not in the form of any company or partnerships. As a result, they are barred from getting themselves registered under the MSME Act. Apart from this, the cottage industries are formed with minimal capital mostly out of the family's savings and they are way below the threshold requirement of investment and turnover criteria as laid by the Act. It may be said that cottage industries cannot be even brought under the purview of micro industries as MSMEs have a much wider scope than that of the cottage industries. The definition as per the MSME Act is so vast, that it will be inappropriate to bring cottage industries under the same.

3.6 Advantages of Cottage Industries

Historically, the cottage industry played a crucial role in supporting families, businesses and communities by offering income and employment opportunities. Prior to the Industrial Revolution, manufacturing was primarily conducted through the domestic system, which included cottage industries. This decentralized approach allowed families to earn extra income while continuing agricultural activities, particularly in rural areas. With the advent of the factory system during the Industrial Revolution, the role of cottage industries evolved. While factories brought increased production and economic growth, cottage industries remained important, preserving artisanal skills and producing goods tailored to specific market demands.

Alternative Source of Livelihood: The growth of cottage industries in the 18th century, prior to the industrial revolution, was driven by individuals without access to farmland. This trend persists today, as those without agricultural land can still engage in cottage industries for livelihood, provided authorities ensure the supply of raw materials and assist in marketing finished products.

In-house Labour: All family members can participate in cottage industry activities, with each member assigned a specific part of the production process. This collaborative approach allows for joint production efforts within the family. Cottage industries conducted at home allow for the enjoyment of the peaceful and quiet atmosphere of home life. This strengthens their family bonds and nurtures positive emotions. Utilizing the manual skills of older generations helps reduce idle hours in society, tapping into valuable expertise and preserving traditional crafts.

Low Investment: Cottage industries are characterized by their low capital requirements and minimal operating costs. Most tasks are carried out manually by family members, reducing production costs, although with limited output volume.

More Aesthetic than Machine-made Goods: Cottage industries offer a key advantage over other big industries because cottage industrial products can be more artistic and unique compared to machine-made goods. While mills produce standardized fabrics, handloom and cottage industries offer vast opportunities for individual artistic designs.

Promotes Self-sufficiency: Cottage industries promote self-sufficiency, particularly in countries where village life is prevalent. In nations like India, where a large portion of the population cannot benefit from the industrial revolution, small-scale cottage industries offer an alternative, contributing to wealth creation. Cottage industries help avoid the negative aspects associated with industrial cities, providing a more favourable environment for workers.

Boosts Self Esteem: Cottage industries can boost the self-esteem of villagers, enhancing their contribution to the nation's empowerment and development.

3.7 Disadvantages of Cottage Industries

Low Output: The scale of operations in cottage industries may require additional assistance to meet production demands, which can be a notable drawback compared to larger factory systems. As discussed earlier, cottage industries are characterized by their low investment requirements and minimal operating costs. Almost all the tasks are carried out manually by family members, reducing production costs, although with limited output volume.

Lack of Standardization: As the products manufactured in the cottage industries are handmade, they might look more artistic than the machine made goods, but often lacks standardization. Lack of standardization might be a hindrance to international exposure of such handicrafts, if not dealt with importance. Lack of professional training, research and development often leads to unskilled labour that might affect the quality of the final output.

High Price of Product: Since the products manufactured by the cottage industries are handmade, often they are sold at very high prices that might seem exorbitant and out of reach of the commoners in the local market where they are being sold. Such products often have less utility, rather being more aesthetic. It is very difficult to find the right customers who would appreciate such artistic products in the local market.

3.8 Conclusion

Cottage industries in India have a long-standing and significant presence, serving as important elements of the country's economy and culture. They offer employment, preserve traditional

skills and promote sustainable practices. However, they encounter challenges in obtaining funding, marketing their products and competing with large-scale production.

With support from the government, improved access to markets and the adoption of modern technology, cottage industries in India can thrive in the digital age. These industries not only have the potential to boost rural economies but also to showcase India's rich cultural heritage globally. Recognizing the inherent value of cottage industries, it is crucial that we come together to ensure their growth and sustainability in the 21st century. The majority of cottage industries in India encounter challenges related to capital and workforce, leading them to adopt capital-saving techniques. There is a pressing need for the implementation of new strategies that enhance productivity, develop new skills and meet market demands. It is essential to develop new technologies to enable people to maintain a decent standard of living. Additionally, the government should offer subsidies to support the growth of cottage industries, especially in the early stages. Despite these efforts, the workforce in the industry often faces numerous challenges at different stages of their business.

CHAPTER FOUR
ANALYSIS OF FINANCIAL PROBLEMS OF COTTAGE INDUSTRIES OF WEST BENGAL

I. Introduction

This study is mainly based on primary data. However secondary data has been used for the descriptive analysis of financial problems of cottage industries in India as a whole and in West Bengal, which has been presented in Chapter Two. Although secondary data has been used in the study, not much information could be collected regarding quantitative secondary data. This is because of the fact that cottage industries are the unorganised sector in the society. Most of the cottage industry owners do not have a registration. To mention in this regard, it is wise not to include cottage industries within the purview of Small Scale Industries (SSIs) or Micro, Small & Medium Enterprises (MSMEs), as cottage industries do not satisfy any of the classifications as defined under the MSME Act, 2006. In fact, this is the reason why this study has been based on primary data exclusively. The study has involved collection of raw data with the help of direct interviews with the respondents. Data has been collected over a period of seven months from five districts of West Bengal.

II. Procedures of Collection of Data

The districts that have been studied for the research, have been selected on the basis of districts with highest concentration of cottage industries in West Bengal. Again, as there is practically no quantitative data, the entire sampling plan has been done on the basis of literature review. Ideally, West Bengal can be divided into five administrative divisions.

Table No. 1.1: Table No. 1.1 represents the list of districts of West Bengal that has been classified into five administrative divisions.

Presidency Division	Medinipur Division	Burdwan Division	Malda Division	Jalpaiguri Division
Howrah	Bankura	Birbhum	Murshidabad	Alipurduar
Kolkata	Jhargram	Paschim	Malda	Cooch Behar
Nadia	Paschim	Bardhaman	Dakshin Dinajpur	Darjeeling
North 24	Medinipur	Purba	Uttar Dinajpur	Jalpaiguri
Parganas	Purba	Bardhaman		Kalimpong
South 24	Medinipur	Hoogly		
Parganas	Purulia			

One district from each division has been selected on the basis of concentration of cottage industries. These are:

Nadia District from Presidency Division

Clay dolls from Krishnanagar, Nadia district of West Bengal are renowned all over the world for their pastoral beauty. Amongst all the crafts of West Bengal, the art of clay doll making is one of the most popular ones. These beautiful, lively clay structures are adorned with vibrant colours. The art of doll making has thus become an integral part of Nadia's culture. These dolls depict various real life social scenarios. The dolls are made by highly skilled artisans who are expert in creating the intricate detailing and precision of the dolls that captures the realistic expressions of a human being. The craftsmen engaged in this doll making are well reputed over the world to bring life to these dolls through the magic in their fingers and years of experience. This craft of clay doll making is almost a two hundred and fifty years old and are predominantly practised in a place called Ghurni in the Nadia district of West Bengal. Maharaja Krishna Chandra (1710–1783), a patron of arts, supported the production of clay dolls. He was a pioneer who started Kali puja and Jagaddhatri puja for the first time in Bengal, he encouraged the local artisans and brought in more potters from Dhaka & Natore districts of undivided Bengal to the Ghurni region - a neighbourhood of Krishnanagar. Craftsmen practising the craft of Krishnanagar doll making belong to the group of the community called 'Kumbhakaras' constituting potters and clay modellers. In Krishnanagar over three hundred people are involved in this craft including women and children. Initially the occupation of clay modelling and pottery started with four or five families which is now a big community. As a community, they are not much integrated. The decline of feudal zamindari culture and loss of their patronage has adversely affected this craft.[4] 91 responses have been collected from Ghurni village. It is under Bhandarkhola Gram Panchayat, of CD Block - Krishnanagar-1 of Nadia district.

Bankura District from Medinipur Division

Panchmura is a gram panchayat under Taldangra Block in Khatra subdivision of Bankura district of West Bengal. It is 21 km from Bishnupur and is famous for the terracotta Bankura horse, a folk artefact and now the national symbol for Indian handicrafts. [5] The logo of All India Handicrafts is the Bankura Horse. These horses display the skill and craftsmanship of

[4] https://gaatha.org/Craft-of-India/clay-dolls-krishnanagar - A documentation by Sujay Das & Swarup
[5] https://en.wikipedia.org/wiki/Panchmura

Bengal. A pair of terracotta horses in a corner of a room adds class to any Bengali living room. These horses are not just decorative artefacts, but they also display the skill and craftsmanship of Bengal. [6] 103 responses have been collected from Panchmura village under Taldangra Gram Panchayat in Khatra Block of Bankura district.

Birbhum District from Burdwan Division

Birbhum has always been famous for its red soil or 'Lal-Mati' and is commonly known as 'Lal-Matir Desh' which means 'land of the red soil'. Birbhum is also famous for Santiniketan, in Bolpur, the place where the Vishwa-Bharati University, established by the great poet and novelist Rabindranath Tagore, is located. That being said, now it is also famous for another beautiful site known as Sonajhuri**,** which is only a few kilometers away from Santiniketan. It is a beautiful tourist attraction popularly known for its two-day weekend fair or 'Haat', known as the i. Beautiful 'ektaras' (a stringed musical instrument), hand-made jewellery, leather & handloom bags, embroidered sarees, wooden home decor, wooden household items, amazing wooden chairs and a lot more other artefacts which are available here. The speciality of this **fair** is that all the items are completely handmade and are sold at very reasonable prices. 105 responses have been collected from Shonajhuri Haat of Shantiniketan, from Birbhum district. [7]

Malda District from Malda Division

Sericulture is very well suited for land and labour abundant economy like that of India. Among all the states, West Bengal is the ideal land for culturing silk not only because it is low capital intensive but also because it is mainly labour intensive. Traditionally, Malda, district have been famous for production of high quality silk. Sericulture has always been a traditional livelihood activity for rural families of Malda district in West Bengal. Employment generation is one of the major potentials of sericulture and silk Industry in Malda district. The silk industry with its high employment potentiality and more income generation in the households itself has been identified as one of the major sources of rural development by empowering women by financially making them self-dependent. Such cottage industry owners have been contributing

[6] https://www.bangalinet.com/art&craft_bankura.htm
[7] https://www.swarnabdutta.com/sonajhuri-haat-khoai-mela-santiniketan-bolpur-timing/

in all the stages starting from on-farm activities such as mulberry plantation, indoor rearing of silk worm, feeding the silk worm, processing the cocoons etc. to off-farm activities. [8]

A total of 102 responses have been collected from two separate blocks in Malda district. Responses have been collected from Gayesbari village of Kaliachak-I Block and from Alomtola village of Kaliachak-II Block in Malda district.

Cooch Behar District from Jalpaiguri Division

Ghughumari is a village and a gram panchayat in the Cooch Behar I CD Block in the Cooch Behar district. There are about 14,000 families weaving 'pati' or sitalpati in and around Ghughumari. After the partition of Bengal in 1947, a number of families had migrated from the district of Tangail, presently situated in Bangladesh, and had settled in this area. They had brought with them the age-old tradition of weaving 'pati' and that had helped them survive. Generally, men are engaged in growing the plants and extracting the fibre, and the women are engaged in weaving. [9] 106 responses have been collected from Ghugumari village of Cooch Behar I CD Block from Cooch Behar district.

Responses from all 5 districts have been merged together and have been analysed, sample size being 507. Primary data has been collected within a span of 7 months, from March 2023 to September 2023.

Determination of Sample Size

Determination of sample size has been done with the help of Cochran's formula for infinite population. The Cochran's formula enables the calculation of an optimal sample size based on the desired precision level, confidence level, and estimated proportion of the attribute in the population. This formula is particularly suitable for scenarios involving large population. The Cochran's formula for indefinite large population is:

$$\mathbf{n = z^2 (p\ q) / e^2}$$

Where, **n** = sample size

z = standard error associated with chosen level of confidence (usually 1.96)

[8] NasimAktar, Chand Sultana and Shamsul Haque Siddiqui, 'Sericulture as an Employment Generating Household Industry- A Case Study of Gayesbari Village of Kaliachak-I Block in Malda District, West Bengal', National Geographical Journal of India, An International Peer-reviewed and refereed Journal of India (NGSI-BHU, ISSN: 0027-9374/2016/1581), vol. 62 (2), June: 121-130

[9] https://en.wikipedia.org/wiki/Ghughumari#cite_note-5

p = Variability / Standard Deviation (usually 0.5)

q = 1- p (0.5)

e = Acceptable sample error (At 95% confidence level, sampling error is 5% i.e. 0.05)

Therefore, **n** = $\{(1.96)^2 (0.5) (0.5)\} / (0.05)$

= (3.8416 x 0.25) / 0.0025

= 384

The sample size for the study collectively from all the 5 districts have come to 507 which is much more than the desired sample size.

III. Tools for Analysis

A well-structured questionnaire had been prepared comprising 70 questions. Almost all the questions other than a few demographic questions had been framed in the form of a Likert Scale. A pilot survey with a sample size of 50 had been conducted previously in the year 2021, the result of which had been analysed critically. After reviewing thoroughly some more statistical tests were decided to be taken under consideration, in addition to the other statistical tests that had already been run for analysis of data of the pilot survey. Apart from this, a few minor changes had been made in the questionnaire for betterment. The following statistical tests were performed on the basis of data collected from all 5 selected districts of West Bengal. All the statistical tests performed throughout have been done with the help of SPSS (Statistical Package for the Social Sciences) software (IBM SPSS Version 23).

7. Reliability Test using Cronbach Alpha

Reliability is the consistency of measuring instrument. It is the degree to which an instrument measures the same way each time it is used under the same condition with the same subjects. On the other hand, validity is how true or how accurate the measure is. So it may be said that every instrument can be evaluated on the basis of two dimensions – reliability and validity. Cronbach's alpha is a way of assessing reliability by comparing the amount of shared variance, or covariance, among the items making up an instrument to the amount of overall variance. If the instrument is reliable, there should be a great deal of covariance among the items relative to the variance. Cronbach's alpha is equivalent to taking the average of all possible split-half reliabilities. Often it is helpful to examine what the Cronbach's alpha becomes after a particular item is deleted. If Cronbach's alpha goes up considerably upon deletion of an item, it is to be

understood that the item may not belong in the measure. [10] In our study, reliability test has been conducted using Cronbach's alpha to test the consistency of the variables. It has been used to test the validity of the measure. Internal consistency of the constructs in our study has been tested with the help of Cronbach's alpha.

8. Exploratory Data Analysis (EDA)

Exploratory Data Analysis refers to the critical process of performing initial investigations on data so as to discover patterns, to spot anomalies, to test hypothesis and to check assumptions with the help of summary statistics and graphical representations. [11] EDA reveals the true nature of data. Exploratory Data Analysis provides valuable information. The main objective of EDA is to confirm if the data is making sense in the context of the problem. EDA is helpful to uncover and resolve the data quality issues like missing data, duplicates, incorrect values, anomalies and incorrect data types. EDA also reveals the descriptive statistics of data (mean, median, mode, variance, standard deviation, range, skewness, minimum, maximum etc.) All these are significant before any conclusion can be drawn from the data. EDA helps to detect outliers and anomalies. It helps to understand data patterns and correlations between variables.

9. Normality Test using Kolmogorov-Smirnov test; Shapiro-Wilk test

Normality is a probability distribution that is symmetric about the mean, showing that the data near the mean are more frequent in occurrence than data far from the mean. It is generally measured by skewness and kurtosis. Skewness is basically the tilt in the distribution. It could be on the left or on the right. Kurtosis is the peakedness of a distribution. The heaviness or the lightness of the tails usually means that the data looks flatter as compared to that of normal distribution. If the values for Skewness and Kurtosis are close to zero, then it is considered that the data is normally distributed. After the fitness indexes have been achieved, it is required to examine the normality assessment for the data before proceeding to modelling the structural model. Normal distribution is a continuous probability distribution wherein values lie in a symmetrical fashion mostly situated around the mean. One of the most common requirements of hypothesis testing is that the data used must be normally distributed. There are two ways of checking whether the data is normally distributed or not – analytically and graphically. Few of the best tests for analytical checking of normal distribution are the Kolmogorov-Smirnov test, the Shapiro-Wilk test and the Anderson-Darling test. In all of these tests, the null hypothesis is

[10] L.M. Collins, in Encyclopedia of Gerontology (Second Edition), 2007
[11] Prasad Patil, Towards Data Science, March 23, 2018

tested as the data is normally distributed. In order to check the hypothesis, we get a p-value in each of these tests. If the p-value is less than 0.05, it will be interpreted as a significant deviation from the normal distribution. In that case it will be assumed that the data is not normally distributed. If the p-value is greater than 0.05, it is assumed that the data is normally distributed.

10. Cross Tabulation using Chi-Square

Crosstab reports help us to analyse the frequency of response between two variables. The data in crosstabs are summarised in forms of rows and columns (2-way tables) or layers (multiway tables). Chi-square test of association is used to check the association between two categorical variables. However, it is important to note that in case of two variables being compared, the test can also be interpreted as determining if there is a significant difference between the two variables. The test is also referred to as Chi-square's test for independence, commonly known as Pearson's Chi-square test.

11. Exploratory Factor Analysis (EFA)

Exploratory Factor Analysis examines the systematic interdependence among a set of variables, that determines the base of commonality among these variables. Kaiser-Meyer-Olkin (KMO) Test is a measure of sampling adequacy. It is an index used to examine the appropriateness of factor analysis for the study. Generally, a high value of statistic (from 0.5 – 1) indicates the appropriateness of factor analysis. Bartlett's Test of Sphericity is a test statistic used to examine the hypothesis that the variables are uncorrelated in the population. In other words, a value less than 0.05 indicate that there exists significant relationship among variables and the variables do relate to one another enough to run a meaningful Exploratory Factor Analysis (EFA). Commonality is the amount of variance a variable share with all the other variables being considered. Small values indicate variables that do not fit well with the factor solution, and should possibly be dropped from the analysis. Normally values less than 0.50 are removed. The Eigen Value represents the total variance explained by each factor. Factors having Eigen values more than 1 are selected for further study. Factor Loading is also referred to as factor-variable correlation. Factor loadings are simple correlations between the variables and the factors. Factor loadings show how well the items represent the underlying factor. Factor Matrix contains all the factor loadings of all the variables on all the factors extracted. An EFA has been performed using a principal component analysis and a varimax rotation. The minimum factor loading criteria had been set to 0.50. The communality of the scale that

indicates the amount of variance in each dimension had also been assessed and the results had showed that all communalities were more than 0.50.

12. Wilcoxon Signed Rank Test

Wilcoxon Signed Rank Test is a non-parametric test, alternative to Paired Samples T-Test, except the fact that T-Test is a parametric test, used for normally distributed data whereas Wilcoxon Test is a non-parametric test, used when data is not normally distributed. Similar to its alternative, Wilcoxon Signed Rank Test is generally used to evaluate the influence of an intervention or to evaluate the association between the variables. However, in our study, Wilcoxon Signed Rank Test has been used to evaluate the association between the variables related to the major factors of financial problem that have been identified with the help of 'Factor Analysis'. The main purpose of conducting the Wilcoxon Signed Rank Test in our study is to test and check the robustness of the results of the previous tests.

IV. Analysis of Data

1. RELIABILITY TEST USING CRONBACH ALPHA

Table No. 1.2: Table no. 1.2 shows reliability statistics using Cronbach Alpha.

Reliability Statistics	
Cronbach's Alpha	0.711

Reliability is a measure of internal consistency of the constructs in the study. A construct is reliable if the Alpha value is greater than 0.70 (Hair et al., 2013). Construct reliability was assessed using Cronbach's Alpha. The result for our study revealed that Alpha value is 0.711 which is greater than 0.70 and hence it can be said that the constructs in our study are reliable.

