

# **Problems Faced by Cottage and Small Scale Industries in the Bishnupur Sub-Division of Bankura District of West Bengal and their Remedies**

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## **ABSTRACT**

Present paper concerns some of the important findings and observations on the problems of cottage and small scale industrial units in the Bishnupur sub-division of Bankura Districts of West Bengal being based on the data and information collected both from primary and secondary sources. The authors have also suggested some measures towards the development of the cottage and small scale industrial units of the area especially for the socio economic growth related to the rural development too.

**Key Words :** Cottage, Small scale industries, Sources, Agriculture

## **INTRODUCTION**

Bishnupur sub-division of Bankura District is mostly agricultural in nature. About 90% of the people of this sub-division are dependent on agriculture either directly or indirectly. But agriculture is dependent on the vagaries of nature. Irrigation facilities are not well developed. Productivity is also very low in the agricultural sector. The farmers have to depend upon alternative sources of income during their spare time when they do not have work in the farm sector. Cottage and small scale industries provide an ideal alternative source of income and employment for those who are dependent on agriculture. Cottage and small scale industries can use local resources and surplus manpower available. They also require relatively lower amount of capital funds.

The area has also a history of certain traditional cottage and small scale industries operating successfully with reputation. Notable among them are the units manufacturing Baluchari sarees and silk sarees. These sarees are now being sold all over India and even outside

India with reputation. Further, there are units producing conch shell products, bell metal products and handicrafts producing terracota objects. All these cottage and small scale industries have a glorious past and they are associated with this area for a very long period of time. Apart from these traditional cottage and small scale industries there are also modern small scale industries such as cold storages, rice mills, flour mills, engineering firms producing gates, grills, ice cream manufacturing units etc. All these small scale industries play an important role in this sub-division. They can be a powerful alternative engine of growth generating income and employment. However, it is found that these cottage and small scale units are facing some problems and they cannot contribute to their fullest extent in the process of economic development of the sub-division. Hence it is proposed that a study be undertaken to consider the position of cottage and small scale industries in the Bishnupur sub-division of Bankura district with special reference to the problems faced by them and the prospects they hold for the future.

**Objectives:**

The study has the following objectives:

(i) To assess the importance of cottage and small scale industries in the economy of Bishnupur sub-division in terms of generation of income and employment.

(ii) To identify the problems faced by such units and to suggest solutions of those problems.

(iii) To consider the existing facilities provided by the government to these units and to suggest policy measures to be adopted by the government agencies for helping these units.

(iv) To suggest measures for improving the efficiency of such cottage and small scale industrial units.

**METHODOLOGY**

There are 1948 registered cottage and small scale units in the Bishnupur sub-division. Besides, there are a number of non-registered cottage and small scale units. Primary data for the present study have been collected from 150 cottage and small-scale industrial units including 15 non-registered cottage and small scale units covering each block and taking all types of industries. Out of 1948 registered cottage and small scale units only 135 registered cottage and small scale units have been considered which is about 6.93% of the total registered cottage and small scale units lying in this sub-division. The survey has been conducted during the year 2012-2013. Purposive sampling method has been adopted for the selection of cottage and small scale units. Emphasis has been placed on tabular method for the analysis of primary data. Of the total 150 units primary data of 34 units from the block of Joypur, 21 units from Kotulpur, 39 units from Bishnupur, 16 units from Sonamukhi, 21 units from Patrasayer and 19 units from Indus have been collected. For the purpose of discussion, all the industrial units lying in this sub-division have been divided under five categories:

1) *Agrobased Industries* : Oil mills, wheat and spice grinders, rice mills, cold storage, flattened

rice (Chira) mills and units making thala pata (plates made of sal leaves).

2) *Traditional arts and crafts* : Baluchari sarees, terracota, handicrafts, weaver, potter, bell metal, conch shell, painting Das Avatar Tas (cards depicting ten incarnations of Lord Vishnu)

3) *Manufacturing Industries* : Making gates and grills, coke briquetting, printing, making candles, confectionary, lantern, readymade garments, spurt pipe, tiles, R.C.C. ring pipe.

