

## ROLE OF COTTAGE INDUSTRIES IN INDIA

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### **Introduction**

A cottage industry is one which is carried on wholly with the help of the family either as whole time or part-time occupation. A small scale industry, on the other hand, is one which is operated mainly with hired labour, usually 10 to 50 persons. Cottage industries are more or less household industries. They depend on local resources. They enter only to a limited local market. On the other hand, small scale industries are more or less mini factories. They depend on resources coming from outside. Example of cottage industries are hand oven textiles, Pottery, toy-working rope-making, wood-work etc. Example of small scale industries are handloom industries, khadi and village industries. Sericulture, metal works. Investment in tiny units was raised from 2 ½ lakhs to 5 lakhs. Tiny units are now called micro enterprises. Their limit now is Rs.25 lakhs. Investment for small units is 1 crore, it is now raised to 5 crores for 69 items.

### **Importance of Cottage Industries in India**

The heart of India lies in her villages, as Gandhiji pointed out many a time; and if her heart is strong and healthy the whole body would be naturally so. Although today India maintains some of the largest industrial plants of the world and is marching ahead towards her goal of industrialization, the country is much in need of cottage industries in the rural areas. The need of Cottage Industries in India is immense. According to an Indian economist, 'In India, more than 74 per cent of the total population lives in the villages where their lot is linked with agriculture. They have to live in the villages as they cannot leave their fields which give them their 'living'. Side by side they must be provided with some kind of cottage industries upon which they can depend during that period in which they remain idle and unengaged'. After independence, our country has been taking gigantic strides towards industrialization. Cottage industries can become an alternative means of employment for the people living in the rural areas. Cottage industries will be of benefit for our villages, which form the back bone of the nation. The place of cottage industries in the national economy in the country has been unique since time immemorial. India was famous, in the past, for the wealth of the land and for the high artistic skill of her craftsmen. India was exporting wonderful jewellery and superfine embroideries to Europe. European merchants were attracted towards India more by her craft and industry than by the rich raw material. Cottage-industries declined with the downfall of the Mughal Empire under whose benevolent patronage they had reached their point of perfection. The up-to-date fashionable people of India motivated by the Western culture preferred the well-finished products of Lancashire and Manchester and treated it as beyond their dignity and

prestige to embrace the home-made goods. The cut-throat competition was a harmful detent to the Indian craftsmen who could not keep pace with the foreign machine-made articles. Thus the foreign goods began to be sold at cheaper rates compared with the home-made goods. That was decidedly in the best interests of the foreign rulers whose chief motive was to enrich their country at the cost of India.

It was then that Mahatma Gandhi came on the Indian scene and infused new life and vigor into the decaying limbs of our home industries. The clarion call for swadeshi and benefits of 'economics of Khadi cloth' together with the 'charkha' campaign launched a crusade against mill-made foreign goods. Since then cottage-industries have been receiving good attention from the government and the people alike. The Central and the State Governments have established separate departments for the encouragement of cottage industries. It must not be forgotten that cottage industries are the back-bone of our rural economy and no rural uplift is possible without the protection of and encouragement to these small-scale industries. Apart from all other considerations, small-scale or cottage-industries are essential for providing employment to our tillers of soil in their leisure time or when they remain idle. To improve and encourage the cottage-industry in our country we have to change the views of the general public. The people should be made interested in patronizing home-made goods. A ready market is a further urgency in this direction. Rural Co-operatives and Rural Banks should be established and stabilized by the Government for advancing short-term loans on nominal interest. Lastly, adequate marketing facilities should be arranged for them, as sale of goods has now-a-days become as complicated an affair as production itself. Hence, the artisans must be helped to get the best price of their goods. Frequent exhibitions should be organized to enable the artisans to show their art and industry and give them impetus and inspiration to create still better patterns of handicrafts.

#### **Current Scenario of Cottage Industries in India**

In the modern industrialized world, there are large factories and mills with huge machines, smoking chimneys and hundreds and thousands of laborers. The present condition of cottage industries is not very good. However, there are few people who think that every effort should be made to revive them.