2. EXPLORATORY DATA ANALYSIS

Exploratory data analysis (EDA) is an approach to analyse the data in a given data set using visual techniques. It is used to discover trends, patterns or to check assumptions with the help of statistical summaries and graphical representations. The main purpose of EDA is to have a quick look at the pattern of the data set that helps in better understanding of the interesting relationship among the variables. EDA also helps to identify outliers and also helps in identifying any kind of data feeding error.

DEMOGRAPHIC PROFILE (Table No. 2.1 – 2.16)

Table No. 2.1: Table no. 2.1 reveals that out of 507 respondents, there are 189 male respondents and 318 female respondents i.e. 37.3% of total population is male while 62.7% of total population is female.

Table No. 2.1	Frequency	Percent
Male	189	37.3
Female	318	62.7
Total	507	100.0

Table No. 2.2: Table no. 2.2 reveals the responses of respondents as to whether they are entitled to some kind of gender specific benefit. Out of 507 respondents, 115 respondents (22.7%) have strongly disagreed, 87 (17.2%) respondents have disagreed, 47 (9.3%) respondents have remained neutral, 126 (24.9%) respondents have agreed and 132 (26%) respondents have strongly agreed that they are entitled to some kind of gender specific benefit.

Table No. 2.2	Frequency	Percent
Strongly Disagree	115	22.7
Disagree	87	17.2
Neutral	47	9.3
Agree	126	24.9
Strongly Agree	132	26.0
Total	507	100.0

Table No. 2.3: Table no. 2.3 reveals the age group of the respondents. It was found that out of 507 respondents, 83 (16.4%) respondents belonged to the age group of 18-30 years, 270 (53.3%) respondents belonged to the age group of 31-45 years, 139 (27.4%) respondents belonged to the age group of 46-60 years and only 15 (3%) respondents were aged beyond 60 years.

Table No. 2.3	Frequency	Percent
18-30 years	83	16.4
31-45 years	270	53.3
46-60 years	139	27.4
Above 60 years	15	3.0
Total	507	100.0

Table No. 2.4: Table no. 2.4 reveals the marital status of the respondents. Out of 507 respondents, 376 (74.2%) respondents were married, 54 (10.7%) respondents were unmarried, 60 (11.8%) respondents were widowed and 17 (3.4%) respondents were divorced.

Table No. 2.4	Frequency	Percent
Married	376	74.2
Unmarried	54	10.7
Widowed	60	11.8
Divorced	17	3.4
Total	507	100.0

Table No. 2.5: Table no. 2.5 reveals the religious belief of the respondents. It was found that out of total 507 respondents, 487 (96.1%) respondents were Hindus while 20 (3.9%) respondents were Muslims.

Table No. 2.5	Frequency	Percent
Hindu	487	96.1
Muslim	20	3.9
Total	507	100.0

Table No. 2.6: Table no. 2.6 reveals the responses of the respondents as to whether cottage industry owners belonging to minority communities are entitled to higher margin money subsidies and other financial assistance from the government. It was found that out of 507 respondents, only 2 (0.4%) respondents have disagreed, 123 (24.3%) respondents have remained neutral, a majority of 213 (42%) respondents have agreed while 169 (33.3%) respondents have strongly agreed that cottage industry owners belonging to minority communities are entitled to higher margin money subsidies and other financial assistance from the government.

Table No. 2.6	Frequency	Percent
Disagree	2	.4
Neutral	123	24.3
Agree	213	42.0
Strongly Agree	169	33.3
Total	507	100.0

Table No. 2.7: Table no. 2.7 reveals the caste of the respondents. Out of 507 respondents, it was found that 42 (8.3%) respondents belonged to scheduled caste, 38 (7.5%) respondents belonged to scheduled tribe, a majority of the population i.e. 227 (44.8 %) respondents belonged to other backward classes while quite a big number i.e. 200 (39.4%) respondents belonged to general caste.

Table No. 2.7	Frequency	Percent
SC	42	8.3
ST	38	7.5
OBC	227	44.8
General	200	39.4
Total	507	100.0

Table No. 2.8: Table no. 2.8 reveals the family structure of the respondents. Out of 507 respondents, it was found that only 145 (28.6%) respondents belonged to joint families while the rest 362 (71.4%) respondents belonged to nuclear families.

Table No. 2.8	Frequency	Percent
Joint family	145	28.6
Nuclear family	362	71.4
Total	507	100.0

Table No. 2.9: Table no. 2.9 represents the number of family members of the respondents. Out of 507 respondents, 352 (69.4%) respondents belonged to families having less than 5 members while 155 (30.6%) respondents belonged to families having more than 5 members.

Table No. 2.9	Frequency	Percent
Less than 5	352	69.4
More than 5	155	30.6
Total	507	100.0

Table No. 2.10: Table no. 2.10 represents the number of family members helping the respondents in running the business. Out of 507 respondents, a majority of 492 (97%) respondents had less than 5 members helping them while only 15 (3%) respondents had more than 5 helping hands within the family.

Table No. 2.10	Frequency	Percent
Less than 5	492	97.0
More than 5	15	3.0
Total	507	100.0

Table No. 2.11: Table no 2.11 explains the responses of respondents as to the gradual trend of having smaller families have resulted to less labour force that has indirectly affected the productivity of cottage industries. Out of 507 respondents, only 1 (0.2%) respondent have strongly disagreed, 18 (3.6%) respondents have disagreed, 32 (6.3%) respondents have remained neutral, 125 (24.7%) respondents have agreed and a majority of 331 (65.3%) respondents have strongly agreed that the gradual trend of having smaller families have resulted to less labour force that has indirectly affected the productivity of cottage industries.

Table No. 2.11	Frequency	Percent
Strongly Disagree	1	.2
Disagree	18	3.6
Neutral	32	6.3
Agree	125	24.7
Strongly Agree	331	65.3
Total	507	100.0

Table No. 2.12: Table no. 2.12 reveals the number of registered and non-registered cottage industry owners. Out of 507 respondents, only 103 (20.3%) respondents are registered under the Directorate of Industries while the remaining 404 (79.7%) respondents are not registered.

Table No. 2.12	Frequency	Percent
Yes	103	20.3
No	404	79.7
Total	507	100.0

Table No. 2.13: Table no. 2.13 reveals whether the whether income earned from running cottage industries is the only source of family income of the respondents or not. Out of 507 respondents, only 111 (21.9%) respondents' sole source of income is income earned from cottage industries while the rest 396 (78.1%) respondents confirmed that income earned from running cottage industries is not the only source of their total family income.

Table No. 2.13	Frequency	Percent
Yes	111	21.9
No	396	78.1
Total	507	100.0

Table No. 2.14: Table no. 2.14 explains the responses of the respondents as to whether income earned from cottage industries is sufficient or not. Out of 507 respondents, a majority of 382 (75.3%) respondents have strongly disagreed, a big number of 116 (22.9%) respondents have also disagreed, 2 (0.4%) respondents have remained neutral, and only 7 (1.4%) of the total population have agreed that income earned from running cottage industries is sufficient.

Table No. 2.14	Frequency	Percent
Strongly Disagree	382	75.3
Disagree	116	22.9
Neutral	2	.4
Agree	7	1.4
Total	507	100.0

Table No. 2.15: Table no. 2.15 represents the monthly income of the respondents. Out of 507 respondents, it was found that 49 (9.7%) respondents' monthly income ranged between Rs. 1000 - Rs. 5000, 267 (52.7%) respondents' monthly income ranged between Rs. 6000 - Rs. 10000, 116 (22.9%) respondents' monthly income ranged between Rs. 11000 - Rs. 20000, and 75 (14.8%) respondents' monthly income was more than Rs. 20000.

Table No. 2.15	Frequency	Percent
Rs. 1000 - Rs. 5000	49	9.7
Rs. 6000 - Rs. 10000	267	52.7
Rs. 11000 - Rs. 20000	116	22.9
More than Rs. 20000	75	14.8
Total	507	100.0

Table No. 2.16: Table no. 2.16 represents the tenure of business of the respondents. Out of 507 respondents 2 (0.4%) respondents had been running business for less than a year, 81 (16%) respondents had been running business ranged between 1-5 years, a majority of 270 (53%) respondents had been running business ranged between 6-15 years, 127 (25%) respondents had

been running business ranged between 16-25 years and 27 (5.3%) respondents had been running business for more than 25 years.

Table No. 2.16	Frequency	Percent
Less than 1 year	2	.4
1-5 years	81	16.0
6-15 years	270	53.3
16-25 years	127	25.0
More than 25 years	27	5.3
Total	507	100.0

Table No. 2.17: Table no. 2.17 explains the importance of market assessment for estimating demand before purchasing raw materials. Out of 507 respondents, 71 (14%) respondents had remained neutral, a big number of 213 (42%) respondents had agreed and a majority of 223 (44%) respondents had strongly agreed that market assessment for estimating demand before purchasing raw materials is important.

Table No. 2.17	Frequency	Percent
Neutral	71	14.0
Agree	213	42.0
Strongly Agree	223	44.0
Total	507	100.0

Table No. 2.18: Table no. 2.18 explains the responses of respondents as to high cost of market research. Out of 507 respondents, only 1 (0.2%) respondent had strongly disagreed, 8 (1.6%) respondents had remained neutral, quite a big number of 190 (37.5%) respondents had agreed and a majority of 308 (60.7%) respondents had strongly agreed that the cost for bearing market research is high.

Table No. 2.18	Frequency	Percent
Strongly Disagree	1	.2
Neutral	8	1.6
Agree	190	37.5
Strongly Agree	308	60.7
Total	507	100.0

Table No. 2.19: Table no. 2.19 explains the responses of respondents as to increased final price of products due to recurring cost of market research. Out of 507 respondents, 5 (1%) respondents had remained neutral, 154 (30.4%) respondents had agreed and the majority of 348 (68.6%) respondents had strongly agreed that the cost for bearing market research being recurring in nature, increases the final price of the products.

Table No. 2.19	Frequency	Percent
Neutral	5	1.0
Agree	154	30.4
Strongly Agree	348	68.6
Total	507	100.0

Table No. 2.20: Table no. 2.20 reveals the responses of respondents as to utilisation of in-house labour for market research. Out of 507 respondents, only 1 (0.2%) respondent had strongly disagreed, 3 (0.6%) respondents had disagreed, 11 (2.2%) respondents had remained neutral, 311 (61.3%) respondents had agreed and a majority of 181 (35.7%) respondents had strongly agreed that in-house labour is utilised for market research.

Table No. 2.20	Frequency	Percent
Strongly Disagree	1	.2
Disagree	3	.6
Neutral	11	2.2
Agree	311	61.3
Strongly Agree	181	35.7
Total	507	100.0

Table No. 2.21: Table no. 2.21 explains the responses of respondents as to whether outsourcing specialised labour for market research is effective for better demand estimation or not. Out of 507 respondents, 276 (54.4%) respondents had strongly disagreed, 171 (33.7%) respondents had disagreed, 32 (6.3%) respondents had remained neutral, 26 (5.1%) respondents had agreed and only 2 (0.4%) respondents had strongly agreed that outsourcing specialised labour for market research is effective for better demand estimation.

Table No. 2.21	Frequency	Percent
Strongly Disagree	276	54.4
Disagree	171	33.7
Neutral	32	6.3
Agree	26	5.1
Strongly Agree	2	.4
Total	507	100.0

Table No. 2.22: Table no. 2.22 explains the responses of respondents as to the increased final price of final product in spite of outsourced labour for market research being effective. Out of 507 respondents, only 5 (1.0%) respondents had disagreed, 4 (0.8%) respondents had remained neutral, 131 (25.8%) respondents had agreed and a majority of 367 (72.4%) respondents had strongly agreed that outsourcing specialised labour for market research might be effective but increases the final price of the product.

Table No. 2.22	Frequency	Percent
Disagree	5	1.0
Neutral	4	.8
Agree	131	25.8
Strongly Agree	367	72.4
Total	507	100.0

Table No. 2.23: Table no. 2.23 reveals the responses of the respondents as to whether they are required to be trained for manufacturing products. Out of 507 respondents, a majority of 239 (47.1%) respondents had strongly disagreed, a big number of 116 (22.9%) respondents had also disagreed, 21 (4.1%) respondents had remained neutral, coincidentally a similar number of 116 (22.9%) respondents had agreed whereas only 15 (3.0%) respondents had strongly agreed on the fact that they are required to undergo training for manufacturing products.

Table No. 2.23	Frequency	Percent
Strongly Disagree	239	47.1
Disagree	116	22.9
Neutral	21	4.1
Agree	116	22.9
Strongly Agree	15	3.0
Total	507	100.0

Table No. 2.24: Table no. 2.24 reveals the responses of the respondents as to the sufficiency of informal training from elders for manufacturing products. Out of 507 respondents, only 15 (3.0%) had strongly disagreed, a few number of 56 (11.0%) respondents had disagreed, 3 (0.6%) respondents had remained neutral, 78 (15.4%) respondents had agreed and a majority of 355 (70.0%) respondents had strongly agreed that informal training from elder generation is sufficient for manufacturing products.

Table No. 2.24	Frequency	Percent
Strongly Disagree	15	3.0
Disagree	56	11.0
Neutral	3	.6
Agree	78	15.4
Strongly Agree	355	70.0
Total	507	100.0

Table No. 2.25: Table no. 2.25 reveals the responses of the respondents as to whether professional training is required for manufacturing products or not. Out of 507 respondents, a majority of 271 (53.5%) respondents had strongly disagreed, a big number of 146 (28.8%) respondents had disagreed, 11 (2.2%) respondents had remained neutral, 47 (9.3%) respondents had agreed and only 32 (6.3%) respondents had strongly agreed that professional training is required for manufacturing products.

Table No. 2.25	Frequency	Percent
Strongly Disagree	271	53.5
Disagree	146	28.8
Neutral	11	2.2
Agree	47	9.3
Strongly Agree	32	6.3
Total	507	100.0

Table No. 2.26: Table no. 2.26 reveals the responses of the respondents as to whether they have ever been professionally trained for manufacturing products or not. Out of 507 respondents, only 112 (22.1%) respondents had been trained professionally while the remaining majority 395 (77.9%) respondents had never received any professional training.

Table No. 2.26	Frequency	Percent
Yes	112	22.1
No	395	77.9
Total	507	100.0

Table No. 2.27: Table no. 2.27 reveals the responses of the respondents as to whether training increases efficiency, skill and helps them in manufacturing better products. Out of 507 respondents, a majority of 172 (33.9%) respondents had strongly disagreed, quite a large number of 154 (30.4%) respondents had disagreed, 100 (19.7%) respondents had preferred to remain neutral, only 34 (6.7%) respondents had agreed and very few number of 47 (9.3%) respondents had strongly agreed that training increases efficiency, skill and helps them in manufacturing better products.

Table No. 2.27	Frequency	Percent
Strongly Disagree	172	33.9
Disagree	154	30.4
Neutral	100	19.7
Agree	34	6.7
Strongly Agree	47	9.3
Total	507	100.0

Table No. 2.28: Table no. 2.28 represents the responses of respondents as to their tenure of training programmes. Out of 507 respondents, a majority of 396 (78.1%) respondents had either received no training or had received a negligible training for a tenure of less than 2 days. 90 (17.8%) respondents had received training for a tenure ranged between 3-7 days and only 21 (4.1%) respondents had received training for a period ranged between 8-14 days.

Table No. 2.28	Frequency	Percent
Less than 2 days	396	78.1
3-7 days	90	17.8
8-14 days	21	4.1
Total	507	100.0

Table No. 2.29: Table no. 2.29 explains the responses of the respondents as to whether their regular household activities stand in the way of attending training programmes. Out of 507 respondents, only 5 (1.0%) respondents had disagreed, 11 (2.2%) respondents had remained neutral, a large number of 122 (24.1%) respondents had agreed while a majority of 369 (72.8%) respondents had strongly agreed that their regular household activities stand in the way of attending training programmes.

Table No. 2.29	Frequency	Percent
Disagree	5	1.0
Neutral	11	2.2
Agree	122	24.1
Strongly Agree	369	72.8
Total	507	100.0

Table No. 2.30: Table no. 2.30 reveals the responses of the respondents as to their receipt of stipends for attending training programmes. Out of 507 respondents, a majority of 239 (47.1%) respondents had strongly disagreed, a large number of 160 (31.6%) respondents had disagreed, 89 (17.6%) respondents had remained neutral while only 19 (3.7%) respondents had agreed that they had received stipends for attending training programmes.

Table No. 2.30	Frequency	Percent
Strongly Disagree	239	47.1
Disagree	160	31.6
Neutral	89	17.6
Agree	19	3.7
Total	507	100.0

Table No. 2.31: Table no. 2.31 reveals the responses of the respondents as to their entitlement to stipend while attending training programmes that would help them to bear the expenses associated with training. Out of 507 respondents, 5 (1.0%) respondents had remained neutral, quite a big number of 149 (29.4%) respondents had agreed and a majority of 353 (69.6%) respondents had strongly agreed to the fact that trainees should be entitled to stipends while attending training programmes that would help them to bear the expenses associated with training.

Table No. 2.31	Frequency	Percent
Neutral	5	1.0
Agree	149	29.4
Strongly Agree	353	69.6
Total	507	100.0

Table No. 2.32: Table no. 2.32 reveals the responses of the respondents as to high cost associated with training programmes. Out of 507 respondents, 5 (1.0%) respondents remained neutral, 135 (26.6%) respondents agreed and a majority of 367 (72.4%) respondents had strongly agreed that cost incurred by them for attending training programmes seems high.

Table No. 2.32	Frequency	Percent
Neutral	5	1.0
Agree	135	26.6
Strongly Agree	367	72.4
Total	507	100.0

Table No. 2.33: Table no. 2.33 explains the responses of the respondents as to frequency in purchasing raw materials. Out of 507 respondents, only 4 (0.8%) respondents had disagreed, 64 (12.6%) respondents had remained neutral, a majority of 325 (64.1%) respondents had agreed and 114 (22.5%) respondents had strongly agreed that they frequently purchase raw materials.

Table No. 2.33	Frequency	Percent
Disagree	4	.8
Neutral	64	12.6
Agree	325	64.1
Strongly Agree	114	22.5
Total	507	100.0

Table No. 2.34: Table no. 2.34 explains the responses of the respondents as to availability of raw materials as per their requirement. Out of 507 respondents, 16 (3.2%) respondents remained neutral, a majority of 250 (49.3%) respondents had agreed and a large number of 241 (47.5%) respondents had strongly agreed that raw material is available to them as per requirement.

Table No. 2.34	Frequency	Percent
Neutral	16	3.2
Agree	250	49.3
Strongly Agree	241	47.5
Total	507	100.0

Table No. 2.35: Table no. 2.35 reveal the responses of the respondents as to whether they face problems while procuring raw materials or not. Out of 507 respondents, 47 (9.3%) respondents had strongly disagreed, 58 (11.4%) respondents had disagreed, 56 (11.0%) respondents had remained neutral, a large number of 157 (31.0%) respondents had agreed and a majority of 189 (37.3%) respondents had strongly agreed that they face problems while procuring raw materials.

Table No. 2.35	Frequency	Percent
Strongly Disagree	47	9.3
Disagree	58	11.4
Neutral	56	11.0
Agree	157	31.0
Strongly Agree	189	37.3
Total	507	100.0

Table No. 2.36: Table no. 2.36 reveals the responses of the respondents as to whether lack of adequate finance acts as a hindrance in procuring raw materials. Out of 507 respondents, 1 (0.2%) respondents had remained neutral, quite a large number of 119 (23.5%) had agreed and a majority of 387 (76.3%) respondents had strongly agreed that lack of adequate finance acts as a hindrance in procuring raw materials.

Table No. 2.36	Frequency	Percent
Neutral	1	.2
Agree	119	23.5
Strongly Agree	387	76.3
Total	507	100.0

Table No. 2.37: Table no. 2.37 reveals the responses of the respondents as to the high price of the raw materials. Out of 507 respondents, 5 (1.0%) respondents had remained neutral, a large number of 140 (27.6%) respondents had agreed and a majority of 362 (71.4%) respondents had strongly agreed that price of raw materials is generally on the higher side.