4) *Service Industries* : Xerox and type copying, photography-studio, saw mills.

5) *Seasonal Industry* : Ice candy.

For the collection of primary data in this regard 47 agro-based units, 39 traditional arts and crafts units, 42 manufacturing industrial units, 8 service industrial units and 14 seasonal industrial units have been selected.

**RESULTS AND DISCUSSION**

Let us first consider the problems relating to the availability of raw materials to the industrial units (Table 1).

Table 1 points out the different sources of raw materials of different industrial units. Out of 47 agro-based industries, most of the entrepreneurs (45) purchase raw materials from local market and only 2 entrepreneurs purchase from national market. It is seen in this connection that no entrepreneur purchase raw materials from international market. In the case of traditional arts and crafts units, all the entrepreneurs (39) purchase raw materials from local market and there is no entrepreneur purchasing raw materials from national as well as international market. In the case of manufacturing industries, the picture is the same. In this case also, all the entrepreneurs (42) purchase raw materials from local market and no entrepreneur does purchase raw materials from both national and international market. In the case of service industries, all the entrepreneurs (8) purchase

**Table 1 : Industry-wise sources of raw materials**

Industries	Sample size	Local market	National market	International market
Agro-based	47	45	2	-
Traditional arts and crafts	39	39		
Manufacturing	42	42	-	-
Service	8	8	-	-
Seasonal	14	14	-	-
Total	150	148	2	-

Source: Direct enquiry

raw materials from local market and in the case of seasonal industries also all the entrepreneurs (14) purchase raw materials from local market. In both these cases no entrepreneur purchases raw materials from national market as well as international market. Out of 150 industrial units in aggregate, 148 entrepreneurs purchase raw materials from local market and only 2 entrepreneurs from national market. No entrepreneur runs into the international market for purchasing raw materials.

Table 2 shows the nature of suppliers of raw materials to different industries. In the case of agro-based industries, most of the sample size *i.e.* 45 entrepreneurs collect their necessary raw materials from individual sources and only 2 entrepreneurs purchase from firm sources. Out of 39 entrepreneurs in traditional arts and crafts, 37 entrepreneurs collect raw materials from individual sources and only 2 entrepreneurs purchase from firm sources. Out of 42 manufacturing units, all the entrepreneurs (42) collect raw materials from individual sources. In this case firm source does not play any role. In the case of service units, all the entrepreneurs (8) collect raw materials from individual sources and no entrepreneur goes to firm sources to collect raw materials. In the case of seasonal industries also all the entrepreneurs *i.e.* 14 collect raw materials from individual sources. In this case also, no entrepreneur is found to be collecting raw materials from firm sources. Out of 150 industrials units in aggregate, 146 entrepreneurs do collect raw materials from individual sources and 4 entrepreneurs

collect raw materials from firm sources.

Table 3 highlights the problems regarding availability of raw materials of different industries. Out of 47 agro-based industries, 13 units (27.66% of the aggregate) suffer from the problems of raw materials and 34 units (72.34% of the aggregate) do not face any problem. In the case of traditional arts and crafts units, most of the units (71.79% of the aggregate) face the problem in this regard while 11 units (28.21% of the aggregate) do not face any problem. Out of 42 units in manufacturing industries, 24 units (57.14% of the aggregate) suffer from the problems of raw materials and 18 units (42.86% of the aggregate) do not face any problem in this regard. In the case of service industries, out of 8 units, 5 units (62.5% of the aggregate) suffer the problem in this regard while 3 units (37.5% of the aggregate) do not face any problem. Out of 14 seasonal industries, 9 units (64.29% of the aggregate) do face the problem of raw materials and 5 units (35.71% of the aggregate) do not face any problem in this regard. Out of 150 industrial units in aggregate, 79 units (52.67% of the aggregate) suffer from the problems of raw materials and 71 units (47.33% of the aggregate) do not face any problem in this regard.