The principal cottage industries of India are:

1. Hand-loom weaving (cotton, silk, jute, etc.)
2. Pottery
3. Washing soap making
4. Conch shell industry
5. Handmade paper industry
6. Horn button industry
7. Mother-of-pearl button industry

8. Cutlery industry
9. Lock and key making

### **Necessity of Cottage Industries in India**

We depend on cottage industries for many of its needs. We get our clothing from mills but we have to depend on cottage industries for our bell-metal things, for our bangles and buttons. If we allow the cottage industries to decay, we shall do so at considerable loss to ourselves. From yet other point of view cottage industries are a necessity to India, and they shall be so until the very structure of society is changed. The centre of Indian life is in the villages. It is in the villages that the majority of the people live, but it is not possible to establish large industries at many places. So, if the village population has to live, it will have to depend a good deal on cottage industries, on the things that villagers can produce in their homes with their hands or with simple tools that are readily available. It will give them employment and save their society from decay.

### **Impact of Cottage Industries in India**

- **Impact on Economy:** These are all economic, practical arguments, and it may seem that cottage industries will not lose their importance so long as large industries have not been fully established. However, there are deeper arguments, too, and it is these deeper arguments that swayed Mahatma Gandhi when he worked for the revival of cottage industries. He thought that cottage industries should not merely supplement large industries, they should replace them.
- **Impact on Rural Economy:** The Indian agriculturist who has difficulty in making two ends meet will get an additional support if he can take to cottage industries when he is not employed in his major occupation. Agriculture does not employ a cultivator all the year round. For many months the peasant has no work. If during this period he engages himself in simple cottage industries like basket-work or rope-making, he can earn more for his living. It will take a long time for India to fully industrialize herself. The nerve-centre of India is in the villages and she will require cottage industries. And even if large industries are established, cottage industries will not die out; rather they will grow up as off-shoots of large industries.
- **Impact on Society:** Cottage industries are desirable, not only from the moral and aesthetic points of view, but also from the point of view of society. In the cottages the worker is not cut off from his family; rather he works amongst his own people and with their help. This increases his attachment to the family and develops his better sentiments. He is a man and not a hand. It must also be remembered that it is the large-scale industries that have created a wide gap between capital and labor. They tend to concentrate wealth in the hands of a few wealthy men, nowadays called industrial magnates, and the ordinary worker is doubly a slave - slave to the machine

and to the master who owns the machine. Cottage industries scatter the wealth all over the country and help to do away with the artificial distinction between the few inordinately rich and the vast majority that are poor. From this point of view cottage industries may be said to be great socializing force.

### **Possibilities of Cottage Industries**

Although due to competition from large-scale manufacturing industries and certain organizational defects, the cottage industries has received a blow, its possibilities remain very promising.

### **Advantages of Cottage Industries**

The cottage industry has certain advantages, which indicate its future possibilities.

1. All the members of the family can carry on the cottage industry. Each one of them doing a part of the entire process that is assigned to them. They can carry out the production jointly.
2. Since it is carried on in homes, the peace and quiet of home life can be fully enjoyed, and
3. The evils of industrial cities can be avoided in a system of cottage industries. These advantages certainly go in favor of handloom cotton weaving industry.
4. The chief advantage of handloom industry over power weaving is that handloom products can be more artistic than machine made goods. Standardized fabrics are manufactured at mills. However, in handloom and cottage industries, there is immense scope for individual artistic designs.

### **Disadvantages of Cottage Industries**

The organization of the cottage industry is defective in many respects. The weavers, being poor are entirely dependent on the financial loans for their raw materials and for marketing their finished products.

### **Suggestions**

The following remedies / solutions are suggested to improve the prospects of the cottage industry:

1. There should be facility for adequate finance and marketing facilities for small scale and cottage industry owners. They should be first rescued from the clutches of the unregulated lenders.
2. Co-operative Societies among the weavers should be encouraged so that through them, the poor may have supplies of raw materials and have their finished products disposed off.
3. Arrangements should be made for providing the weavers with new designs of cloth in keeping with the changing requirements of the people.

4. Better devices and labor saving machineries should be introduced, so that the cottage industries may compete with mills and factories.

### Conclusion

Cottage industries have, therefore, many positive merits. Large-Scale industries, however, seem to be irresistible. We should try to make these two forms of industry grow side by side so that the defects of each may be set off by the advantages of the other. India, at least, needs her simple cottage industries as well as her giant mills and factories.

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