Table No. 2.37	Frequency	Percent
Neutral	5	1.0
Agree	140	27.6
Strongly Agree	362	71.4
Total	507	100.0

Table No. 2.38: Table no. 2.38 reveals the responses of the respondents as to whether they consider taking loan from financial institutions as a good source of finance for procuring raw materials. Out of 507 respondents, a majority of 170 (33.5%) respondents had strongly disagreed, a large number of 112 (22.1%) respondents had disagreed, 29 (5.7%) respondents had remained neutral, 168 (33.1%) respondents had agreed and only 28 (5.5%) respondents had strongly agreed that they think taking loan from financial institutions is a good source of finance for procuring raw materials.

Table No. 2.38	Frequency	Percent
Strongly Disagree	170	33.5
Disagree	112	22.1
Neutral	29	5.7
Agree	168	33.1
Strongly Agree	28	5.5
Total	507	100.0

Table No. 2.39: Table no. 2.39 reveals the responses of the respondents as to whether they think availing loans from relatives, friends and neighbours is a better source of finance than taking loans from financial institutions. out of 507 respondents, only 38 (7.5%) respondents had strongly disagreed, a few number of 78 (15.4%) respondents had disagreed, 9 (1.8%) respondents had remained neutral, 83 (16.4%) respondents had agreed and a majority of 299 (59%) respondents had strongly agreed that they think borrowing money from relatives, friends and neighbours in times of need is still a better source of finance than taking loans from financial institutions.

Table No. 2.39	Frequency	Percent
Strongly Disagree	38	7.5
Disagree	78	15.4
Neutral	9	1.8
Agree	83	16.4
Strongly Agree	299	59.0
Total	507	100.0

Table No. 2.40: Table no. 2.40 explains the responses of the respondents as to fulfilment of their credit requirement by the financial institutions. out of 507 respondents, a majority of 243 (47.9%) respondents had strongly disagreed, a large number of 169 (33.3%) respondents had disagreed, 38 (7.5%) respondents had remained neutral, 51 (10.1%) respondents had agreed while only 6 (1.2%) respondents had strongly agreed that their credit requirement gets fulfilled by the financial institutions.

Table No. 2.40	Frequency	Percent
Strongly Disagree	243	47.9
Disagree	169	33.3
Neutral	38	7.5
Agree	51	10.1
Strongly Agree	6	1.2
Total	507	100.0

Table No. 2.41: Table no. 2.41 reveals the responses of the respondents as to whether obtaining loan from financial institution is a cumbersome process or not. Out of 507 respondents, a few number of 23 (4.5%) respondents had disagreed, 9 (1.8%) respondents had remained neutral, a large number of 189 (37.3%) respondents had agreed and a majority of 286 (56.4%) respondents had strongly agreed that obtaining loan from financial institutions is a cumbersome process.

Table No. 2.41	Frequency	Percent
Disagree	23	4.5
Neutral	9	1.8
Agree	189	37.3
Strongly Agree	286	56.4
Total	507	100.0

Table No. 2.42: Table no. 2.42 explains the responses of the respondents as to rigidity of loan formalities. Out of 507 respondents, only 5 (1.0%) respondents had disagreed, 8 (1.6%) respondents had remained neutral, a large number of 199 (39.3%) respondents had agreed and a majority of 295 (58.2%) respondents had strongly agreed that loan formalities seem rigid.

Table No. 2.42	Frequency	Percent
Disagree	5	1.0
Neutral	8	1.6
Agree	199	39.3
Strongly Agree	295	58.2
Total	507	100.0

Table No. 2.43: Table no. 2.43 reveals the responses of the respondents as to high interest rate. Out of 507 respondents, quite surprisingly none had disagreed on this fact. 165 (32.5%) respondents had agreed and the remaining 342 (67.5%) respondents had strongly agreed that interest rate seems high.

Table No. 2.43	Frequency	Percent
Agree	165	32.5
Strongly Agree	342	67.5
Total	507	100.0

Table No. 2.44: Table no. 2.44 reveals the responses of the respondents as to unfavourable mode of repayment of loan. Out of 507 respondents, only 38 (7.5%) respondents had disagreed, 43 (8.5%) respondents had remained neutral, a majority of 219 (43.2%) respondents had agreed and a large number of 207 (40.8%) respondents had strongly agreed that the mode of repayment of loan seems unfavourable.

Table No. 2.44	Frequency	Percent
Disagree	38	7.5
Neutral	43	8.5
Agree	219	43.2
Strongly Agree	207	40.8
Total	507	100.0

Table No. 2.45: Table no. 2.45 explains the responses of the respondents as to the tenure of loan repayment period. Out of 507 respondents, only 1 (0.2%) respondent had disagreed, 21 (4.1%) respondents had remained neutral, a majority of 288 (56.8%) respondents had agreed and a large number of 197 (38.9%) respondents had strongly agreed that loan repayment period seems short.

Table No. 2.45	Frequency	Percent
Disagree	1	.2
Neutral	21	4.1
Agree	288	56.8
Strongly Agree	197	38.9
Total	507	100.0

Table No. 2.46: Table no. 2.46 reveals the responses of the respondents as to the tenure of trade credit financing period. Out of 507 respondents, only 1 (0.2%) respondent had disagreed, 29 (5.7%) respondents had remained neutral, a majority of 240 (47.3%) respondents had agreed while a similar large number of 237 (46.7%) respondents had strongly agreed that trade credit financing period is generally short.

Table No. 2.46	Frequency	Percent
Disagree	1	.2
Neutral	29	5.7
Agree	240	47.3
Strongly Agree	237	46.7
Total	507	100.0

Table No. 2.47: Table no. 2.47 reveals the responses of the respondents as to high interest rate for trade credit. Out of 507 respondents, 26 (5.1%) respondents had remained neutral, a large number of 216 (42.6%) respondents had agreed and a majority of 265 (52.3%) respondents had strongly agreed that interest rate for trade credit is high.

Table No. 2.47	Frequency	Percent
Neutral	26	5.1
Agree	216	42.6
Strongly Agree	265	52.3
Total	507	100.0

Table No. 2.48: Table no. 2.48 explains the responses of the respondents as to whether they and their family members solely manufacture goods or not. Out of 507 respondents, only 1 (0.2%) respondent das disagreed, a large number of 220 (43.4%) respondents had agreed and a majority of 286 (56.4%) respondents had strongly agreed that they themselves manufacture goods.

Table No. 2.48	Frequency	Percent
Disagree	1	.2
Agree	220	43.4
Strongly Agree	286	56.4
Total	507	100.0

Table No. 2.49: Table no. 2.49 reveals the responses of the respondents as to the increased price of final product due to usage of outsourced labour being a good option for increased productivity. Out of 507 respondents, only 3 (0.6%) respondents had strongly disagreed, 37 (7.3%) respondents had remained neutral, a large number of 225 (44.4%) respondents had agreed and a majority of 242 (47.7%) respondents had strongly agreed that outsourcing labour might be a good option for increasing productivity but would increase the price of the final product eventually.

Table No. 2.49	Frequency	Percent
Strongly Disagree	3	.6
Neutral	37	7.3
Agree	225	44.4
Strongly Agree	242	47.7
Total	507	100.0

Table No. 2.50: Table no. 2.50 reveals the responses of the respondents as to the underutilisation of production capacity due to lack of adequate equipment and machinery. Out of 507 respondents, only 7 (1.4%) respondents had strongly disagreed, 37 (7.3%) respondents had disagreed, 14 (2.8%) respondents had remained neutral, quite a large number of 181 (35.7%) respondents had agreed and a majority of 268 (52.9%) respondents had strongly agreed that production capacity remains underutilised due to lack of adequate equipment and machinery.

Table No. 2.50	Frequency	Percent
Strongly Disagree	7	1.4
Disagree	37	7.3
Neutral	14	2.8
Agree	181	35.7
Strongly Agree	268	52.9
Total	507	100.0

Table No. 2.51: Table no. 2.51 reveals the responses of the respondents as to sufficiency of in-house storage for full scale production. Out of 507 respondents, the majority of 399 (78.7%) respondents had strongly disagreed, a large number of 105 (20.7%) respondents had disagreed and a negligible number of 3 (0.6%) respondents had agreed that in-house storage is sufficient for full scale production.

Table No. 2.51	Frequency	Percent
Strongly Disagree	399	78.7
Disagree	105	20.7
Agree	3	.6
Total	507	100.0

Table No. 2.52: Table no. 2.52 reveals the responses of the respondents as to underutilisation of production capacity due to lack of adequate storage facility. Out of 507 respondents, 2 (0.4%) respondents remained neutral, a large number of 100 (19.7%) respondents had agreed and a majority of 405 (79.9%) respondents had strongly agreed that the production capacity remains underutilised due to lack of adequate storage facility.

Table No. 2.52	Frequency	Percent
Neutral	2	.4
Agree	100	19.7
Strongly Agree	405	79.9
Total	507	100.0

Table No. 2.53: Table no. 2.53 explains the responses of the respondents as to whether renting warehouses for storage is better than buying them. Out of 507 respondents, 95 (18.7%) respondents had strongly disagreed, 109 (21.5%) respondents had disagreed, 40 (7.9%)

respondents had remained neutral, 190 (37.5%) respondents had agreed and 73 (14.4%) respondents had strongly agreed that availing warehouse facilities on rent is a better option for storage than buying a warehouse.

Table No. 2.53	Frequency	Percent
Strongly Disagree	95	18.7
Disagree	109	21.5
Neutral	40	7.9
Agree	190	37.5
Strongly Agree	73	14.4
Total	507	100.0

Table No. 2.54: Table no. 2.54 reveals the responses of the respondents as to the demand for their products in the market. Out of 507 respondents, a majority of 245 (48.3%) respondents had strongly disagreed, a huge number of 134 (26.4%) respondents had disagreed, 24 (4.7%) respondents had remained neutral, a few number of 79 (15.6%) respondents had agreed and almost negligible number of 25 (4.9%) respondents had strongly agreed that there is demand for their product in the market.

Table No. 2.54	Frequency	Percent
Strongly Disagree	245	48.3
Disagree	134	26.4
Neutral	24	4.7
Agree	79	15.6
Strongly Agree	25	4.9
Total	507	100.0

Table No. 2.55: Table no. 2.55 reveals the responses of the respondents as to whether a good market strategy would help them to reach the potential customers or not. Out of 507 respondents, only 5 (1.0%) respondents had disagreed, 116 (22.9%) respondents had remained neutral, a majority of 238 (46.9%) respondents had agreed and a large number of 148 (29.2%) respondents had strongly agreed that a good market strategy would help them to reach the potential customers.

Table No. 2.55	Frequency	Percent
Disagree	5	1.0
Neutral	116	22.9
Agree	238	46.9
Strongly Agree	148	29.2
Total	507	100.0

Table No. 2.56: Table no. 2.56 explains the responses of the respondents as to whether they face problems related to marketing or promoting their products. Out of 507 respondents, only 2 (0.4%) respondents had disagreed, 6 (1.2%) respondents had remained neutral, a large number of 166 (32.7%) respondents had agreed and a majority of 333 (65.7%) respondents had strongly agreed that they face problems related to marketing or promoting their products.

Table No. 2.56	Frequency	Percent
Disagree	2	.4
Neutral	6	1.2
Agree	166	32.7
Strongly Agree	333	65.7
Total	507	100.0

Table No. 2.57: Table no. 2.57 reveals the responses of the respondents as to increased price of final product due to additional expenditure incurred on marketing, advertising and promoting. Out of 507 respondents, none of them disagreed, 8 (1.6%) respondents remained neutral, a large number of 165 (32.5%) respondents had agreed and a majority of 334 (65.9%) respondents had strongly agreed that marketing, advertising and promoting involves additional expenditure that increases the price of the final product.

Table No. 2.57	Frequency	Percent
Neutral	8	1.6
Agree	165	32.5
Strongly Agree	334	65.9
Total	507	100.0

Table No. 2.58: Table no. 2.58 reveals the responses of the respondents as to nature of market. Out of 507 respondents, none had disagreed, 39 (7.7%) respondents had remained neutral, a majority of 259 (51.1%) respondents had agreed and a large number of 209 (41.2%) respondents had strongly agreed that the nature of market is fairly competitive.

Table No. 2.58	Frequency	Percent
Neutral	39	7.7
Agree	259	51.1
Strongly Agree	209	41.2
Total	507	100.0

Table No. 2.59: Table no. 2.59 reveals the responses of the respondents as to whether they themselves are selling the products that they are manufacturing or not. Out of 507 respondents, only 72 (14.2%) respondents were found to be both manufacturers as well as seller themselves while the remaining 435 (85.8%) respondents were not able to sell their manufactured products themselves.

Table No. 2.59	Frequency	Percent
Yes	72	14.2
No	435	85.8
Total	507	100.0

Table No. 2.60: Table no. 2.60 reveals the responses of the respondents as to the presence of middlemen in selling and distribution activities. Out of 507 respondents, a majority of 419 (82.6%) respondents had strongly disagreed, 84 (16.6%) respondents had disagreed, 3 (0.6%) respondents had remained neutral and only 1 (0.2%) respondent had agreed that the presence of middlemen helps in smooth selling and distribution activities.

Table No. 2.60	Frequency	Percent
Strongly Disagree	419	82.6
Disagree	84	16.6
Neutral	3	.6
Agree	1	.2
Total	507	100.0

Table No. 2.61: Table no. 2.61 reveals the responses of the respondents as to whether they face problems in selling their products. Out of 507 respondents, only 1 (0.2%) respondent had strongly disagreed, 20 (3.9%) respondents had disagreed, 15 (3.0%) respondents had remained neutral, a large number of 193 (38.1%) respondents had agreed and a majority of 278 (54.8%) respondents had strongly agreed that they faced problems in selling their products.

Table No. 2.61	Frequency	Percent
Strongly Disagree	1	.2
Disagree	20	3.9
Neutral	15	3.0
Agree	193	38.1
Strongly Agree	278	54.8
Total	507	100.0

Table No. 2.62: Table no. 2.62 reveals the responses of the respondents as to whether they are required to travel because of selling & distribution activities. Out of 507 respondents, only 6 (1.2%) respondents had disagreed, 26 (5.1%) respondents had remained neutral, a majority of 334 (65.9%) respondents had agreed and a large number of 141 (27.8%) respondents had strongly agreed that they are required to travel because of selling & distribution activities.

Table No. 2.62	Frequency	Percent
Disagree	6	1.2
Neutral	26	5.1
Agree	334	65.9
Strongly Agree	141	27.8
Total	507	100.0

Table No. 2.63: Table no. 2.63 reveals the responses of the respondents as to their frequency in travelling because of selling & distribution activities. Out of 507 respondents, only 3 (0.6%) respondents had strongly disagreed, a few number of 28 (5.5%) respondents had disagreed, 70 (13.8%) respondents had remained neutral, a majority of 275 (54.2%) respondents had agreed and 131 (25.8%) respondents had strongly agreed that they are frequently required to travel because of selling & distribution activities.

Table No. 2.63	Frequency	Percent
Strongly Disagree	3	.6
Disagree	28	5.5
Neutral	70	13.8
Agree	275	54.2
Strongly Agree	131	25.8
Total	507	100.0

Table No. 2.64: Table no. 2.64 reveals the responses of the respondents as to problems faced by them because of travelling for business purposes. Out of 507 respondents, only 10 (2.0%) respondents had disagreed, 23 (4.5%) respondents had remained neutral, a large number of 182 (35.9%) respondents had agreed and a majority of 292 (57.6%) respondents had strongly agreed that they faced problems because of travelling for business purposes.

Table No. 2.64	Frequency	Percent
Disagree	10	2.0
Neutral	23	4.5
Agree	182	35.9
Strongly Agree	292	57.6
Total	507	100.0

Table No. 2.65: Table no. 2.65 reveals the responses of the respondents as to whether daily household activities stand in their way of travelling for business. Out of 507 respondents, only 6 (1.2%) respondents had disagreed, 11 (2.2%) respondents had remained neutral, 69 (13.6%) respondents had agreed and a majority of 421 (83.0%) respondents had strongly agreed that daily household activities stand in their way of travelling for business.

Table No. 2.65	Frequency	Percent
Disagree	6	1.2
Neutral	11	2.2
Agree	69	13.6
Strongly Agree	421	83.0
Total	507	100.0

Table No. 2.66: Table no. 2.66 reveals the responses of the respondents as to whether lack of good transportation acts as a hindrance to their travelling for business purposes. Out of 507 respondents, only 3 (0.6%) respondents had strongly disagreed, a very few number of 75 (14.8%) respondents had disagreed, 89 (17.6%) respondents had remained neutral, a majority of 205 (40.4%) respondents had agreed and also 135 (26.6%) respondents had strongly agreed that lack of good transportation acts as a hindrance to their travelling for business purposes.

Table No. 2.66	Frequency	Percent
Strongly Disagree	3	.6
Disagree	75	14.8
Neutral	89	17.6
Agree	205	40.4
Strongly Agree	135	26.6
Total	507	100.0

Table No. 2.67: Table no. 2.67 reveals the responses of the respondents as to whether financial problems are the mother of all other problems in running cottage industries. Out of 507 respondents, none of them disagreed to the fact that financial problems are the mother of all other problems. 47 (9.3%) respondents had agreed and the remaining 460 (90.75) respondents had rather strongly agreed that financial problems are the mother of all other problems in running cottage industries.

Table No. 2.67	Frequency	Percent
Agree	47	9.3
Strongly Agree	460	90.7
Total	507	100.0

Table No. 2.68: Table no. 2.68 reveals the responses of the respondents as to whether non-financial problems also affect their business activities adversely or not. Out of 507 respondents, 189 (37.3%) respondents had strongly disagreed, 175 (34.5) respondents had disagreed, 18 (3.6%) respondents had remained neutral, 119 (23.5%) respondents had agreed and only 6 (1.2%) respondents had strongly agreed that non-financial problems also affect their business activities adversely.

Table No. 2.68	Frequency	Percent
Strongly Disagree	189	37.3
Disagree	175	34.5
Neutral	18	3.6
Agree	119	23.5
Strongly Agree	6	1.2
Total	507	100.0

Table No. 2.69: Table no. 2.69 reveals the responses of the respondents as to the growth of their business. Out of 507 respondents, a majority of 291 (57.4%) respondents had strongly disagreed, a large number of 141 (27.8%) respondents had disagreed, 21 (4.1%) respondents had remained neutral, a few number of 48 (9.5%) respondents had agreed and only 6 (1.2%) respondents had strongly agreed that there has been an increase in the growth of their business over the past years.

Table No. 2.69	Frequency	Percent
Strongly Disagree	291	57.4
Disagree	141	27.8
Neutral	21	4.1
Agree	48	9.5
Strongly Agree	6	1.2
Total	507	100.0

Table No. 2.70: Table no. 2.70 reveals the responses of the respondents as to the performance of their business. Out of 507 respondents, a majority of 294 (58.0%) respondents had strongly disagreed, a large number of 139 (27.4%) respondents had disagreed, 20 (3.9%) respondents had remained neutral, a few number of 48 (9.5%) respondents had agreed and only 6 (1.2%) respondents had strongly agreed that there has been an improvement in the performance of their business over the past years.

Table No. 2.70	Frequency	Percent
Strongly Disagree	294	58.0
Disagree	139	27.4
Neutral	20	3.9
Agree	48	9.5
Strongly Agree	6	1.2
Total	507	100.0

3. NORMALITY TEST

Table No. 3.1: Table no. 3.1 shows the values of skewness and kurtosis derived from normality test.

Descriptive Statistics	
Skewness	2.348
Kurtosis	7.194

If the values for Skewness and Kurtosis are close to zero, then it is considered that the data is normally distributed. In our study the values for Skewness and Kurtosis are no way close to zero. So it can be said that our data is not normally distributed.

Table No. 3.2: Table no. 3.2 shows the p-value or level of significance derived from Kolmogorov-Smirnov test and Shapiro-Wilk test.

Tests of Normality				
	Kolmogorov-Smirnov		Shapiro-Wilk	
	Statistic	Sig.	Statistic	Sig.
Income of the respondent	.450	.000	.534	.000

We can see that p-value or the level of significance is 0.000 If p-value is less than 0.05, the data is not normally distributed.

H_n: Residuals are normally distributed

H_a: Residuals are not normally distributed

If level of significance </= 0.05, then H_a will be accepted and H_n will be rejected.

In this case H_a is accepted and H_n is rejected. Therefore, the residuals are not normally distributed, as a result of which we go for non-parametric tests.