Different types of problems regarding raw materials experienced by different industrial units are presented in Table 4. In the case of agro-based industries, out of 47 units only 13 units have faced different types of problems. Of them 4 units are involved with the problem of high carrying cost, 4 units with the problem of low quality of

**Table 2 : Industry-wise suppliers of raw materials**

Industries	Sample size	Individual	Firm
Agro-based	47	45	2
Traditional arts and crafts	39	37	2
Manufacturing	42	42	-
Service	8	8	-
Seasonal	14	14	-
Total	150	146	4

Source : Direct enquiry

**Table 3 : Industry-wise problems regarding availability of raw materials**

Industries	Sample size	No. of units having problems	No. of units having no problems
Agro-based	47(100)	13(27.66%)	34(72.34%)
Traditional arts and crafts	39(100)	28(71.79%)	11(28.21%)
Manufacturing	42(100)	24(57.14%)	18(42.86%)
Service	8(100)	5(62.5%)	3(37.5%)
Seasonal	14(100)	9(64.29%)	5(35.71%)
Total	150(100)	79(52.67%)	71(47.33%)

Source : Direct enquiry

**Table 4 : Industry-wise identification of problems regarding raw materials**

Industries	Sample size	No. of units having problems regarding raw materials	High carrying cost	Low quality of raw Materials	Exploitation of middleman	Not available in the local market all the time	Others
Agro-based	47	13	4	4	2	2	8
Traditional arts and crafts	39	28	5	9	10	5	9
Manufacturing	42	24	19	4	2	3	8
Service	8	5	5	-	-	1	2
Seasonal	14	9	1	5	-	2	4
Total	150	79	34	22	14	13	31

Source : Direct enquiry

raw materials, 2 units with the problem of exploitation of middleman, 2 units with the problem of raw materials not being available in the local market all the time and 8 units with other problems. Out of 39 units in traditional arts and crafts, 28 units have suffered different problems regarding raw materials. Of them 5 units face the problem of high carrying cost, 9 units with the problem of low quality of raw materials, 10 units with the problem of exploitation of middleman, 5 units with the problem of raw materials not being available in the local market all the time and 9 units with other problems. Out of 42 manufacturing industries, only 24 units are involved with different problems regarding raw materials. Of them 19 units face the problem of high carrying cost, 4 units with the problem of low quality of raw materials, 2 units with the problem of exploitation of middleman, 3 units with the problem of raw materials not being available in the local market all the time, and 8 units with other problems. In the case of service industries, out of 8 units, 5 units have faced different types of problems in this regard. Of them 5 units are involved with the problem of high carrying cost, one unit faces the problem of raw materials not being available in the local market all the time and 2 units have other problems. It is also seen that no unit is found which face the problem of low quality of raw materials as well as exploitation of middleman. Out of 14

units in seasonal industries, 9 units are involved with different problems regarding raw materials. Of them one unit faces the problem of high carrying cost, 5 units with low quality of raw materials, 2 units with the problem of raw materials not being available in the local market all the time, 4 units are with other problems. No unit is found which suffers the problem of exploitation of middleman. Out of 150 industrial units in aggregate, 79 units have suffered different types of problems regarding raw materials. Again 34 units have faced with the problem of high carrying cost, 22 units with the problem of low quality of raw materials, 14 units with the problem of exploitation of middleman, 13 units with the problem of raw materials not being available in the local market all the time and 31 units have other problems.

Table 5 represents the availability of raw materials purchased by different industries. In the case of agro-based industries, out of 47 units, 9 units purchase raw materials in cash, 7 units on credit and 6 units partly in cash and partly on credit. This shows that the remaining units (25) work on 'Bani' system. Out of 39 units in traditional arts and crafts, 17 units buy raw materials in cash, 12 units on credit and 10 units partly in cash and partly on credit. In the case of manufacturing industries, out of 42 units, 22 units purchase raw materials in cash, 10 units on credit and 10 units partly in cash and partly