4. CROSS TABULATION USING CHI SQUARE

Crosstab reports help us to analyse the frequency of response between two variables. The data in crosstabs are summarised in forms of rows and columns (2-way tables) or layers (multiway tables).

Chi-square Test of Association

Chi-square test of association is used to check the association between two categorical variables. However, it is important to note that in case of two variables being compared, the test can also be interpreted as determining if there is a significant difference between the two

variables. The test is also referred to as Chi-square's test for independence, commonly known as Pearson's Chi-square test.

Hypothesis Formulation for Chi-square Test of Association

The following null hypothesis have been formulated:

$H_{01:}$ There is no significant association between gradual trend of having smaller families and low productivity.

$H_{02:}$ There is no significant association between poor market demand and poor performance of business.

$H_{03:}$ There is no significant association between lack of adequate finance and procurement of raw materials.

$H_{04:}$ There is no significant association between non-receipt of stipends and reluctance towards training programmes.

$H_{05:}$ There is no significant association between gender and non-attendance of training programmes.

$H_{06:}$ There is no significant association between entitlement to stipends and attendance in training programmes.

$H_{07:}$ There is no significant association between high cost of raw materials and procurement of raw materials.

$H_{08:}$ There is no significant association between non-fulfilment of credit requirement by financial institutions and resorting to loans from sources (relatives, friends and neighbours) other than financial institutions.

$H_{09:}$ There is no significant association between cumbersome loan procedure and resorting to loans from sources (relatives, friends and neighbours) other than financial institutions.

$H_{010:}$ There is no significant association between rigid loan formalities and resorting to loans from sources (relatives, friends and neighbours) other than financial institutions.

$H_{011:}$ There is no significant association between high interest rates against loans and resorting to loans from sources (relatives, friends and neighbours) other than financial institutions.

$H_{012:}$ There is no significant association between unfavourable loan-repayment mode and resorting to loans from sources (relatives, friends and neighbours) other than financial institutions.

$H_{013:}$ There is no significant association between short loan-repayment period and resorting to loans from sources (relatives, friends and neighbours) other than financial institutions.

$H_{014:}$ There is no significant association between short trade credit financing period and resorting to loans from sources (relatives, friends and neighbours) other than financial institutions.

$H_{015:}$ There is no significant association between high interest rate against trade credit and resorting to loans from sources (relatives, friends and neighbours) other than financial institutions.

$H_{016:}$ There is no significant association between presence of middlemen and poor performance of business.

Table No. 4.1: Chi-square Test (H_{01})

Variable 1: Family Structure

Variable 2: The gradual trend of having smaller families has resulted in to less labour force that has indirectly affected the productivity

		The gradual trend of having smaller families has resulted in to less labour force that has indirectly affected the productivity					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Family Structure	Joint family	0	1	8	26	110	145
	Nuclear family	1	17	24	99	221	362
Total		1	18	32	125	331	507
			Value		**Significance Value**		
Pearson Chi-Square			12.488		0.014<0.05		

Issue: In order to identify the association between the variables:

Variable 1: Family Structure

Variable 2: The gradual trend of having smaller families has resulted in to less labour force that has indirectly affected the productivity

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{01}: There is no significant association between the two variables.

H_{A1}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.014 which is less than 0.05). So the null hypothesis is rejected. It may be said that most of the respondents belonged from nuclear families which means they have lesser number of family members than joint families. Less number of family members imply less number of helping hands in business which means less labour force. So it may be concluded by saying that the gradual trend of having smaller families have a significant relationship with less productivity in business as day to day operations in cottage industries are solely carried out by family members.

Table No. 4.2: Chi-square Test (H_{02})

Variable 1: Market demand for products

Variable 2: Improvement in the performance of business

		Improvement in the performance of business					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Market demand	Strongly Disagree	186	56	2	1	0	245
	Disagree	73	54	3	4	0	134
	Neutral	10	6	5	3	0	24
	Agree	25	19	8	27	0	79
	Strongly Agree	0	4	2	13	6	25
Total		294	139	20	48	6	507
			Value		**Significance Value**		
Pearson Chi-Square			325.388		0.000<0.05		

Issue: In order to identify the association between the variables:

Variable 1: Market demand for products

Variable 2: Performance of business

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{02}: There is no significant association between the two variables.

H_{A2}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.000 which is less than 0.05). So the null hypothesis is rejected. Most of the respondents agreed on the fact that there is almost no demand for their products at least in the local market. They also said that there has been no improvement in the performance of their business over the last few years. So it may be concluded by saying that poor market demand has a significant association with poor performance of business.

Table No. 4.3: Chi-square Test (H_{03})

Variable 1: Problems are faced while procuring raw materials

Variable 2: Lack of adequate finance is a hindrance in procuring raw materials

		Lack of adequate finance is a hindrance in procuring raw materials			
		Neutral	Agree	Strongly Agree	Total
Problems are faced while procuring raw materials	Strongly Disagree	0	19	28	47
	Disagree	0	17	41	58
	Neutral	1	33	22	56
	Agree	0	35	122	157
	Strongly Agree	0	15	174	189
Total		1	119	387	507
		Value		**Significance Value**	
Pearson Chi-Square		82.380		0.000<0.05	

Issue: In order to identify the association between the variables:

Variable 1: Problems are faced while procuring raw materials

Variable 2: Lack of adequate finance is a hindrance in procuring raw materials

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{03}: There is no significant association between the two variables.

H_{A3}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.000 which is less than 0.05). So the null hypothesis is rejected. Majority of the respondents agreed on the fact that they face problems while procuring raw materials. They have also strongly agreed that the main problem in procuring raw materials was lack of adequate finance. So it may be concluded by saying that lack of adequate finance affects significantly in procuring raw materials.

Table No. 4.4: Chi-square Test (H_{04})

Variable 1: Stipend is received while attending training programmes

Variable 2: Cost incurred for attending training programme is high

		Cost incurred for attending training programme is high			
		Neutral	Agree	Strongly Agree	Total
Stipend is received while attending training programme	Strongly Disagree	3	53	183	239
	Disagree	1	46	113	160
	Neutral	1	36	52	89
	Agree	0	0	19	19
Total		5	135	367	507
		Value		**Significance Value**	
Pearson Chi-Square		19.129		0.004<0.05	

Issue: In order to identify the association between the variables:

Variable 1: Stipend received in training programme

Variable 2: High cost of training programme

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{04}: There is no significant association between the two variables.

H_{A4}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.004 which is less than 0.05). So the null hypothesis is rejected. Almost all the respondents confirmed that they do not receive any stipend or any kind of cash benefits from attending training programmes. They have also agreed that attending training programmes seems to be a costly affair. This is because it involves travelling expenses and other opportunity costs. As a result, most of them have developed a sense of aversion to attending training programmes. So it may be concluded by saying that non-receipt of stipends has significantly affected a reluctance towards training programmes, their cost being high.

Table No. 4.5: Chi-square Test (H_{05})

Variable 1: Gender

Variable 2: Household activities stand in the way of attending training programmes

		Household activities stand in the way of attending training programmes				
		Disagree	Neutral	Agree	Strongly Agree	Total
Gender	Male	4	11	60	114	189
	Female	1	0	62	255	318
Total		5	11	122	369	507

	Value	**Significance Value**
Pearson Chi-Square	36.234	0.000<0.05

Issue: In order to identify the association between the variables:

Variable 1: Gender

Variable 2: Household activities stand in the way of attending training programmes

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{05}: There is no significant association between the two variables.

H_{A5}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.000 which is less than 0.05). So the null hypothesis is rejected. It was observed that almost all female respondents have complained that regular household activities have been a barrier for them in attending professional training programmes. So it may be concluded by saying that gender of the respondent has affected significantly on their non-attendance of training programmes, household activities being the barrier.

Table No. 4.6: Chi-square Test (H_{06})

Variable 1: Cost incurred for attending training programme is high
Variable 2: Trainees should be entitled to stipends while attending training programmes that may help them to bear the expenses associated with training

		Trainees should be entitled to stipends while attending training programmes that may help them to bear the expenses associated with training			
		Neutral	Agree	Strongly Agree	Total
Cost incurred for attending training programme is high	Neutral	5	0	0	5
	Agree	0	112	23	135
	Strongly Agree	0	37	330	367
Total		5	149	353	507
		Value		**Significance Value**	
Pearson Chi-Square		760.675		0.000<0.05	

Issue: In order to identify the association between the variables:

Variable 1: High cost of training programmes

Variable 2: Entitlement of stipends during training programmes

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{06}: There is no significant association between the two variables.

H_{A6}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.000 which is less than 0.05). So the null hypothesis is rejected. Majority of the respondents strongly agreed on that fact that they should be entitled to stipends or some kind of cash benefits for attending training programmes. This is because attending training programmes involve high costs like travelling expenses and other opportunity costs which seems to be a hindrance in attending such training programmes. So it may be concluded by saying that entitlement to stipends for attending training programmes affects significantly on the attendance in training programmes, its high cost being a key factor.

Table No. 4.7: Chi-square Test (H_{07})

Variable 1: Price of raw materials is generally on the higher side

Variable 2: Lack of adequate finance is a hindrance in procuring raw materials

		Lack of adequate finance is a hindrance in procuring raw materials			
		Neutral	Agree	Strongly Agree	Total
Price of raw materials is generally on the higher side	Neutral	0	2	3	5
	Agree	1	45	94	140
	Strongly Agree	0	72	290	362
Total		1	119	387	507
		Value		**Significance Value**	
Pearson Chi-Square		12.068		0.017<0.05	

Issue: In order to identify the association between the variables:

Variable 1: High price of raw materials

Variable 2: Lack of adequate finance is a hindrance in procuring raw materials

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{07}: There is no significant association between the two variables.

H_{A7}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.017 which is less than 0.05). So the null hypothesis is rejected. Majority of the respondents agreed on the fact that the price of raw materials is high. They have also strongly agreed that the main problem in procuring raw materials is lack of adequate finance. So it may be concluded by saying that high cost of raw materials affects significantly in procuring raw materials as the respondents have already confirmed that they do not have adequate finance.

Table No. 4.8: Chi-square Test (H_{08})

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions

Variable 2: Credit requirement of respondent gets fulfilled by financial institutions

		Credit requirement gets fulfilled by financial institutions					
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions	Strongly Disagree	3	15	12	8	0	38
	Disagree	19	22	15	19	3	78
	Neutral	7	1	0	1	0	9
	Agree	46	26	1	10	0	83
	Strongly Agree	168	105	10	13	3	299
Total		243	169	38	51	6	507
		Value			**Significance Value**		
Pearson Chi-Square		123.829			0.000<0.05		

Issue: In order to identify the association between the variables:

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions

Variable 2: Credit requirement of respondent gets fulfilled by financial institutions

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{08}: There is no significant association between the two variables.

H_{A8}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.000 which is less than 0.05). So the null hypothesis is rejected. Majority of the respondents said that they preferred taking loans informally from relatives, friends and neighbours as many a times their credit requirement does not get fulfilled by the financial institutions. So it may be concluded by saying that non-fulfilment of credit requirement by financial institutions significantly leads the respondents in resorting to taking loans from their relatives, friends and neighbours.

Table No. 4.9: Chi-square Test (H_{09})

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions

Variable 2: Obtaining loan from financial institutions is a cumbersome process

		Obtaining loan from financial institutions is a cumbersome process				
		Disagree	Neutral	Agree	Strongly Agree	Total
Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions	Strongly Disagree	6	1	26	5	38
	Disagree	13	5	53	7	78
	Neutral	1	0	3	5	9
	Agree	1	2	20	60	83
	Strongly Agree	2	1	87	209	299
Total		23	9	189	286	507
		Value		**Significance Value**		
Pearson Chi-Square		158.011		0.000<0.05		

Issue: In order to identify the association between the variables:

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions
Variable 2: Obtaining loan from financial institutions is a cumbersome process

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{09}: There is no significant association between the two variables.

H_{A9}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.000 which is less than 0.05). So the null hypothesis is rejected. Majority of the respondents said that they preferred availing loans and credits from family and friends rather than availing credit from financial institutions as they thought it to be a cumbersome process. This attitude acts as a hindrance for the cottage unit owners from availing loans from financial institutions. So it may be concluded by saying that obtaining loan from financial institutions being a cumbersome process significantly leads the respondents in availing loans from relatives, friends and neighbours.

Table No. 4.10: Chi-square Test (H_{010})

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions
Variable 2: Loan formalities in financial institutions are generally rigid

		Loan formalities in financial institutions are generally rigid				
		Disagree	Neutral	Agree	Strongly Agree	Total
Loans from relatives, friends and neighbours is a better	Strongly Disagree	0	1	21	16	38
	Disagree	4	7	36	31	78

source of finance than loans from financial institutions	Neutral	0	0	0	9	9
	Agree	1	0	42	40	83
	Strongly Agree	0	0	100	199	299
Total		5	8	199	295	507
		Value		**Significance Value**		
Pearson Chi-Square		76.733		0.000<0.05		

Issue: In order to identify the association between the variables:

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions
Variable 2: Rigid formalities in financial institutions

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{010}: There is no significant association between the two variables.
H_{A10}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.000 which is less than 0.05). So the null hypothesis is rejected. Majority of the respondents said that they preferred availing loans and credits from family and friends rather than availing credit from financial institutions as the loan formalities seemed to be rigid. This attitude acts as a hindrance for the cottage unit owners from availing loans from financial institutions. So it may be concluded by saying that rigid loan formalities in financial institutions significantly leads the respondents in availing loans from relatives, friends and neighbours.

Table No. 4.11: Chi-square Test (H_{011})				
Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions **Variable 2: Interest rate of loans from financial institutions is generally high**				
		Interest rate of loans from financial institutions is generally high		Total
		Agree	Strongly Agree	
Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions	Strongly Disagree	15	23	38
	Disagree	41	37	78
	Neutral	2	7	9
	Agree	29	54	83
	Strongly Agree	78	221	299
Total		165	342	507
		Value	**Significance Value**	
Pearson Chi-Square		21.404	0.000<0.05	

Issue: In order to identify the association between the variables:

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions
Variable 2: High interest rate of loans from financial institutions

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{011}: There is no significant association between the two variables.
H_{A11}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.000 which is less than 0.05). So the null hypothesis is rejected. Majority of the respondents said that they preferred availing loans and credits from family and friends rather than availing credit from financial institutions due to high rate of interest. This attitude acts as

a hindrance for the cottage unit owners from availing loans from financial institutions. So it may be concluded by saying that high rate of interest against loans from financial institutions significantly leads the respondents in availing loans from relatives, friends and neighbours.

Table No. 4.12: Chi-square Test (H_{012})

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions
Variable 2: Mode of repayment of loan in financial institutions is likely to be unfavourable

		Mode of repayment of loan in financial institutions is likely to be unfavourable				
		Disagree	Neutral	Agree	Strongly Agree	Total
Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions	Strongly Disagree	8	7	15	8	38
	Disagree	19	17	35	7	78
	Neutral	0	1	1	7	9
	Agree	4	3	43	33	83
	Strongly Agree	7	15	125	152	299
Total		38	43	219	207	507
		Value		**Significance Value**		
Pearson Chi-Square		115.599		0.000<0.05		

Issue: In order to identify the association between the variables:

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions
Variable 2: Unfavourable mode of repayment of loan in financial institutions

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{012}: There is no significant association between the two variables.
H_{A12}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.000 which is less than 0.05). So the null hypothesis is rejected. Majority of the respondents said that they preferred availing loans and credits from family and friends rather than availing credit from financial institutions as they find the mode of repayment of loan to be unfavourable. This attitude acts as a hindrance for the cottage unit owners from availing loans from financial institutions. So it may be concluded by saying that unfavourable mode of repayment of loan in financial institutions significantly leads the respondents in availing loans from relatives, friends and neighbours.

Table No. 4.13: Chi-square Test (H_{013})

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions

Variable 2: Loan repayment period in financial institutions is generally short

		Loan repayment period in financial institutions is generally short				
		Disagree	Neutral	Agree	Strongly Agree	Total
Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions	Strongly Disagree	0	4	24	10	38
	Disagree	0	6	61	11	78
	Neutral	0	0	2	7	9
	Agree	0	3	51	29	83
	Strongly Agree	1	8	150	140	299
Total		1	21	288	197	507
		Value		**Significance Value**		
Pearson Chi-Square		42.435		0.000<0.05		

Issue: In order to identify the association between the variables:

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions

Variable 2: Short loan repayment period in financial institutions

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{013}: There is no significant association between the two variables.

H_{A13}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.000 which is less than 0.05). So the null hypothesis is rejected. Majority of the respondents said that they preferred availing loans and credits from family and friends rather than availing credit from financial institutions as the period for repayment of loan in financial institutions seems short. This attitude acts as a hindrance for the cottage unit owners from availing loans from financial institutions. So it may be concluded by saying that short period for repayment of loan in financial institutions significantly leads the respondents in availing loans from relatives, friends and neighbours.

Table No. 4.14: Chi-square Test (H_{014})

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions

Variable 2: Trade credit financing period is generally short

		Trade credit financing period is generally short				
		Disagree	Neutral	Agree	Strongly Agree	Total
Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions	Strongly Disagree	0	6	23	9	38
	Disagree	0	6	56	16	78
	Neutral	0	0	4	5	9
	Agree	1	3	40	39	83
	Strongly Agree	0	14	117	168	299
Total		1	29	240	237	507
		Value		**Significance Value**		
Pearson Chi-Square		51.290		0.000<0.05		

Issue: In order to identify the association between the variables:

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions

Variable 2: Short trade credit financing period

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{014}: There is no significant association between the two variables.

H_{A14}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.000 which is less than 0.05). So the null hypothesis is rejected. Majority of the respondents said that they preferred availing loans and credits from family and friends rather than availing credit from financial institutions as the trade credit financing period seems short. This attitude acts as a hindrance for the cottage unit owners from availing loans from financial institutions. So it may be concluded by saying that short period for financing trade credit significantly leads the respondents in availing loans from relatives, friends and neighbours.

Table No. 4.15: Chi-square Test (H_{015})

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions

Variable 2: Interest rate for trade credit is high

		Interest rate for trade credit is high			
		Neutral	Agree	Strongly Agree	Total
Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions	Strongly Disagree	3	22	13	38
	Disagree	8	41	29	78
	Neutral	0	6	3	9
	Agree	1	37	45	83
	Strongly Agree	14	110	175	299
Total		26	216	265	507
		Value		**Significance Value**	
Pearson Chi-Square		23.897		0.002<0.05	

Issue: In order to identify the association between the variables:

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions

Variable 2: Interest rate for trade credit is high

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{015}: There is no significant association between the two variables.

H_{A15}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.002 which is less than 0.05). So the null hypothesis is rejected. Majority of the respondents said that they preferred availing loans and credits from family and friends rather than availing credit from financial institutions as the rate of interest for trade credit seems high. This attitude acts as a hindrance for the cottage unit owners from availing loans from financial institutions. So it may be concluded by saying that high rate of interest for trade credit significantly leads the respondents in availing loans from relatives, friends and neighbours.

Table No. 4.16: Chi-square Test (H_{016})

Variable 1: Improvement in the performance of business over the past years
Variable 2: The presence of middleman ultimately helps in smooth selling and distribution activities

		The presence of middleman ultimately helps in smooth selling and distribution activities				
		Strongly Disagree	Disagree	Neutral	Agree	Total
Improvement in the performance of business over the past years	Strongly Disagree	260	32	2	0	294
	Disagree	109	30	0	0	139
	Neutral	11	9	0	0	20
	Agree	36	12	0	0	48
	Strongly Agree	3	1	1	1	6
Total		419	84	3	1	507
		Value		**Significance Value**		
Pearson Chi-Square		135.082		0.000<0.05		

Issue: In order to identify the association between the variables:

Variable 1: Improvement in the performance of business

Variable 2: The presence of middleman w.r.t. selling and distribution activities

Chi-square test was applied. In this case the following hypothesis have been taken:

H_{016}: There is no significant association between the two variables.

H_{A16}: There is a significant association between the two variables.

Chi-square statistics were used to examine association between categorical variables. It was found that there is significant association at 5% significance level between the variables (as p-value is 0.000 which is less than 0.05). So the null hypothesis is rejected. Majority of the respondents disapproved the presence of middlemen in business as they tend to take away the lion's share leaving them with almost no profit. The respondents also confirmed that there has been no improvement in the performance their business over the past years. So it may be concluded that the presence of middlemen has a significant association with poor performance of business in recent years.

5. FACTOR ANALYSIS

Factor analysis examines the systematic interdependence among a set of variables, that determines the base of commonality among these variables.

We have selected 21 variables overall.

Table No. 5.1: Table no. 5.1 shows the test statistic and significance value derived from KMO and Bartlett's test.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.749
Bartlett's Test of Sphericity	Approx. Chi-Square	6122.479
	Sig.	.000

Kaiser-Meyer-Olkin (KMO) Test is a measure of sampling adequacy. It is an index used to examine the appropriateness of factor analysis for the study. Generally, a high value of statistic (from 0.5 – 1) indicates the appropriateness of factor analysis. In table no. 5.1, the value is 0.749 being more than 0.5, clearly indicates the appropriateness of factor analysis.

Bartlett's Test of Sphericity is a test statistic used to examine the hypothesis that the variables are uncorrelated in the population. In other words, a value less than 0.05 indicate that there exists significant relationship among variables and the variables do relate to one another enough to run a meaningful Exploratory Factor Analysis (EFA). In table no. 5.1, the value is 0.000 which is less than 0.05. So it can be said that the variables are significantly correlated to one another, a condition that is enough to run an Exploratory Factor Analysis.

Table No. 5.2: Table no. 5.2 reveals commonality. Commonality is the amount of variance a variable share with all the other variables being considered. Small values indicate variables that do not fit well with the factor solution, and should possibly be dropped from the analysis. Normally values less than 0.50 are removed. In our study, all the values are much higher than 0.50.

	Extraction
Family Structure	.930
No. of members in family	.921
No. of members helping you in running the business	.410
You are required to undergo training for manufacturing products	.814
Informal training from elder generation in the family is sufficient for manufacturing products	.873
Professional training is required for manufacturing products	.850
The training increases efficiency, skill and helps you in manufacturing better products	.799
Trainees should be entitled to stipends while attending training programmes that may help them to bear the expenses associated with training	.869
Cost incurred by respondent for attending training programme is high	.872
Loan from Financial institutions is a source of finance for procuring raw materials	.727
Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions	.627
Your credit requirement gets fulfilled by financial institutions	.608
Obtaining loan from financial institutions is a cumbersome process	.575
Mode of repayment is likely to be unfavourable	.611
Trade credit financing period is generally short	.787
Interest rate for trade credit is high	.844
In-house storage is sufficient for full scale production	.903

The production capacity remains underutilised due to lack of adequate storage facility	.906
You face problems because of travelling for business purposes	.601
Daily household activities stand in the way of your travelling for business	.577
Lack of good transportation or your daily commute acts as a hindrance to your travelling for business purposes	.567

Table No. 5.3: Table no. 5.3 shows the Eigen values. The Eigen value represents the total variance explained by each factor. Factors having Eigen values more than 1 are selected for further study. In table no. 5.3, we can see we have got 7 principal factors with Eigen values more than 1. Also the cumulative percentage is almost 75% for 7 factors which is good.

Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.834	23.021	23.021	4.834	23.021	23.021	3.339	15.898	15.898
2	3.172	15.106	38.126	3.172	15.106	38.126	3.220	15.331	31.229
3	2.195	10.454	48.580	2.195	10.454	48.580	2.119	10.092	41.321
4	1.832	8.725	57.305	1.832	8.725	57.305	1.848	8.798	50.120
5	1.449	6.902	64.207	1.449	6.902	64.207	1.787	8.509	58.629
6	1.181	5.623	69.830	1.181	5.623	69.830	1.760	8.379	67.008
7	1.007	4.796	74.626	1.007	4.796	74.626	1.600	7.618	74.626

Table No. 5.4: Table no. 5.4 represents the factor loadings. Factor loading is also referred to as factor-variable correlation. Factor loadings are simple correlations between the variables and the factors. Factor loadings show how well the items represent the underlying factor.

Rotated Component Matrix

	Component						
	F1	F2	F3	F4	F5	F6	F7
Family Structure			.934				
No. of members in family			.931				
No. of members helping you in running the business			.525				

You are required to undergo training for manufacturing products		.817					
Informal training from elder generation in the family is sufficient for manufacturing products		.923					
Professional training is required for manufacturing products		.907					
The training increases efficiency, skill and helps you in manufacturing better products		.867					
Trainees should be entitled to stipends while attending training programmes that may help them to bear the expenses associated with training					.918		
Cost incurred by respondent for attending training programme is high					.919		
Loan from Financial institutions is a source of finance for procuring raw materials	.787						
Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions	.775						
Your credit requirement gets fulfilled by financial institutions	.703						
Obtaining loan from financial institutions is a cumbersome process	.721						
Mode of repayment is likely to be unfavourable	.703						
Trade credit financing period is generally short							.777
Interest rate for trade credit is high							.883
In-house storage is sufficient for full scale production				.934			
The production capacity remains underutilised due to lack of adequate storage facility				.943			
You face problems because of travelling for business purposes						.725	
Daily household activities stand in the way of your travelling for business						.719	
Lack of good transportation or your daily commute acts as a hindrance to your travelling for business purposes						.642	

Factor matrix contains all the factor loadings of all the variables on all the factors extracted. An EFA has been performed using a principal component analysis and a varimax rotation. The minimum factor loading criteria had been set to 0.50. The communality of the scale that indicates the amount of variance in each dimension was also assessed to ensure acceptable levels of explanation. The results show that all communalities were more than 0.50. In table no. 5.4, i.e. in the Rotated Component Matrix table, it can be seen that the factor loadings for all the variables are much higher than 0.50.

Table No. 5.5: Table no. 5.5 reveals 7 principal factors that have been identified which are as follows:

No. of Factors	Statements	Eigen Values	% of Variance
F1	In-house labour strength being low.	4.834	23.021
F2	Aversion to professional training, resulting in unskilled output.	3.172	15.106
F3	High cost of training.	2.195	10.454
F4	Tendency to avoid taking loans from financial institutions.	1.832	8.725
F5	Problems related to trade credit.	1.449	6.902
F6	Production capacity remaining underutilized due to lack of adequate storage facility and infrastructure.	1.181	5.623
F7	Problems related to travelling.	1.007	4.796

Table no. 5.5 reveals that each of these 7 factors have Eigen values exceeding 1, and all the 7 factors together explain 74.626% of total variance (using varimax rotation; SPSS). Initially we had selected 21 variables for running the test, which has been reduced to 7 principal factors, and each factor is identified with corresponding variables.

The factors identified have been discussed as follows:

F1: Low in-house labour strength has resulted in less productivity. It was observed that most of the respondents belong to nuclear families and majority of them agreed on the fact that the gradual trend of having smaller families has resulted in less labour force that has indirectly affected the productivity of cottage industries.

F2: Aversion to professional training because of conservative attitude and other reasons has resulted into unskilled output.

F3: High cost associated with attending training programmes, non-receipt of stipend has resulted to aversion towards training that has again resulted into unskilled output.

F4: Tendency to avoid taking loans from financial institutions due to various reasons (non-fulfilment of credit, cumbersome and rigid process, high rate of interest, short credit period, unfavourable modes of repayment of loan etc.) has restricted the cottage unit owners from availing loans from financial institutions.

F5: Problems related to trade credit has also been identified as a factor that acts as a hindrance towards development of cottage industries.

F6: Production capacity remains underutilized due to lack of adequate infrastructure and storage or warehouse facility.

F7: Problems related to travelling, especially faced by women has been identified as another factor that has slowed down the development of cottage industries.

6. WILCOXON SIGNED RANK TEST

Wilcoxon Signed Rank Test is a non-parametric test, alternative to Paired Samples T-Test, except the fact that T-Test is a parametric test, used for normally distributed data whereas Wilcoxon Test is a non-parametric test, used when data is not normally distributed. Similar to its alternative, Wilcoxon Signed Rank Test is generally used to evaluate the influence of an intervention or to evaluate the association between the variables. However, in our study, Wilcoxon Signed Rank Test has been used to evaluate the association between the variables related to the major factors of financial problem that have been identified with the help of 'Factor Analysis'. The main purpose of conducting the Wilcoxon Signed Rank Test in our study is to test and check the robustness of the results of the previous tests.

Hypothesis Formulation for Wilcoxon Signed Rank Test

The following null hypothesis have been formulated:

H_{01}: There is no significant association between gradual trend of having smaller families and low productivity.

H_{02}: There is no significant association between gender and non-attendance of training programmes.

H_{03}: There is no significant association between high cost of training and aversion towards training programmes.

H_{04}: There is no significant association between non-fulfilment of credit requirement by financial institutions and resorting to loans from sources (relatives, friends and neighbours) other than financial institutions.

H_{05}: There is no significant association between inadequate infrastructure and underutilised production capacity.

Table No. 6.1: Wilcoxon Signed Rank Test (H_{01})	
Test Statistics	
	Variable 1: The gradual trend of having smaller families has resulted in to less labour force that has indirectly affected the productivity of cottage industries **Variable 2: Family Structure**
Significance Value	0.000<0.05

Issue: In order to identify the association between the variables:

Variable 1: The gradual trend of having smaller families has resulted in to less labour force that has indirectly affected the productivity of cottage industries

Variable 2: Family Structure

Wilcoxon Signed Rank Test was applied. In this case the following hypothesis have been taken:

H_{01}: There is no significant association between the variables.

$H_{A1:}$ There is a significant association between the variables.

Wilcoxon Signed Rank Test revealed a statistically significant association between the variables, the p-value being less than 0.05. It may be said that most of the respondents belonged from nuclear families which means they have lesser number of family members than joint families. Less number of family members imply less number of helping hands in business which means less labour force. So it may be concluded by saying that the gradual trend of having smaller families have a significant relationship with less productivity in business as day to day operations in cottage industries are solely carried out by family members.

Table No. 6.2: Wilcoxon Signed Rank Test (H_{02})	
Test Statistics	
	Variable 1: Household activities stand in the way of attending training programmes **Variable 2: Gender**
Significance Value	0.000<0.05

Issue: In order to identify the association between the variables:

Variable 1: Household activities stand in the way of attending training programmes
Variable 2: Gender

Wilcoxon Signed Rank Test was applied. In this case the following hypothesis have been taken:

H_{02}: There is no significant association between the variables.

$H_{A2:}$ There is a significant association between the variables.

Wilcoxon Signed Rank Test revealed a statistically significant association between the variables, the p-value being less than 0.05. It was observed that almost all female respondents have complained that regular household activities have been a barrier for them in attending professional training programmes. So it may be concluded by saying that gender of the respondent has affected significantly on their non-attendance of training programmes, household activities being the barrier.

Table No. 6.3: Wilcoxon Signed Rank Test (H_{03})	
Test Statistics	
	Variable 1: Cost incurred by respondent for attending training programme is high **Variable 2: Training is required for manufacturing products**
Significance Value	0.000<0.05

Issue: In order to identify the association between the variables:

Variable 1: Cost incurred by respondent for attending training programme is high
Variable 2: Training is required for manufacturing products

Wilcoxon Signed Rank Test was applied. In this case the following hypothesis have been taken:

H_{03}: There is no significant association between the variables.

$H_{A3:}$ There is a significant association between the variables.

Wilcoxon Signed Rank Test revealed a statistically significant association between the variables, the p-value being less than 0.05. Most of the respondents said that they preferred receiving informal training from elders in the family or neighbourhood, rather than getting themselves enrolled in professional workshops. This is because they preferred hands on training for manufacturing products from their elders in the family. Again they strongly agreed on the fact that cost of attending training programmes seems high due to travelling expenses and other opportunity costs. This attitude of aversion to professional training might be a reason for unskilled output. So it may be concluded by saying that high cost of attending training programmes significantly affects the respondent's attitude of aversion towards attending training programmes.

Table No. 6.4: Wilcoxon Signed Rank Test ($H_{04)}$

Test Statistics	
	Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions **Variable 2: Credit requirement gets fulfilled by financial institutions**
Significance Value	0.000<0.05

Issue: In order to identify the association between the variables:

Variable 1: Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions
Variable 2: Credit requirement gets fulfilled by financial institutions

Wilcoxon Signed Rank Test was applied. In this case the following hypothesis have been taken:

H_{04}: There is no significant association between the variables.

$H_{A4:}$ There is a significant association between the variables.

Wilcoxon Signed Rank Test revealed a statistically significant association between the variables, the p-value being less than 0.05. Majority of the respondents said that they preferred taking loans informally from relatives, friends and neighbours as many a times their credit requirement does not get fulfilled by the financial institutions. so it may be concluded by saying that non-fulfilment of credit requirement by financial institutions significantly leads the respondents in resorting to taking loans from their relatives, friends and neighbours.

Table No. 6.5: Wilcoxon Signed Rank Test (H_{05})	
Test Statistics	
	Variable 1: The production capacity remains underutilised due to lack of adequate equipment and machinery **Variable 2: In-house storage is sufficient for full scale production**
Significance Value	0.000<0.05

Issue: In order to identify the association between the variables:

Variable 1: The production capacity remains underutilised due to lack of adequate equipment and machinery

Variable 2: In-house storage is sufficient for full scale production

Wilcoxon Signed Rank Test was applied. In this case the following hypothesis have been taken:

H_{05}: There is no significant association between the variables.

$H_{A5:}$ There is a significant association between the variables.

Wilcoxon Signed Rank Test revealed a statistically significant association between the variables, the p-value being less than 0.05. Majority of the respondents said that their in-house capacity for storage was not sufficient enough. They also have agreed on the fact that the production capacity remains underutilised due to lack of adequate equipment and machinery. So it may be concluded that there exists a significant relationship between lack of storage facility, lack of adequate equipment and underutilised production capacity.

CHAPTER FIVE

FINANCIAL PROBLEMS OF COTTAGE INDUSTRIES OF WEST BENGAL: FINDINGS & OBSERVATIONS

5.1 Financial Problems of Cottage Industries of West Bengal - Findings

The challenges faced by small-scale and cottage industries can be broadly categorized into two main groups - internal and external. Internal problems arise from within the industry and can be controlled internally, while external problems result from external factors. Examples of external problems include the unavailability of power, transport facilities, communication and other infrastructure etc. On the other hand, internal problems include deficiency in organizational structure, production, distribution, management and training. The combination of internal and external problems poses a significant threat to the smooth operation of cottage industries.

Despite the considerable potential for various types of resource-based industries, industrialization is progressing slowly due to factors such as unique geographical locations, limited availability of funds, inadequate infrastructure, remote markets and a lack of entrepreneurial skills. In the context of the present socio-economic scenario, the financial problems as identified from the interaction with the focus group members have been presented in the following way:

Financial problems due to unavailability of loans and credit

Access to adequate and timely finance and credit is a major obstacle to the development of cottage industries, particularly affecting cottage and village industries. These small industrial units typically have weak capital bases, often operating as partnerships or sole proprietorships. Initial investments usually come from personal funds or loans from informal sources such as friends, relatives, neighbours or local moneylenders. A smaller portion of the required investment comes from formal sources like banks, financial institutions or government channels. Artisans in cottage industries often run their units with limited capital or high-interest loans from local moneylenders or raw material suppliers. This reliance on high-interest loans can be exploitative. Several factors contribute to the limited flow of credit to cottage industries, including weak financial bases, reliance on loans rather than capital, poor bookkeeping,

inability to provide collateral security, delays in payments from larger units, lack of understanding of financial requirements by banks or financial institutions, high mortality rates, high administrative costs for lending to small units etc. Again, it is a fact that providing credit at concessional interest rates do not significantly incentivize financial institutions to invest in cottage industries.

The state of West Bengal faces a significant challenge regarding the lack of capital for the development of cottage industries. These micro industries often experience low and fluctuating profits, making it difficult for them to accumulate capital for expansion. Additionally, commercial banks are hesitant to provide loans to these industries, further impacting their production. The situation is even more severe for those cottage industries, whose owners rely on loans from local lenders (Mahajans) to purchase tools and raw materials. However, these loans often come with high interest rates, leading to financial strain and in some cases, closure of the industry. Cottage entrepreneurs in West Bengal struggle to secure the necessary funds to operate their industries, resulting in production challenges that ultimately results in closures of cottage units.

Limited financial resources giving rise to marketing problems

Marketing poses significant challenges for industrial concerns, regardless of their size. It is the process of bridging the gap between producers and consumers, crucial for industrial growth. The success and growth of an enterprise heavily depends on the entrepreneur's marketing skills. Without these skills, entrepreneurs face a higher risk of failure. Marketing involves identifying consumer demands, developing products or services that meet these demands and determining the best pricing, promotion and distribution strategies.

Cottage industries, in particular, struggle with marketing due to intense competition among themselves and from foreign goods. Limited financial resources prevent them from investing heavily in marketing efforts such as advertising and sales promotion. Additionally, market analysis is often lacking in this sector, leading to challenges in effectively marketing products.

Cottage industries face such marketing problems, including lack of demand, poor quality and design, limited bargaining power, inadequate service to consumers, ignorance of potential markets and most importantly due to lack of adequate finance to support good marketing techniques. For example, traditional bamboo products from the northern parts of West Bengal like Cooch Behar and Jalpaiguri districts have been replaced by plastic alternatives due to their durability and lower cost. Similarly, pottery products like earthen vessels and containers,

including earthen pots from rural Bengal, have been replaced by refrigerators and other modern products. Again, brick-making industries made of terracotta from Bankura districts, are facing competition from fly ash bricks, which are cheaper and eco-friendlier. Furniture industries are also experiencing a shift, with heavy wooden furniture being replaced by lighter and cheaper plastic furniture, which is more popular among consumers.

Financial problems due to high price of raw materials

Due to the small size and limited financial resources, the cottage industries often rely on middlemen for raw materials, leading to higher costs and potential use of lower quality materials. This can affect the overall quality of their products. Adequate and timely access to required raw materials at reasonable prices significantly impacts cottage industries. Additionally, irregular supply of certain raw materials can disrupt production schedules and cause delays in delivery.

In India, the availability of raw materials has been a major issue, with some materials being scarce at times and abundant at others, leading to price variations. There are instances of artificial shortages created by dishonest manufacturers, hoarders and suppliers to manipulate prices, particularly affecting small-scale and cottage industries. The geographical location of many districts in West Bengal, along with infrastructural challenges, has hindered industrial development specifically in those regions.

For example, the brick industry in Bankura is facing raw material supply issues due to the poor quality of soil and increasing soil prices. This has led to inadequate supply compared to demand, affecting the industry's operations. Similarly, the pottery industry from many southern districts of West Bengal are also struggling with the availability of suitable soil at reasonable prices. Again, the bamboo and cane industries from northern districts of West Bengal are suffering acute crisis in raw materials due to drastic deforestation taking place in many of those regions for urbanization.

Limited financial resources giving rise to infrastructural problems

Adequate infrastructure is essential for sustaining smooth and continuous economic growth, especially in industrial development. Industrial production requires not just machinery but also skilled manpower, management, energy, banking and insurance services, marketing facilities and transportation services such as railways, roads and waterways, as well as communication facilities. These collectively form the infrastructure or economic and social overheads of an

economy, facilitating industrial and agricultural production and driving overall economic development.

In many districts of West Bengal, inadequate transport facilities pose a significant infrastructural challenge. The northern parts of West Bengal are characterized by hilly terrain, leading to higher transport costs compared to other industrial areas in the state. This has hindered the development of transport infrastructure over the years, resulting in lower road density and length compared to other industrial regions. The cottage industries from such remote districts face challenges with weak road networks, impacting the transportation of cottage industry products between blocks. This lack of proper transport infrastructure also affects the cottage industries, as raw materials cannot be transported to factories on time, leading to limited exposure of products in national markets.

Lack of adequate finance inviting labour problems

Labour-related issues in the industries of West Bengal have been impacting production since a long time. Women and child workers are reportedly not receiving proper remuneration on time. This results in rising dissatisfaction among the working class, with labour unions alleging exploitation by production units. However, some unit owners believe that production is hampered due to worker inefficiency and migration. The study highlighted problems such as worker migration to larger units, leading to a shortage of workers in small-scale and cottage units. To this context the cottage unit owners have also agreed that this labour migration is often caused due to their non-capability of making timely payment of wages due to scarcity of funds.