**Table 5 : Industry-wise availability of raw materials purchased**

Industries	Sample size	Purchased		
		In cash	On credit	Partly in cash and partly on credit
Agro-based	47	9	7	6
Traditional arts and crafts	39	17	12	10
Manufacturing	42	22	10	10
Service	8	4	4	-
Seasonal	14	9	5	-
Total	150	61	38	26

Source : Direct enquiry

on credit. Out of 8 service units, 4 units buy raw materials in cash while the other 4 units purchase on credit. No unit is found which purchase raw materials partly in cash and partly on credit. In the case of seasonal industries, out of 14 units, 9 units buy raw materials in cash and 5 units on credit. It is seen that no unit purchases raw materials partly in cash and partly on credit. Out of 150 industrial units in aggregate, 61 units purchase raw materials in cash, 38 units on credit, 26 units partly in cash and partly on credit and 25 units work on 'Bani' system.

**Let us now consider the problems relating to marketing of products by the industries:**

The nature of marketing of products by different industrial units is presented in Table 6. Out of 47 agro-based industries, 44 units sell their products through their own channels and 3 units via middlemen. No unit is engaged in marketing through either agent or distributor. In the case of traditional arts and crafts, out of 39 units, all the units (39) marketing their products through their own channels. It is seen that no unit is found to be selling its product through agent, distributor and middlemen. Out of 42 units in manufacturing industries, all the units (42) sell their products through their own channels. It is found that the role of agent, distributor and middlemen in this respect is nil. Out of 8 service industries, all the units (8) are marketing their products via own channels. No unit is found to be marketing their products through agents, distributors, and middlemen. In the case of seasonal

industry, all the units (14) sell their products through agents. It is noted that no unit is found to be selling their products through own channel, distributor and middlemen. Out of 150 industrial units in aggregate, 133 units sell their products through their own channels, 14 units through agents, and 3 units through middlemen. It is also found that the role of distributor in this regard is nil.

Table 7 shows the problems of marketing of different industrial units. In the case of agro-based industries, out of 47 units, only 17 units suffer from the problem of marketing and 30 units do not face any problem. Out of 39 units in traditional arts and crafts, most of the units (34) do face the problem in this regard while 5 units do not face any problem. Out of 42 manufacturing units, major portion (35) units suffers from the problem of marketing and 7 units do not face any problem. In the case of service industries, out of 8 units, 5 units face the problem in this regard while 3 units are free from any problem. Out of 14 seasonal industries, 10 units suffer from the problem of marketing and 4 units do not face any problem. Out of 150 industrial units in aggregate, 101 units face the problem of marketing while 49 units do not have any problem in this regard.

Table 8 points out different types of problems of marketing faced by different industrial units. Out of 47 agro-based industries, only 17 units have faced different problems. Of them 9 units face the problem of competition, 9 units with the problem of unfair price, 7 units suffer from the problem of distress sales and 5 units have other problems. In the case of traditional arts and

**Table 6 : Industry-wise marketing of products**

Industries	Sample size	Own channel	Agents	Distributors	Middleman
Agro-based	47	44	-	-	3
Traditional arts and crafts	39	39	-	-	-
Manufacturing	42	42	-	-	-
Service	8	8	-	-	-
Seasonal	14	-	14	-	-
Total	150	133	14	-	3

Source : Direct enquiry

**Table 7 : Industry-wise problems of marketing**

Industries	Sample size	No. of units having problems	No. of units having no problems
Agro-based	47	17	30
Traditional arts and crafts	39	34	5
Manufacturing	42	35	7
Service	8	5	3
Seasonal	14	10	4
Total	150	101	49