While West Bengal has an adequate workforce, there is a lack of skilled labour, resulting in low production levels. This leads to decreased demand in the market, further affecting industrial development. The state faces challenges in adopting technology in production due to the workers' lack of knowledge in high technology. There is also difficulty in transferring skilled workers to other locations or large industries. Skilled workers claim they are being exploited in these industries, citing inadequate remuneration and a lack of facilities such as health and accident insurance. When new workers are hired, they often lack the skills of experienced workers, leading to production inefficiency. Cottage unit owners have opined that professional training in some aspects is required, if not for manufacturing. Other than manufacturing there are still many more areas that should be mastered by the workers for their skill enhancement. If the cottage industries are to compete with the modern big business

houses, they have to be professionally trained. This is because it is often found that the products manufactured by these cottage units are often unpolished and are of sub-standard quality. But often it has been found that such workers are reluctant towards getting themselves enrolled for training programmes. In fact, the study has revealed that one of the principal factors leading to financial problem is aversion to training programmes. It was found that a mere free training programme is not sufficient enough to motivate workers in participating. Most of the respondents have said that getting themselves enrolled in training programmes will reach them nowhere. They do not wish to waste their precious time undergoing training. They can easily utilise that time to make money in some other way. The question of ‘opportunity cost’ arises here. However, if the government and other supporting organisations can arrange for training programmes along with stipends, it might seem lucrative to the cottage industry workers.

5.1.1 Internal Financial Problems

Internal financial problems are those financial problems that may be minimised if not be eliminated completely. In other words, internal financial problems may be reduced by the cottage owners and cottage industry workers to some extent. This might be done by proper planning, organising and coordination.

- There exists a notable correlation between the factors of 'high price of raw material' and 'lack of adequate finance'. The majority of respondents expressed consensus regarding the increasing price of raw materials. However, a few respondents noted the cost-saving benefits of purchasing raw materials in bulk. But most of the times bulk purchases are hindered by the initial capital outlay required. Additionally, for certain products, raw material availability fluctuates seasonally, leading to escalated prices during peak periods. In this regard, if the cottage industry workers strategically utilise their limited funds to purchase the raw materials in bulk quantities during off season, then they might be able to avail raw materials at reasonable prices. But purchasing raw materials in bulk quantities, involve the two most significant questions of how to fund them and how to store them.
- The hindrance to limited funds may be solved by availing loans from financial institutions. However, it was discovered that a majority of cottage unit workers preferred borrowing from close acquaintances such as relatives and friends rather than seeking loans from financial institutions. Notably, female cottage entrepreneurs exhibited a higher inclination towards borrowing from immediate acquaintances. The

primary reason for avoiding loans from financial institutions was the apprehension of meeting repayment deadlines, aiming to evade the stress associated with repayment obligations. Further investigation into this aversion to financial institutions revealed various factors such as cumbersome processes, inflexible formalities, high interest rates, unfavourable repayment terms and short repayment periods. Despite the validity of some of these concerns, the underlying issue appears to be the mind-set of these small-scale entrepreneurs, who tend to opt for the path of least resistance instead of venturing beyond their comfort zones. Additionally, a notable challenge for female entrepreneurs is the lack of individual bank accounts, coupled with a sense of fear and skepticism towards engaging with financial institutions. Many acknowledged a preference for borrowing from family members due to the perceived flexibility in repayment. Female respondents often mentioned borrowing from male breadwinners within their families, as these arrangements typically involve interest-free loans. However, a few expressed a desire to approach financial institutions but were dissuaded by family members, particularly male household heads, to avoid potential complications. Besides insecurity concerns, another significant barrier to accessing loans from financial institutions was the lack of financial literacy. In this regard, it is might be helpful in resolving by addressing these issues that would necessitate efforts towards enhancing financial literacy and fostering financial inclusion within these communities.

- It was discovered that numerous cottage industries experience underutilization of their production capacity due to inadequate storage facilities. Respondents lamented the presence of ample workforce within their households, equipped for efficient production, yet lacking space to store finished goods. The affordability of purchasing a warehouse is often a challenge, and renting is deemed unfeasible due to its imposition as a fixed cost on the business. Given the seasonal nature of many small enterprises, bearing such fixed costs year-round, regardless of sales, seems impractical. However, availing loans from financial institutions might help the cottage unit workers might help them to resolve such matters of storage problems. If adequate storage facilities are there, it would enable the cottage entrepreneurs to purchase raw materials as and when required in bulk that would in a way enable them to avail the raw materials at cheaper rates than the usual price.

- A mention worthy correlation exists between the variables 'financial problems of cottage industries' and 'the involvement of middlemen'. Nearly all the respondents in the study were manufacturers who affirmed that middlemen posed a significant obstacle to their businesses. These intermediaries, while intended to facilitate transactions between buyers and sellers, often extract a substantial portion of the profit, leaving artisans with minimal earnings. However, in today's technological landscape, these hindrances could potentially be mitigated by leveraging technology to bypass middlemen.

5.1.2 External Financial Problems

External financial problems are those financial problems that may not be controlled by the cottage industries. In other words, financial problems that under no circumstance can be minimised or eliminated by the cottage industries may be called the external financial problems.

- Respondents have said that they find the fluctuating business environment in the volatile modern world extremely challenging for them to thrive. Many respondents reported facing intense competition in the global market. They noted that local demand for handmade artistic products is very low because local customers tend to prefer practical items over decorative ones. On the other hand, while these products are more sought after internationally, small cottage industries struggle to compete with large businesses. This challenge is faced due to lack of standardization, lack of professionalism, lack of technical expertise, unpolished products and lack of marketing knowledge.
- Many respondents said that they felt that the price of raw materials tended to be on the higher side which led to high price of the finished goods. On the contrary, there was very less demand of their products, at least in the local market.
- The high and rising interest rates at banks and financial institutions are emerging as a significant external financial challenge for cottage industries. Respondents are concerned that they may not have a viable strategy for the upcoming peak season, when they need to buy large quantities of raw materials and face a delay of several months before receiving payments. Due to the rapid increase in loan rates in India, many cottage industries and other micro business units nationwide are reducing their reliance on institutional loans because they cannot afford the higher interest expenses.

- Unfavourable repayment terms and short repayment periods of banks and other financial institutions is another challenge for cottage industries. Business loans in India are known for long processing time even if the applicant has all sorts of proofs. It's a pain point of taking a loan from financial institutions in our country. Other than the cumbersome procedure and rigid formalities, the financial institutions in our country are also known for their unfavourable mode of loan repayment formalities and short repayment period. This acts as a hindrance for the cottage industry entrepreneurs to avail loans from financial institutions and as a result they often resort in availing loans from close acquaintances or local moneylenders.

5.2 Problems other than Financial Problems

This study aims to highlight exclusively the financial problems faced by cottage industries of West Bengal. However, after conducting the survey, appropriate statistical tests were run and the results were analysed minutely. It was found that the root cause of almost all financial problems was one or the other non-financial problem. In other words, it may be said that a good number of non-financial problems were found to be the reason behind the existence of the core financial problems. This may be explained with the help of an example.

Gender specific problems

Many female respondents expressed difficulties in travelling for business, especially to distant towns and cities for fairs and exhibitions, as they had to leave their children and family behind for extended periods. The same reason had been cited by almost all the female respondents regarding disapproval to attend training programmes. It is particularly challenging for those in nuclear families, as there is often no one to look after the children and manage household chores in the absence of their working husbands. Respondents from joint families face their own set of challenges, with many having elderly members dependent on them, making it hard to stay away from home for extended periods. Balancing work life and household responsibilities was seen as a significant challenge by almost all female respondents.

e-illiteracy

Some respondents found it challenging to understand online transactions, feeling that technological competence was crucial for success in the modern world. They believed that their lack of technological skills hindered their ability to expand their businesses.

Gender Bias

Illiteracy among some female respondents meant they had to depend on their husbands or other male family members for handling banking matters, which posed a barrier to the smooth operation of their businesses. Several young female respondents felt that despite being technologically competent, lack of support from family members prevented them from exploring new ventures. They believed that independence could make a difference in their ability to succeed.

Child Labour

Some young respondents found it difficult to balance helping their parents in the cottage industry with their studies, with some considering discontinuing their education in the future.

Interpersonal Conflicts

Elderly female respondents expressed concerns about interpersonal issues within the family affecting the smooth operation of the business, especially since all family members were involved in running the business.

Family Structure

Respondents with smaller families mentioned a lack of assistance in their business operations, leading to additional challenges.

Impact of Covid-19

The global COVID-19 pandemic had presented a formidable challenge for regions worldwide, that required urgent efforts to normalize the situation. Cottage industries, like many other sectors, had been grappling with issues such as unemployment, disrupted manufacturing, and supply chain disruptions while trying to contain the virus.

The current situation offers few immediate solutions, as data on the outbreak and its impact continue to evolve. Uncertainty regarding the duration and extent of the outbreak had hindered the development of concrete strategies. The widespread lockdown measures have had severe repercussions on all industries, with cottage industries among the hardest hit.

Originating in rural areas, the cottage industry already faces issues of unemployment and underemployment. Recovery is expected to be slow, potentially leading to a demand-supply

gap and subsequent price increases. Governments worldwide need to undertake significant planning to stabilize the economy and healthcare systems over the next few years.

5.3 Financial Problems of Cottage Industries of West Bengal – Observations

Lack of Finance

Lack of access to finance was observed as the most common financial problem faced. It was observed that illiteracy, technological incompetence, dependency on others, lack of self-confidence and fear of approaching financial institutions were the most common reasons of inaccessible finance.

High price of raw materials

Many respondents said that they felt that the price of raw materials was on the higher side which led to high price of the finished goods. On the contrary, there was very less demand of their products, at least in the local market.

Low market demand of products

Majority of the respondents said that their products had very less demand in the local market whereas they were highly demanded in big towns and cities. It was observed that most of their products were such that seemed desirable to people with aesthetics. Also such products were quite expensive that local people could not afford.

High competition in global market

Most of the respondents complained that they face high competition in the global market. They said that in the first place there is very less demand for the handmade artistic products in the local market. This is because the customers in the locality would consider purchasing products that are of utility rather than investing in aesthetic products. On the contrary, although such artefacts are of higher demand in the global market, the cottage industries find it extremely difficult to compete with the big business houses. This is due to lack of professionalism, lack of technical knowhow, unpolished products, lack of marketing knowledge etc.

Lack of warehouse facility

It was found out that the production capacity of many of these cottage industries remain underutilized due to lack of adequate storage facility.

Presence of middlemen

The middlemen act as an intermediary between the final buyers and the sellers taking away major part of the profit leaving the poor artisans with a minimal sum.

5.4 Problems other than Financial Problems of Cottage Industries of West Bengal – Observations

Difficulty in maintaining balance between work and household activities

Most of the female respondents said that they faced problems while travelling for business related work to distant towns and cities for fairs and exhibitions. During such business trips, they had to leave their children and family back at home for weeks and sometimes even for a month. Respondents from nuclear families said that it was even more difficult if their husbands were working as there was no one to look after the children and do the household chores. Respondents who belonged to joint families faced their own kind of problems too. Many of them said that they had elderly members in the family who were solely dependent on them and staying away from home for such long period made their lives difficult. A few young respondents said that it was difficult for them to help their parents in running cottage industry and study at the same time. Some of them thought of discontinuing education in near future. All the respondents agreed that it was definitely difficult to maintain a balance between work life and household work.

Lack of technical knowhow

Some of the respondents said that they found difficulty in understanding online transactions. They also said that in today's world, if they needed to succeed or do better they have to be technologically competent. Many of them felt that technological incompetency was a hindrance that prevented them in expanding their business.

Lack of knowledge in banking and finance

Some female respondents said that due to their illiteracy, they had to depend on their husbands or other male members of the family for petty issues related to bank, which in a way was a barrier to smooth running of business.

Lack of moral support from families

A few young female respondents said that although they were adequately tech savvy, lack of support from family members had stopped them from exploring in to new ventures. However, they strongly believed that once they became independent, they might make a difference.

Interpersonal conflicts

Some elderly female respondents feared that since all family members were involved in running business, interpersonal problems with other members or new members might affect the smooth running of business adversely.

Lack of helping hands

Respondents with less family members complained about no helping hand in business.

CHAPTER SIX

SUMMARY FINDINGS, CONCLUSION & RECOMMENDATIONS

6.1 Introduction

In spite of having legendary excellence, cottage industries are yet to become a persuasive tool for development of the rural poor. They are much more underprivileged than the urban till today. The unequal developmental approach taken by the British rulers and the unforgettable destruction of rural enterprises for the sale of European produces during the colonial period are to be blamed for the decline of cottage industries in the country. Those two centuries of British dynasty have caused so much irreparable damage that even seven decades of post-independence healing has not proved to be sufficient. The forgotten trend of cottage industries being self-dependent may return again but a lot of effort needs to be put into it to make it possible. MSME is just one of the tools that can strengthen the root of cottage industries in India with its cluster or collective approach. The cumulative efforts of the small artisans may bring about large outcomes. Furthermore, common goals can be achieved by joining hands together. Obstacles may be minimized due to joint efforts and enhanced profitability becomes quite a possibility on the other hand. This way of bringing upliftment of livelihood of rural artisans not only helping the almost forgotten rural trades to revive but also assisting to build bondage among the same trade operators in rural India. In fact, future will answer, of course, many more questions about the exact role that is being played by the cottage industries for development of rural artisans. Despite the long-standing tradition of excellence in cottage and small-scale industries in India, these sectors have not yet emerged as significant tools for rural development. Rural areas remain more underprivileged compared to urban areas, partly due to the unequal developmental policies implemented by the British colonial rulers. The colonial period saw the destruction of rural enterprises to promote European goods, leaving deep scars that even seven decades of post-independence efforts have not fully healed.

This section of the research thesis provides a comprehensive summary findings of the study, suggestions and conclusions. It presents the key findings, suggestions and conclusions derived from the analysis of the collected data using appropriate statistical tools. This chapter is intended to be beneficial for a wide audience, including the general public, policymakers,

government officials, researchers and other non-governmental organizations interested in contributing to the growth of cottage industries.

6.2 Summary Findings

Financial Problems of Cottage Industries

Financial problems due to unavailability of loans and credit

Access to sufficient and timely finance is a significant barrier to the growth of cottage industries, particularly affecting small-scale and village-based enterprises. These businesses often have weak capital foundations and are commonly run as sole proprietorships or partnerships. Initial funding typically comes from personal savings or informal loans from friends, family, neighbours or local moneylenders, with only a small portion sourced from formal institutions like banks or government programs. Artisans in these industries frequently operate with minimal capital or rely on high-interest loans from local sources, which can be exploitative. Various factors limit credit flow to cottage industries, including inadequate financial resources, dependence on loans rather than equity, poor bookkeeping practices, lack of collateral, delayed payments from larger entities, insufficient understanding of financial needs by banks, high failure rates, high administrative costs associated with small loans and limited incentives for financial institutions due to low concessional interest rates.

In West Bengal, the challenge is particularly acute as cottage industries struggle with insufficient capital for development. These micro-enterprises often face unstable and low profits, hindering their ability to save for growth. Additionally, commercial banks are reluctant to lend to these businesses, making it more difficult. The situation is worsened for those who depend on high-interest loans from local money lenders to buy tools and raw materials, often leading to financial strain. Consequently, cottage entrepreneurs in West Bengal find it extremely difficult to secure the necessary funds for their businesses, resulting in production issues and eventual shutdowns.

Limited financial resources giving rise to marketing problems

Marketing presents significant challenges for industrial enterprises of all sizes. It involves bridging the gap between producers and consumers, which is essential for industrial growth. The success and expansion of a business largely depends on the entrepreneur's marketing abilities. Without these skills, the risk of failure increases. Marketing encompasses identifying

consumer needs, developing products or services that fulfil those needs and establishing effective pricing, promotion and distribution strategies.

Cottage industries, in particular, face substantial marketing difficulties due to intense competition from within the sector as well as from foreign products. Their limited financial resources restrict their ability to invest in marketing activities such as advertising and sales promotions. Additionally, these industries often lack thorough market analysis, making it harder to market their products effectively.

Financial problems due to high price of raw materials

Due to their small scale and limited financial resources, cottage industries frequently depend on middlemen for procuring raw materials. This reliance can result in higher costs and the use of lower-quality materials, which can negatively impact the quality of their products. Timely and affordable access to raw materials is crucial for these industries. Furthermore, irregular supplies of certain materials can disrupt production schedules and lead to delays in delivery.

Limited financial resources giving rise to infrastructural problems

Adequate infrastructure is crucial for ensuring smooth and ongoing economic growth, particularly in the realm of industrial development. Industrial production requires more than just machinery. It also depends on skilled labour, effective management, energy, banking and insurance services, marketing facilities and transportation systems such as railways, roads, waterways and communication networks. These elements together constitute the economic and social infrastructure that supports both industrial and agricultural production, driving overall economic progress. Cottage industries in remote areas face difficulties due to inadequate road networks, which hinder the transportation of their products between regions. This lack of proper transportation infrastructure also impacts these industries by delaying delivery and limiting their ability to reach national markets.

Lack of adequate finance inviting labour problems

Labour-related issues are affecting production in West Bengal's industries. Reports indicate that women and child workers are not receiving timely and fair wages, leading to increased dissatisfaction among the workforce. Labour unions have accused production units of exploiting these workers. On the other hand, some unit owners argue that production is hindered by worker inefficiency and migration. The study identified problems such as workers leaving for larger enterprises, which results in a shortage of labour for small-scale and cottage

industries. Cottage unit owners have acknowledged that this migration is often driven by their inability to make timely wage payments due to financial constraints.

Non-financial Problems of Cottage Industries

Gender specific problems

Many female respondents reported difficulties in traveling for business, particularly to distant towns and cities for fairs and exhibitions, for which they would have to leave their children and families behind for extended periods. This issue was similarly cited by nearly all female respondents as a reason for their reluctance to attend training programmes. For those in nuclear families, the challenge is intensified by the lack of alternative childcare and household support while their husbands are at work. Respondents from joint families also face unique challenges, as they often have elderly relatives who depend on them, making it difficult to be away from home for long durations. Balancing work responsibilities with household duties was identified as a major challenge by all female respondents.

e-illiteracy

Some respondents found it challenging to understand online transactions, feeling that technological competence was crucial for success in the modern world. They believed that their lack of technological skills hindered their ability to expand their businesses.

Gender Bias

Illiteracy among some female respondents forced them to rely on their husbands or other male family members for managing banking tasks, which hindered the smooth operation of their businesses. Many younger female respondents felt that, despite their technological skills, the lack of support from their families prevented them from pursuing new opportunities. They believed that having more independence could significantly enhance their chances of success.

Child Labour

Some young respondents found it difficult to balance helping their parents in the cottage industry with their studies, with some considering discontinuing their education in the future.

Interpersonal Conflicts

Elderly female respondents expressed concerns about interpersonal issues within the family affecting the smooth operation of the business, especially since all family members were involved in running the business.

Family Structure

Respondents with smaller families mentioned a lack of assistance in their business operations, leading to additional challenges.

Observations

- There is a significant association between the variables ‘family structure’ and ‘less labour force’. It may be said that the gradual trend of having smaller families has resulted into lesser family members as compared to the older days. Cottage industries are small businesses entities that are set up in the cottages and homes of the craftsmen and the family members are the ones who generally work together to run the business. Cottage industries do not practice the act of hiring or outsourcing labour force. Now lesser family members mean lesser labour force which directly has resulted into less productivity.
- There is a significant association between the variables ‘demand’ and ‘declining growth and performance’. Majority of the respondents agreed that that there is very low demand for the kind of products these cottage industry owners are engaged in making. However, some of them expressed their grief that although there is practically no demand in the local market, these goods are of immense value both in terms of price as well as their aesthetic beauty in the overseas market. The products that these cottage industries are manufacturing are generally beautiful artefacts that may adorn the homes and please the minds of the urban rich. But the problem is that most of the times these poor cottage industry owners could not reach their target buyers. Effective marketing management and technology might be able to remove such barriers in the long run.
- There is a significant association between the variables ‘lack of finance’ and ‘difficulty in procuring raw materials’. It may be said that majority of the respondents have agreed that lack of adequate finance acts as a hindrance in procuring raw materials for their business. While interviewing it was found most of the cottage industries are run by women of the household. The female entrepreneurs have admitted that they still have very less access to the financial institutions due to various reasons. Most of them have said that they are not confident enough to approach the financial institutions on their own. Many of them have said that even if they have wished to take financial aid from institutions, they are often discouraged by the male members of their family to

approach. Awareness drives and campaigns are the only way to curb such skepticism and financial illiteracy.