crafts, out of 39 units, 34 units have suffered from many problems regarding marketing. Of them 14 units are involved with the problem of competition, 13 units with the problem of unfair price, 16 units with the problem of distress sales and 20 units face other problems. Out of 42 units in manufacturing industries, 35 units have faced different problems. Of them 24 units suffer the problem of competition, 7 units with the problem of unfair price, 6 units from the problem of distress sales and 11 units with other problems. Out of 8 service industries only 5 units have suffered from many problems regarding marketing. Of them 3 units are involved with the problem of competition, 2 units with the problem of unfair price and 3 units have other problems. In this connection, it is noted that no unit is found to be suffering from the problem of distress sales. Out of 14 units in seasonal industries, 10 units have faced different problems. Of them 9 units face the problem of competition, 6 units from the problem of unfair price and 4 units are with other problems. No unit is found which face the problem of distress sales. Out of 150 industrial units in aggregate, 101 units have suffered from many problems regarding marketing. Of them 59 units are involved with the problem of competition, 37 units with the problem of unfair price, 29 units with the problem of distress sales, 43 units with other problems.

#### Consider now the problem of finance faced by the sample industrial units:

Table 9 examines the degree of sufficiency of capital

experienced by different industrial units. In the case of agro-based industries, out of 47 units, only 6 units have sufficient capital to run their business and 41 units do not have sufficient capital in this regard. Out of 39 units in traditional arts and crafts, only one unit possesses the capital sufficiency to do the business and 38 units do not have any sufficiency in this regard. In the case of manufacturing industries, out of 42 units only 3 units have the capital sufficiency while 39 units do not have such sufficiency as required for the business. Out of 8 service industries, all the units (8) do not have any capital sufficiency to run their business. Out of 14 units in seasonal industries, only one unit enjoys the capital sufficiency while 13 units do not have any sufficiency in this regard. Out of 150 industrial units, in aggregate, only 11 units have capital sufficiency to run their business and 139 units do not have such sufficiency as required for the business. Thus for most of the units shortage of capital (both working and fixed) is a main problem in the way of their expansion.

Table 10 shows the plan to increase capital of different industrial units. Out of 47 units in agro-based industries, 41 units have plans to increase capital and only 6 units do not have any plan in this regard. Out of 39 traditional arts and crafts units, most of the units (38) have plans to raise capital while only one unit does not make any plan for the same. In the case of manufacturing industries, out of 42 units, major portion units (39) have plans to enhance capital and only 3 units do not have any

**Table 8 : Industry-wise identification of problems of marketing**

Industries	Sample size	No. of units facing problems regarding marketing	Competition from competitors	Not getting fair price	Distress sales	Others
Agro-based	47	17	9	9	7	5
Traditional arts and crafts	39	34	14	13	16	20
Manufacturing	42	35	24	7	6	11
Service	8	5	3	2	-	3
Seasonal	14	10	9	6	-	4
Total	150	101	59	37	29	43

Source: Direct enquiry

**Table 9 : Industry-wise sufficiency of capital**

Industries	Sample size	Yes	No
Agro-based	47	6	41
Traditional arts and crafts	39	1	38
Manufacturing	42	3	39
Service	8	-	8
Seasonal	14	1	13
Total	150	11	139

Source : Direct enquiry

**Table 10 : Industry-wise Plan to Increase Capital**

Industries	Sample size	Yes	No
Agro-based	47	41	6
Traditional arts and crafts	39	38	1
Manufacturing	42	39	3
Service	8	8	-
Seasonal	14	13	1
Total	150	139	11

Source: Direct enquiry

plan for the same. In the case of service industries, all the units (8) have plans to raise capital. Out of 14 seasonal industries, most of the units (13) have plans to augment the capital while only one unit does not make any plan in this regard. Out of 150 industrial units in aggregate, major portion of units (139) have plans to increase capital while 11 units do not have any plan for the same. The problem is how to realize the plans to increase their capital. For this we should know the sources of capital.

Different sources of capital of different industrial units are given in Table 11. It is found that in the case of agro-based industries, 38 entrepreneurs collect capital from bank and 3 entrepreneurs collect from other sources. In the case of traditional arts and crafts, 34 entrepreneurs collect the same from bank while 4 entrepreneurs collect capital from other sources. It is also seen that in the case of manufacturing industries, 35 entrepreneurs collect the same from bank and 4 entrepreneurs do it from other sources in this regard. In the case of service industries also, 7 entrepreneurs collect capital from bank while only one entrepreneur does the same from other sources. In the case of seasonal industries, 11 entrepreneurs collect the same from bank and only 2 entrepreneurs from other sources. Out of 139 industrial units in aggregate, 125 entrepreneurs collect capital from bank while 14 entrepreneurs do the same from other sources. This shows that banks are the most important source of capital for most of the industries.

**Table 11 : Industry-wise sources of capital**

Industries	Bank	Other sources
Agro-based	38	3
Traditional arts and crafts	34	4
Manufacturing	35	4
Service	7	1
Seasonal	11	2
Total	125	14

Source: Direct enquiry

Apart from funds the industries require other types of assistance. Let us now examine the role of DIC in providing other types of assistance.

Table 12 represents the assistance received by different industrial units from DIC. Out of 47 units in agro-based industries, 45 units have obtained assistance from DIC and only 2 units do not get any assistance from the same. In the case of traditional arts and crafts units, out of 39 units, 31 units have received assistance from DIC while 8 units do not get the same. Out of 42 units in manufacturing industries, 37 units have received the same and only 5 units do not get any assistance in this regard. In the case of service industries, all the units (8) have received assistance from DIC and no unit is found to have received such assistance. Out of 14 seasonal industries, all the units (14) have obtained assistance from DIC. Out of 150 industrial units in aggregate, 135 units have received assistance from DIC and 15 units do not have assistance from DIC. This shows that the DIC has played a very important role in helping the industrial units as most of them received assistance from DIC in one form or another.

The type of assistance received from DIC is presented in Table 13. Out of 47 agro-based industrial units, 45 units have obtained assistance from DIC. Of them 45 units have received assistance for registration, 6 units for finance, 13 units for power connection and 15 units for others. No unit does have any assistance for marketing. In the case of traditional arts and crafts units, out of 39 units, 31 units have obtained help from DIC. Of them 31 units have received assistance for registration, one unit for finance, 14 units for marketing and 2 units for others. No unit is found which received any assistance for power connection. Out of 42 units in manufacturing industries, 37 units have received assistance from DIC in different ways. Of them 37 units for registration, 4 units for finance, 3 units for marketing, 5 units for power connection and 7 units for others. Out of 8 service industries, 8 units have obtained assistance for registration, 4 units for finance and 3 units for others. It is seen that no unit is found which received any assistance for marketing as well as power connection. Out of 14 units in seasonal industries 14 units have obtained help for registration, 3 units for finance, 3 units for power connection and 4 units for others. No units did have any assistance for marketing. Out of 150 industrial units in aggregate, 135 units have had assistance for registration, 18 units for finance, 17 units for marketing, 21 units for

**Table 12 : Industry-wise assistance received from D. I.C.**

Industries	Sample size	No. of persons getting assistance	No. of persons not getting assistance
Agro-based	47	45	2
Traditional arts and crafts	39	31	8
Manufacturing	42	37	5
Service	8	8	-
Seasonal	14	14	-
Total	150	135	15

Source: Direct enquiry

**Table 13 : Industry-wise type of assistance received from D.I.C.**

Industries	Sample size	No. of units received assistance from DIC	Registration	Finance	Marketing	Power connection	Others like scheme vetting, Pollution control, Training, Raw Materials
Agro-based	47	45	45	6	-	13	15
Traditional arts and crafts	39	31	31	1	14	-	2
Manufacturing	42	37	37	4	3	5	7
Service	8	8	8	4	-	-	3
Seasonal	14	14	14	3	-	3	4
Total	150	135	135	18	17	21	31

Source: Direct enquiry

power connection and 31 units for others.