- There is a significant association between the variables 'high cost of raw materials' and lack of finance'. Most of the respondents agreed that the cost of raw materials seemed to be on the higher side. Lack of finance is the most common problem that almost all the respondents have complained about. If financial paucity was not a problem enough, then there is high and increasing cost of raw materials. Many respondents have said that purchasing raw materials in bulk quantities cost them less. But many of them are unable to afford to buy in such bulk quantity, because of the requirement of initial lump sum of money. Sometimes, in respect of some products, the raw material availability is seasonal. So there seems to prevail a cut throat price of such materials in the off-seasons.
- There is a significant association between the variables 'high cost incurred for training' and 'stipend-less training'. Almost all the respondents have confirmed that the training programmes generally do not provide any stipend to the trainees. The respondents who have undergone training, have definitely confirmed this. The others when get to know about 'zero-stipend', are naturally demotivated and do not wish to enrol themselves under any kind of free training further. This is because although the training programmes are free of cost, it still costs their trainees their time, their cost of transport etc. and here arises the question of opportunity cost. The cottage industry community is already economically weak. They are unable to comprehend the financial benefits of attending such training in the long run, as quite naturally people from such economically backward section are more concerned about the present than the future. A basic stipend that at least covers the trainees' travelling expenses might be a great way to lure such craftsmen so that there will be better participation in the training programmes.
- There is a significant association between the variables 'female workers' and 'aversion to attend training programmes'. It was studied that almost all the cottage industries although owned by male entrepreneurs, but majorly run by the women of the family. And it was found that most of these women respondents have said that they are unable to attend training programmes as they have a lot of household work to do. They are unable to spare that much of their time in undergoing training. When further questioned, they admitted that the society expects a woman to run the household, if otherwise they

would be a disgrace to the family and relatives. Such social issues can only be curbed with the help of proper counselling, helping to raise awareness.

- It was found that majority of the respondents preferred to take loans from their close relatives, friends and family members, rather than to avail loans from financial institutions. In this respect it may be added, that female entrepreneurs are more prone to availing loans from their immediate close acquaintance. The most common reason behind not availing loan from financial institutions was primarily the fear of repayment of loan within a stipulated time. Almost all the respondents said that they wanted to avoid tension and mental pressure of repaying the loan to financial institutions. The reasons behind such aversion to financial institutions have been further studied. Cumbersome process, rigid formalities, high interest rates, unfavourable mode of repayment, short repayment period are the most common reasons behind such aversion. Apart from these, many respondents have also complained that their credit requirement are not fulfilled by the financial institutions. Although not all of these reasons are quite valid, the problem lies with the mind-set of these small entrepreneurs. Instead of stepping out of their comfort zone, most of them have a tendency to take the easy way. Another problem for female members is that many of them do not even own a separate bank account. It was observed that they seem to exhibit fear and a strange skepticism about approaching the financial institutions. Many have admitted that they preferred in availing loans from close family members and relatives as in this case repayment of loan would be more flexible and not strictly time-bound. They also said that non-repayment of loan to family members might lead to internal family problems or minor mutual disagreements that may be resolved in future, but non-repayment of loan to financial institutions would land them nowhere. It was observed that most of the female respondents said that they availed loans from the male earning members of the family as repayment of the loan would be interest-free. However, a few female respondents said that although they wanted to avail loan from financial institutions, but they had been discouraged by their family members, specially by the male heads of the families in order to avoid undue problems. Apart from the fear of insecurity, another major reason behind not availing loan from financial institutions was lack of know how. In this regard, it may be said that financial literacy and financial inclusion are the only way to curb such problems.

- There is a significant relationship between the variables 'poor performance of cottage industries' and 'presence of middlemen'. It is found during field visit that almost all the respondents of the study were manufactures. They have confirmed that the presence of middleman is one of the biggest hindrances in their business. The middlemen act as an intermediary between the final buyers and the sellers taking away major part of the profit leaving the poor artisans with a minimal sum. Although the job of a middleman is to facilitate the interaction between buyers and sellers, but in today's world technology if used properly, such hindrances may be removed by avoiding the interference of the middlemen.
- It was found out that the production capacity of many of these cottage industries remain underutilized due to lack of adequate storage facility. Many respondents complained that although they have quite a number of workers at home (family members) and are well equipped to make good productions, they do not have place to store the finished products. Most of them are not able to afford buying a warehouse and renting is again not an option as it will be a fixed cost to the business. Many of these small entrepreneurships are seasonal. So bearing a fixed cost throughout the year irrespective of the sales is out of question.

It was studied that most of the respondents said that they did not have to travel much for procuring raw materials as raw materials were abundantly available in local markets. Their primary market for selling the finished goods is also local which does not require them to travel much. But the respondents who occasionally sell their products in exhibitions and fairs in other districts and cities of the state, said that they had to stay out of their home town for weeks or sometimes even a month. It was studied that most of them were female respondents who complained about travelling for business. It was also observed that all of them complained about travelling to distant cities and towns for weeks leaving behind their family in their hometown. Majority of the female respondents were mothers to young children and they said that it was difficult for them to stay away from their family for such a long period. In most of the cases such complaints came from female respondents who belonged to nuclear families. But again, female respondents who belonged to joint families faced their own share of problems too. Many of them said that they had elderly members in the family who were solely dependent on them and staying away from home for such a long period made their lives difficult. Moreover, they admitted that travelling for business purposes equals to ignoring their

household which might bring shame and disgrace to them in the family as well as the community.

6.3 Government Initiative to Cottage Industries

The impact of small and cottage industries on the Indian economy is immense, contributing significantly to wealth creation, employment generation and social development. Recognizing their importance, the government has established a dedicated ministry for Micro, Small and Medium Industries. Here is a list of financial assistance provided by the government to support the development of these small industries. The Government has taken quite a few initiatives to support the cottage industries which may be discussed as under:

Support Organizations Establishment: Various organizations have been established by the Government to offer assistance to small enterprises and rural communities. These include the Central Silk Board, the All India Handicrafts Board, the All India Handloom Board and the Khadi and Village Industries Commission. These organisations are providing either financial support or administrative support to strengthen their activities.

Industrial Initiatives Creation: Industrial cooperatives, industrial estates and rural industrial initiatives have been set up to promote the growth of small-scale industries.

Exclusive Manufacture Product Designation: The Central Government has identified a list of products for exclusive manufacture, aiming to boost the small-scale manufacturing sector.

District Industries Centres: District Industries Centres are being established at the district level to consolidate all necessary support and services for small and village businesses.

1980 Industrial Policy Resolution: The Industrial Policy Resolution of 1980 includes provisions for the development of home-based industries and small-scale businesses. It outlines initiatives such as creating buffer stocks of essential goods, establishing nucleus plants in each district to produce ancillaries, small, and cottage units and increasing the threshold on capital investments for small and supporting businesses.

Increased Capital Investment Threshold: The government is raising the threshold on capital investments to further support small and ancillary businesses.

The government has implemented several measures to promote cottage industries and Small-Scale Industries (SSIs), including:

- The Khadi and Village Industries Commission (KVIC) is dedicated to promoting and developing khadi and village industries, aiming to create employment opportunities in rural areas and boost the rural economy. KVIC is recognized as a key organization for generating sustainable employment in the non-farm sector. One of the primary challenges faced by cottage industries in India is access to credit from financial institutions and marketing their products. To address this, KVIC provides support to khadi institutions and cottage industry units to secure financial assistance from banks through schemes like the Prime Minister's Employment Generation Programme (PMEGP) and Scheme of Fund for Regeneration of Traditional Industries (SFURTI). Under the PMEGP Scheme, individuals can obtain credit from banks to establish micro-enterprises in the non-farm sector. General category beneficiaries can receive a subsidy of 25% of the project cost in rural areas and 15% in urban areas, while special category beneficiaries (such as SCs, STs, OBCs, minorities, women, ex-servicemen, physically handicapped individuals, those in NER, hills and border areas) can avail a subsidy of 35% in rural areas and 25% in urban areas.
- Additionally, through the SFURTI scheme, KVIC and the Coir Board support the development of cottage industries and coir clusters by providing improved equipment, common facility centres, business development services, training, capacity building, design, marketing support and more.
- To address marketing challenges, KVIC organizes exhibitions at the district, state and national levels, inviting beneficiaries to exhibit and sell their products. KVI units also receive financial assistance to participate in international exhibitions.
- The Coir Udyami Yojana (formerly REMOT Scheme) is a scheme that offers a credit-linked subsidy to assist in establishing coir units.
- The Mahila Coir Yojana, a part of the Coir Vikas Yojana (CVY), is a specialized skill development initiative aimed at rural women artisans in the coir sector. The program offers training in various coir processing activities, including spinning coir yarn. Upon completion of the training, participants receive motorized machines or traditional machines and other coir processing equipment at a subsidised rate. Additionally, women artisans receive a stipend per month during the training period. The Coir Vikas Yojana encompasses other components such as Skill Development & Training Programs, Domestic & Export Market Promotion and Development of Production Infrastructure.

- The Ministry is dedicated to promote cottage industries by encouraging artisans to exhibit their products at different levels including district, state and national exhibitions and fairs. The Ministry also supports showcasing the best products and processes internationally through schemes like Market Promotion and Development Assistance (MPDA). Furthermore, through the Khadi and Village Industries Commission (KVIC), the Ministry offers various skill training programs for potential entrepreneurs at the Multi-Disciplinary Training Centres (MDTC) run by KVIC. Enterprises can also take advantage of other Ministry schemes, such as assistance for ISO Certification and Bar Codes.
- Establishment of the National Small Industries Corporation (NSIC) and District Industries Centre (DIC) to support and promote cottage industries.
- Creation of the Small Industries Development Fund (SIDF) to provide refinance assistance for the expansion, rehabilitation, and modernization of cottage industries.
- Establishment of the National Equity Fund (NEF) to enhance the financial viability of cottage industries and make them more eligible for financing by Primary Lending Institutes (PLIs).
- Introduction of various schemes by the Small Industries Development Bank of India (SIDBI) to assist cottage industries in new projects, diversification, expansion, rehabilitation and modernization.
- Exemption of excise duty for small-scale enterprises, including cottage industries with turnover up to ₹ 1 crore.
- Levying concessional customs duties on the import of certain raw materials and components used by cottage industries and SSIs.
- Provision of managerial, technical, economic and marketing assistance to cottage industries and SSIs by the Small-scale Industries Development Organisation (SIDO) through its network of service institutes and extension centres.
- Provision of technical assistance to rural cottage industries by the Council for Advancement of Rural Technology (CART).

Organizations that Support Cottage Industries

Cottage industries in India receive support and development assistance from prominent organizations such as the Khadi and Village Industries Commission (KVIC). Other notable entities include the Coir Board, the Central Silk Board, the All India Handicrafts Board, the

All India Handloom Board, Forest Corporations and the National Small Industries Corporation, all of which are dedicated to expanding the cottage industry sector.

The Department of Industries and Commerce also administers several programs aimed at assisting and providing technical and financial support to both new and existing industries. These programs focus on modernization, industry development, quality control and technological advancement.

India’s cottage industries, are economically and culturally significant. They help preserve ancient traditions and provide employment to many people. However, they face numerous challenges. Therefore, the government is working to address these issues, as these industries have significant growth potential and contribute significantly to the country’s economy if properly supported.

6.4 Policy Recommendations

Cottage industries are pivotal in the Indian economy, offering significant employment opportunities to the country's unemployed youth. They not only provide substantial employment but also contribute to industrializing rural and underdeveloped regions, thereby reducing regional disparities and promoting a more equitable distribution of national income and wealth. Additionally, they contribute significantly to the socioeconomic development of the country. The following are the suggestions and recommendations directed for different groups, if implemented would help in the over-all development of the cottage industries.

6.4.1 Recommendations for the Cottage Industry Entrepreneurs

Awareness about government initiatives

The government and financial institutions offer assistance for the development of micro and small-scale enterprises, with information available on their websites. However, there is a lack of awareness among entrepreneurs of cottage businesses, hindering them from accessing these benefits. Entrepreneurs should utilize the available information and seek assistance from supporting institutions.

Networking with larger business units

Networking with Entrepreneurs of cottage business units should consider forming associations and linking them with town and city entrepreneurs' associations to develop their businesses. These associations can organize awareness camps and training programs in collaboration with

supporting institutions. Networking with larger business houses can help cottage business units expand their business networks. Many larger concerns outsource their business, presenting an opportunity for cottage business units to secure regular orders.

Quick adaptation and modern approach

Entrepreneurs must adapt to the situation and utilize available assistance for upgrading and modernizing their businesses. Upgrading or modernization will help them compete effectively.

Participation in training programmes

Taking advantage of skill development training programs organized by institutions like the Micro Small Medium Enterprises Development Institute (MSMEDI) can help entrepreneurs acquire necessary skills.

Participation in fairs and exhibitions

Participating in exhibitions organized by District Industries Centre, Khadi Village Industries Commission, MSMEDI and other institutions can help entrepreneurs popularize their products. Participating in international trade fairs organized by the Government of India can help entrepreneurs showcase their products to foreign buyers.

Collaboration with SHGs

Collaborating with Self Help Groups (SHGs) for selling products in nearby areas can increase turnover. Exploring new markets in neighbouring districts and states can also boost sales.

A more dynamic approach

To keep up with changing customer preferences, entrepreneurs should consider introducing new features in existing products. This can help retain existing customers and attract new ones.

Provide adequate training to workers

Providing skill upgradation training to workers can improve production methods and enhance productivity and profitability.

Engage in development and upgradation of skill

Acquiring computer skills to operate computers and use the internet for communication and research is essential in today's information technology era.

6.4.2 Recommendations for the Supporting Organisations

Arrange training programmes

The Micro Small Medium Enterprises Development Institute (MSMEDI) organizes training programs and offers services like Business to Business Meet, Buyer Seller Meet and E-club. However, entrepreneurs in cottage business units are not aware of these services. The District Industries Centre, in collaboration with MSMEDI, can extend these services to areas where cottage business units are concentrated. This would ensure that the support services reach the entrepreneurs for whom they are intended, helping them utilize and benefit from these services.

Assistance from The Khadi and Village Industries Board

The Khadi and Village Industries Board provides seed money to needy entrepreneurs. The board should conduct regular visits to cottage units to guide and support them in overcoming problems. The board should extend its services vigorously to rural entrepreneurs, helping in the development of cottage industries.

Awareness programmes conducted by students as a part of their internship

Some colleges have outreach programs where students visit villages to create awareness and provide services to villagers. The District Industries Centre, as a nodal agency for government schemes and assistance programs, should collaborate with these colleges to organize programs in villages, disseminating information about various schemes and assistance programs to grassroots level people. This would raise awareness among students and villagers.

Awareness programmes by supporting institutions

Supporting institutions should organize awareness programs in colleges to inform students about various programs and inspire them to consider entrepreneurship as a career path. This would encourage students to create jobs rather than just seek employment.

Creation of a resource bank of information

At the block level, a resource bank can be created containing information about raw material availability, suitable products for the area, available infrastructure, human resources and viable project models. This information availability would inspire potential entrepreneurs to start their own businesses.

Formation of a redressal forum

Entrepreneurs, whether micro, small, or medium, face problems in their ventures. A grievances redressal forum comprising important service providers like the electricity board, banks and monitoring agencies could be formed at the District Industries Centre to solve the problems faced by entrepreneurs, thus paving the way for their success in business.

6.4.3 Recommendations for the Government

Regular reporting at frequent intervals

The government should instruct supporting institutions to regularly report on the performance of cottage business units. This would create moral pressure on these institutions, encouraging them to provide better assistance to cottage entrepreneurs.

Formation of clusters

Creating separate cottage industry clusters with all necessary infrastructure could help develop cottage business units and encourage them to export their products. Export assistance could be provided to promote exports from these units.

Providing zero percent interest assistance

Given that many cottage business units face power problems, the government could offer zero percent interest assistance with subsidies to install and generate solar power. This would help these units overcome power issues. The government should urge banks and financial institutions to provide soft loans with low interest rates to cottage business units.

Formulation and implementation of separate industrial policy exclusively for cottage industries

Formulating a separate industrial policy for the development of cottage industries could significantly boost growth in this sector nationwide.

Assistance in marketing

To help cottage business units market their products, the government could establish a common marketing complex in every block. This would provide a centralized location for cottage entrepreneurs to sell their products.

Establishing a separate funding agency

Establishing a separate funding agency called the 'National Bank for the Development of Cottage Industries' could provide necessary assistance and help develop cottage industrial units across the country.

Recognition by means of awards

The Ministry of Micro Small Medium Enterprises could institute a National Award for cottage entrepreneurs annually to recognize their achievements. This would motivate entrepreneurs to excel in their endeavours.

6.5 Limitations of the Study

Cottage industries being the unorganised sector, cannot be categorised under any statutory definition. It would be unwise to categorise them under any head as classified under the MSME Development Act, 2006. The vastness of the official definitions provided under the Act for MSMEs is such, that it would be inappropriate to categorise cottage industries even under the head ‘Micro Industries’. As a result, it is extremely difficult to obtain data of such cottage industries as practically there remains no official record of their facts and figures. Apart from this, since the work for research had already begun since 2019, the pandemic had affected the work adversely. It had definitely slowed down the progress of the work to some extent, as the study is mainly based on primary data. However, it is believed that such limitations would not affect the quality and objectivity of the research work materially.

6.6 Conclusion

The study focuses on the development of cottage industries in West Bengal, highlighting their growth and productivity. It suggests that the factors driving the growth of cottage industries and the proliferation of various forms of cottage products are closely linked. The challenges faced by cottage enterprises also impact the development of cottage industries in the area.

Reviving the self-reliant trend of cottage industries will require considerable effort. The Micro, Small and Medium Enterprises (MSME) sector is one such tool that can strengthen the foundation of cottage industries in India through its cluster-based approach. By uniting small artisans towards common goals, collective efforts can lead to significant outcomes, potentially minimizing obstacles and enhancing profitability. This approach not only revitalizes forgotten rural trades but also fosters bonds among rural artisans. The true impact of this scheme on the development of rural artisans will be revealed in the future.

The cottage industry, one of the oldest industries, is currently facing stiff competition from medium and large scale businesses. Despite offering traditional and indigenous products that attract foreign merchants, some of these goods are more expensive than those from larger industries. Unlike larger industries, cottage industries lack advertising and promotional events to market their products.

Despite government efforts, the cottage industry remains threatened by medium and large scale businesses. To address this, the government should focus on updating marketing strategies, improving online promotion, providing sufficient credit, adequate technological support and developing overall infrastructure. A well-executed marketing strategy can boost demand for products from the cottage industry. With the right support and foundation, cottage industries have the potential to achieve significant success. Cottage industries hold immense economic and cultural significance, preserving cultural customs and providing livelihood opportunities.

To support cottage industries, measures have been taken to increase credit access and the government has launched various strategies and initiatives to provide organizational infrastructures. However, funding and incentives for globalization and liberalization are expected to increase, making the improvement of cottage industries for export performance in India crucial.

Government support for SMEs in India is often motivated by social and political considerations, although cottage industries significantly contribute to job creation, output, and exports, thus benefiting rural development. Policy measures, such as economic incentives, loans, product quotas, infrastructure and technical assistance, reflect an equity and social rationale. However, India's multicultural and diverse nature, coupled with its population and various financial, political and cultural challenges, underscores the importance of funding for cottage industries to prevent negative impacts on the economy. Therefore, the government must actively promote the development of small-scale and cottage industries that would help in the economic development of the country as a whole.

REFERENCES

A. Published articles, research papers and doctoral thesis

Debnath. (2022). Partition of India and its Impacts on Handloom Textile of West Bengal. © 2022 IJCRT | Volume 10, Issue 11 November 2022 | ISSN: 2320-2882

Bandhopadhyay, Debashis. (2020). Antorjatic Shrikritir Laria namlo Banglar Tangail, Karial, Garad: Tant Sharir Abadan Rajyar. Bartaman Patrika, Kolkata, October 09 2020, (in Bengali). Dakshinbango, p.09.

Bhattacharya, Bitan. (2020). Karimpura Bandho Tantshilpo, Dinmujoree Bharva Tantider. Bartaman Patrika, Kolkata, October 13 2020. (in Bengali) Dakshinbango, p.10.

Verma, Tiwari. (2019). Study of Marketing Strategies of Cottage Industry and Its Implications. International Journal of Scientific and Research Publications. p–ISSN: 2394-1545, e-ISSN: 2394-1553, Volume 6, Issue 1, January-March, 2019; PP. 14-16.

Datta, B.D. (2018). An In-depth Study on Jamdani and Tangail weavers of Purba Bardhaman District, West Bengal; India. Journal of Textile Engineering & Fashion Technology, 4 (3): 263-270.

Hussain. (2018). An analytical study of the role of small scale industries in economic development of Gujarat with reference to Ahmedabad district. Ph.D. Thesis, Saurashtra University, 187 p.

Kundu. (2017). Origin and Development of Cottage Industries in India: A Study in Pre-Independence Era. International Journal of Research in Social Sciences Vol. 7 Issue 12, December 2017, ISSN: 2249-2496 Impact Factor: 7.081

Hazra, Burman. (2017). Prospect of traditional craft in present economy: A study of earthen dolls of Krishnagar, West Bengal. International Journal of Management.

Sahoo, Joddar, Biswas & Sarkar. (2015). The significance of terracotta industry in the socio-economic livelihood of people – A case study of Bankura terracotta craft hub. International Journal of Current Research, Vol-8, Issue-1, pp 25800-25806, Jan. 2016.

Debelo, Teshome, & Minalu. (2015). Factors Affecting Developments of Micro and Small Enterprises (Case of Mettu, Hurumu, Bedelle and Gore Towns of Illu Bora Administrative Zone). International Journal of Scientific and Research Publications, Volume 5, Issue 1, January 2015, ISSN: 2250-3153.

Pandey. (2015). Problems of Small-Scale and Cottage Industries in India. Abhinav International Monthly Journal of Research in Management & Technology.

Srivastav. (2015). Cottage Industries in India: Meaning, Necessity, Impact, Advantages, Disadvantages and Solution, Economy of India.

Boruah, Kaur. (2015). A study on the analysis of economics of weavers' cooperative societies of Assam. International Journal of Scientific and Research Publications, Volume 5, Issue 1, January 2015, ISSN: 2250-3153.

Mexan. (2014). A study on the growth of cottage industries of Tirunelveli district, viii, 274p.

Tasneem, Biswas. (2014). Role of Cottage Industries in the Economic Development of Bangladesh: An Empirical Study. IOSR Journal of Business and Management (IOSR-JBM), Vol-16, Issue-10, pp 10-18.

Bhattacharya. (2014). Cottage industry clusters in India in improving rural livelihood: An Overview, IJHSSS.

Bhatt. (2014). A Role of Cottage Industries in Indian Economy, Journal of Social Sciences.

Joy, Kani. (2013). Emerging Opportunities and Challenges for Cottage Industries in India. International Journal of Scientific & Research Publications, Vol-3, Issue-3, 2013.

Pandey. (2013). Trends, Opportunities and Challenges in Small Scale and Cottage Industries in Uttar Pradesh. Asian Journal of Technology & Management Research, ISSN: 2249-0892, Vol-3, Isuue-2, and (July-Dec. 2013).

Sana, Sarkar. (2012). Problems of Coir Industry in West Bengal: An Analysis. Business Studies, Vol: xxxiii, xxxiv.

Kumar. (2012). A Study of Small Scale Industries: Marketing Strategies. TAJMMR TRANS Asian Journal of Marketing & Management Research, Volume1, Issue 1, September 2012, ISSN (online). http://www.tarj.in

Pande. (2012). Influence of Management Functions on Entrepreneurial Development – A study of small scale and tiny enterprises in and around Pune. Tilak Maharashtra University, 286 p.

Venkatasubramanian. (2012). A study on the performance of rural industries in Madurai district Tamil Nadu. Ph.D. Thesis, Madurai Kamraj University, 310 p.

Thomas. (2010). A study on the impact of globalisation and liberalisation in cottage industries in Kerala. xxxii, 398p.

Michael. (2010). A study of problems and prospects of small scale industries in Tiruchirappalli Taluk, Tiruchirappalli district. St. Joseph's College (Autonomous), Bharathidasan University, 192 p.

Aravinthan. (2010). Cottage Industries Information System with Reference to Handloom Silk Weaving Industries in Tamilnadu. Ph.D. Thesis, Annamalai University.

Laskar. (2009). Small Scale and Cottage Industries in Mizoram – Problems and Employment Prospects. Mizoram University.

Kundu, Dipak Kumar. (2009). Information needs in cottage industries at Barrackpore and Barasat Sub-divisons of North 24 parganas district, West Bengal. Ph.D. Thesis. University of Calcutta.

Banu, Sangeetha. (2008). Role of Nationalised banks in SME Credit: A Study in Theni District. Indian Journal of Marketing, Vol.XXXVIII, No.5, May 2008, pp.35-41.

Panda. (2008). Management of working capital in small scale industries. New Delhi, Deep and Deep publications, 2008.

Eresi. (2008). Management of Finance in Small Scale Industry – Allahabad. Vohra publishers and Distributions, 2008.

Jaya. (2007). A study on the impact of Kerala Handicraft Apex Cooperative Society on the working of Handicrafts Cooperatives in Kerala. Mahatma Gandhi University, 221p.

Asokan. (2007). A Study on The Performance of Small Scale Industrial Units in Madurai District, Tamil Nadu. Ph.D. thesis, Madurai Kamaraj University, Madurai, December 2007.

Kala. (2007). Role of District Industries Centre in The Promotion of SSI Units - A Study with Reference to Pudukkottai District. Ph.D. thesis, Madurai Kamaraj University, Madurai, December 2007.

Sayeed. (2007). Financing of Small Scale and Cottage Industries in Uttar Pradesh. PhD thesis, Allahabad University.

Ganeshan. (2007). Effectiveness of Bank Finance to Small Scale Industries in Madurai District - A study with Reference to Canara Bank. Ph.D. Thesis, Kamaraj University, Madurai, March 2007.

Gupta, Mukherjee. (2006). Scope of cottage and small industry in West Bengal in the early 2000, SSRN.

Alam. (2005). A comparative study of financing small & cottage industries by interest-free banks in Turkey, Cyprus, Sudan & Bangladesh. International Conference on Paradigm of Unity of Knowledge and Socio Scientific Reasoning.

Natarajan. (2004). Institutional Finance for Small Industries: A case study of Visakhapatnam District in Andhra Pradesh. Ph.D. Kakatira University 2004.

Parekh. (2004). Financing of small Scale industries in a developing Economy. New Delhi: National Publications House 2004.

Ramasamy. (2003). Small Scale industries in Virudhunagar District: An Empirical Study of their Growth and Diversification. Ph.D. Thesis, Madurai Kamaraj University, Madurai, November 2003.

Kumar. (2002). Role of State Financial Corporation (SFCs) In Financing SSI in India During Post-Reform Period. Southern Economist, Vol.41, No.2, May 15, 2002, pp.7 - 9.

Ramakrishna. (2001). Finance for small scale industry in India. Yojana, May 15, 2001, Vol. 35, No. 8, pp. 24-25.

Nagammai. (2001). Institutional Finance to Small Scale Industries in Madurai District. Ph.D. Thesis, Madurai Kamaraj University, Madurai, April 2001.

Khan, Shaikh. (2001). Financing of Small-Scale Industries in Maharashtra. Southern Economist, Vol.40, No.1, May 1, 2001, p.28.

Inbalakshmi. (2001). An Empirical Study of the Growth of Small Scale Industrial Units in Dindigul. Ph.D. thesis, Madurai Kamaraj University, Madurai, September 2001.

Sarker. (2000). Small scale and cottage industries of Bangladesh: A spatio temporal analysis. Ph.D. Thesis, University of Calcutta, xi, 181p.

Himachalam. (2000). Entrepreneurship development in small scale sectors. Yojana, Feb. 16-28, Vol. 32, No. 18, pp. 16-18, 2000.

Ghosh. (2000). Shola cottage industry in West Bengal: Local history and future prospects. Sanhati.

Ramesha. (1999). Institutional Credit to Small Scale Industry Sector: Role of Banks and SFCs in the post reforms Scenario. The Asian Economic Review, Vol.41, No.1, April 1999, pp.20-31.

Rajendran. (1999). Institutional Assistance for Small Scale Industries in Tiruchirappalli District. SEDME Journal 1999, Vol.26, No.2, June.

Anubhai, P. (1988). Sickness in Indian Textile Industry: Causes and Remedies. Economic and Political.

Malgawaker. (1997). Problems of Small Industry - A study in Andhra Pradesh. Hyderabad, SIET, 1997.

Rostagi. (1997). Employment Generation through Small Scale Village and Cottage Industries– A case study in Madhya Pradesh. D.L. Narfayana et. Al (Eds).

Mishra. (1996). Factors affecting women entrepreneurship in small and cottage industries in India. Swedish International Development Cooperation Agency, International Labour Organization, South Asia Multidisciplinary Advisory Team.

Abdul, N. (1996). Handloom and Distress. Economic and Political Weekly, 31(23): 1384-1386.

Santra. (1996). Small Scale Industries in Darjeeling Hills: Problems and Prospects. Proceedings of The Second International Conference on Global Business, Economics & Finance, ISBN: 978-1-941505-14-4, Paper ID: C422.

Rao, Saxena. (1996). Minor Forest Product's Management: Problems and Prospects in remote high altitude of Central Himalaya. The International Journal of Sustainable Development and World Ecology.

Dixit. (1996). Industrial sickness in small scale sector in Satara district. Ph.D. Thesis, Shivaji University, xiv, 640p.

Colney. (1995). Industrial development in Mizoram – A case study of small and cottage industries. viii, 352p.

Rietveld, Yuwono, Sandee & Supratikno. (1994). Promoting small scale and cottage industries in Indonesia: An impact analysis for Central Java. Serie Research Memoranda, (1994-2010).

Venugopal. (1993). A study of village and cottage industries in Kerala: Problems and Prospects. Cochin University of Science & Technology.

Jadav. (1992). Indian Handicrafts: Growing or Depleting? IOSR, Journal of Business and Management, ISSN: 2278-487X, p-ISSN: 2319-7668, pp 07-13.

Kasemi. (1992). Problems of Pottery Industry and Policies for Development: Case Study of Koch Bihar District in West Bengal, India. International Journal of Advanced Research in Management and Social Sciences, ISSN: 2278-6236, Impact Factor – 4.400.

Rodinga. (1991). A study on the development of small and cottage industries in Mizoram. North Eastern Hill University, iii, 97p.

Chandra, Chaki. (1990). Problems of cottage industry in a backward region of West Bengal: A study of West Dinajpur district from 1951-1981.

Ghoshal. (1990). Growth and development prospects of cottage industries of Murshidabad district. xv, 198p.

Bahar. (1990). Financing for micro enterprises, small, medium and cottage industries: Bangladesh Perspective. Eco Advisor, Bangladesh Bank.

Bag, Kumar. (1989). The Changing Fortunes of the Bengal Silk Industry 1757-1833, Calcutta. Manasi Press.

Gangele. (1973). State aid to small and cottage industries in Madhya Pradesh. 260p.

Ali. (1973). Marketing problems of small and cottage industries of Uttar Pradesh with special reference to Aligarh district. viii, 334p.

Bhattacharya, Dhiresh. (1973). Understanding India's economy: a course of analysis. (V.1), (5thed.). Kolkata: Progressive.

Chandra, M. (1960). Indian costumes and textiles from the 8th to the 21st century. Journal of Indian Textile History. 9, 7-8.

Kosambi, Damodar & Dharmanand. (1995). The working class in the Amarkosa. Journal of Oriental Research, 24: 57 – 69.

B. Websites Visited

1. https://sg.inflibnet.ac.in.pdf.
2. URL://WWW.jstore.org.
3. URl:https://www.onmanorama.com/lifestyle/news/2020/04/19/mpact-covid-19-on-indian-handloomsector.html.
4. https://www.investopedia.com/
5. https://www.wikipedia.org/
6. https://scholar.google.com/
7. https://gaatha.org/Craft-of-India/
8. https://www.bangalinet.com/art&craft_bankura.htm
9. https://www.swarnabdutta.com/sonajhuri-haat-khoai-mela-santiniketan-bolpur-timing/
10. https://msme.gov.in/
11. https://dcmsme.gov.in/publications/books/ssi02.htm
12. https://wbmsme.gov.in/esdpScheme
13. https://wbmsmet.gov.in/contact_us

ANNEXURE

QUESTIONNAIRE ON FINANCIAL PROBLEMS OF COTTAGE INDUSTRIES: A STUDY OF SELECT DISTRICTS OF WEST BENGAL

I am conducting my research under the supervision of Prof. Dr. (CA) Sanjib Kr. Basu, Associate Professor, Department of Commerce, St. Xavier's College Kolkata, (Autonomous), in partial fulfilment of my Ph. D degree. My research is mainly based on primary data. This questionnaire is a part of my research. I expect you to be helpful in providing relevant details. I assure you that the information provided by you will be utilised only for purpose of research, & will remain confidential. I will be highly obliged if you give your valuable responses to the following questions.

Demographic Questions

Name of the respondent _____

Location _____

A1: Individual Profile

1.1 Gender of the respondent:
- a) Male
- b) Female
- c) Transgender

1.2 You are entitled to some kind of exclusive gender specific financial benefit.
- a) Strongly disagree
- b) Disagree
- c) Neutral
- d) Agree
- e) Strongly agree

1.3 Age of the respondent:
- a) 18 to 30 years
- b) 31 to 45 years
- c) 46 to 60 years
- d) Above 60 years

1.4 Marital Status of the respondent:
- a) Married
- b) Unmarried
- c) Widowed
- d) Divorced

1.5 Religion of the respondent:
- a) Hindu
- b) Muslim
- c) Christian
- d) Others

1.6 Cottage industry owners belonging to minority communities are entitled to higher margin money (MM) subsidies and other financial assistance from the government.
- a) Strongly disagree
- b) Disagree
- c) Neutral
- d) Agree
- e) Strongly agree

1.7 Caste of the respondent:
   a) Scheduled Caste (SC)
   b) Scheduled Tribe (ST)
   c) Other Backward Communities (OBC)
   d) General

A2: Family Structure of Respondent

1.8 Family structure of the respondent:
   a) Joint family
   b) Nuclear family

1.9 Total number of members in your family:
   a) Less than 5
   b) More than 5

1.10 How many members in your family help you in running the business?
   a) Less than 5
   b) More than 5

1.11 The gradual trend of having smaller families has resulted in to less labour force that has indirectly affected the productivity of cottage industries
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

B: Production & Manufacturing

B1: Business Profile

1.12 Is your business registered under the Directorate of Industries?
   a) Yes
   b) No

1.13 Is income earned from running cottage industry the only source of income in your family?
   a) Yes
   b) No

1.14 Income earned from running cottage industry is sufficient for your family.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.15 Total monthly income of the respondent:
   a) Less than Rs.1000
   b) Rs. 1000-Rs.5000
   c) Rs.6000-Rs.10000
   d) Rs.11000-Rs.20000
   e) More than Rs.20000

1.16 For how long have you been in this business?
   a) Less than 1 year
   b) 1-5 years
   c) 6-15 years
   d) 16-25 years
   e) More than 25 years

B2: Estimation of demand in market

1.17 Market assessment is important for estimating the demand before purchasing raw materials.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.18 Costs for bearing market research is high.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.19 Costs for bearing market research being recurring in nature, increases the final price of the products.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.20 In-house labour is utilised for market demand estimation.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.21 Outsourcing specialised labour for market research is effective for better demand estimation.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.22 Outsourcing specialised labour for market research might be effective, but may increase the price of the final product.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

B3: Training related Problems

1.23 You are required to undergo training for manufacturing products.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.24 Informal training from elder generation in the family is sufficient for manufacturing products.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.25 Professional training is required for manufacturing products.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.26 Have you ever been trained professionally for manufacturing products?
   a) Yes
   b) No

1.27 The training has increased your efficiency, skill and has helped you in manufacturing better products.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.28 Tenure of your training programme.
   a) Less than 2 days
   b) 3 days-7 days
   c) 8 days-14 days
   d) 15 days-30 days
   e) More than 30 days

1.29 Your regular household activities stand in the way of attending training programmes.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.30 You have received stipend while attending training programmes.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.31 Trainees should be entitled to stipends while attending training programmes that may help them to bear the expenses associated with training.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.32 Cost incurred by respondent for attending training programme is high.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

B4: Raw materials related Problems

1.33 You frequently purchase raw materials.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.34 Raw material is available to you as per requirement.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.35 You face problems while procuring raw materials.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.36 Lack of adequate finance is a hindrance in procuring raw materials.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.37 Price of raw materials is generally on the higher side.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.38 Loan from Financial institutions is a source of finance for procuring raw materials.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.39 Loans from relatives, friends and neighbours is a better source of finance than loans from financial institutions.
   a) Strongly disagree
   b) Disagree
   c) Neutral

d) Agree
e) Strongly agree

1.40 Your credit requirement gets fulfilled by financial institutions.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

1.41 Obtaining loan from financial institutions is a cumbersome process.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

1.42 Loan formalities are generally rigid.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

1.43 Interest rate is generally high.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

1.44 Mode of repayment is likely to be unfavourable.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

1.45 Loan repayment period is generally short.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

1.46 Trade credit financing period is generally short
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

1.47 Interest rate for trade credit is high
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

B5: Labour related Problems

1.48 You and your family members manufacture the goods.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.49 Outsourcing labour might be a good option for increasing productivity, but would increase the price of the product eventually.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.50 The production capacity remains underutilised due to lack of adequate equipment and machinery.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

B6: Storage related Problems

1.51 In-house storage is sufficient for full scale production.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.52 The production capacity remains underutilised due to lack of adequate storage facility.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.53 Availing warehouse facilities on rent is a better option for storage, than buying a warehouse.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

C: Post Production Activities

C.1: Marketing related Problems

1.54 There is demand for your products in the market.
   a) Strongly disagree
   b) Disagree

c) Neutral
d) Agree
e) Strongly agree

1.55 A good marketing strategy would help you to reach the potential customers.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

1.56 You face problems regarding marketing or promoting your product.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

1.57 Marketing, advertising and promoting involve additional expenditure that increases the price of the product.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

1.58 Nature of market is fairly competitive.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

C.2: Selling & Distribution related Problems

1.59 Are you yourself selling the products manufactured?
a) Yes
b) No

1.60 The presence of middleman ultimately helps in smooth selling and distribution activities.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

1.61 You face problems in selling your products.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

1.62 Selling & distribution activities requires you to travel.
a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

C.3: Travel related Problems

1.63 You are required to travel frequently for selling and distribution activities.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.64 You face problems because of travelling for business purposes.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.65 Daily household activities stand in the way of your travelling for business.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.66 Lack of good transportation or your daily commute acts as a hindrance to your travelling for business purposes.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.67 Financial problems are the mother of all other problems in running a cottage industry.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.68 Non-financial problems do affect your business adversely.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

D: Post Sale Activities

1.69 Over the past years there has been a gradual increase in the growth of your business.
   a) Strongly disagree
   b) Disagree
   c) Neutral
   d) Agree
   e) Strongly agree

1.70 Over the past years the performance of your business has been improving.

a) Strongly disagree
b) Disagree
c) Neutral
d) Agree
e) Strongly agree

Thank you for your kind cooperation,

Sreemoyee Datta

Ph. D Research Scholar,

St. Xavier's College, Kolkata (Autonomous)