### Consider now the problem relating to the supply of power (electricity):

The degree of sufficiency of power supply experienced by different industrial units is presented in Table 14. Out of 47 units in agro-based industries, only 17 units have sufficient supply of power to run their business and 30 units do not have any adequacy in this regard. In the case of traditional arts and crafts, out of 39 units, 28 units have adequate supply of power and only 11 units do not have any sufficiency in this regard. Out of 42 manufacturing industries, 17 units enjoy the sufficiency of power supply while 25 units do not have

**Table 14 : Adequacy of supply of power**

Industries	Sample size	Yes	No
Agro-based	47	17	30
Traditional arts and crafts	39	28	11
Manufacturing	42	17	25
Service	8	4	4
Seasonal	14	5	9
Total	150	71	79

Source : Direct enquiry

such sufficiency as required for the business. In the case of service industries, 4 units get the benefit of power supply while the other 4 units do not get the same. Out of 14 units in seasonal industry, 5 units have the power supply adequacy and 9 units do not have sufficiency in this regard. Out of 150 industrial units in aggregate, 71 units have the sufficiency of power supply to run their business while 79 units do not have such adequacy as required for the business. This shows that insufficient supply of power is one bottleneck in the way of expansion of these units.

### Problems of cottage and small scale industry:

Let us consider the specific problems faced by cottage and small scale industrial units which are operating in this sub-division.

1. The scarcity of finance and credit is the main obstacle in the way of development of cottage and small scale industrial units in this sub-division. The capital base of the small industrial units is usually very weak since they generally are of the nature of partnership or single ownership. The artisans or craftsmen running cottage industries either run their businesses with whatever little capital they possess or take credit from mahajans or village money lenders or traders who supply raw materials to them. In many cases such credit is obtained at a very

high rate of interest and is thus exploitative in character. However, the profit earned by them is often not enough for investment purposes.

2. Another problem faced by cottage and small scale industrial units is in respect of the availability of raw materials. The majority of the cottage and small scale units depend on local sources for their raw material requirements. The handloom industry depends for its requirement of cotton thread on local traders. These traders often supply cotton on the condition that the weavers would sell clothes to them when they are ready. Thus the weavers are subject to double exploitation in the hands of the traders. The traders sell cotton thread to them at high prices and purchase the ready clothes at low prices.

3. Machinery and other equipments in many small industrial units have become obsolete. On account of this reason while their costs of production are high, the quality is inferior as compared to the large-scale units. Moreover, the small scale units often do not care about the changing tastes and fashions of the people.

4. Gas which is used in the seasonal industry is not available in the local market. For collecting the gas they have to go to Kolkata. Much time and more money are needed for that.

5. Skilled technicians in some units like xerox machine are not available in the local area. Such technicians are also not easily available when need arises.

6. Another problem faced by cottage and small units is competition from other units. There are more than 10 to 12 same type of units in a block. So they have to face a stiff competition.

7. One of the most difficult problems of the small entrepreneur today is labour. Labourers today are fully aware of their rights. They demand facilities like Government employees.

8. Raw materials in conch shell units have to be collected from Kolkata. Sometimes it is found that raw materials contained in the bag are defective. As a result, they have to incur heavy loss.

9. Due to open market, good quality of rice, brand of oil, good quality of ice candy like 'Big ones', 'Kwality', 'Amul' are available in the local market all the time at lower rates through agents. As a result the small ice cream producing units are not able to capture the market of social festival to supply ice-candy.

10. 'MANJUSA'— West Bengal Handicrafts Development Corporation does not want to procure the

finished products of terracota and handicraft units all the time. Sometimes their payment period is too late.

11. Political interference is observed in the case of some units for getting loan and financial assistance.

12. The design which is used in the Baluchari Sari has to be bought from the market at a high price as this design is prepared by a few persons.

13. In addition to the problems enumerated above, the cottage and small scale industrial units face a number of other problems like inefficient management, frequent power cut, lack of skilled technicians and burden of local taxes etc.

Problems of cottage and small scale industries are multi-dimensional. These can be solved by the co-ordinated efforts of entrepreneurs, the co-ordinated functioning of promotional agencies and governmental assistance without red tape or bureaucratic delays. The entrepreneur has to be educated and he should have proper training in acquiring the necessary skills in running a small enterprise. In fact, the small entrepreneur is the king-pin of the small industry.

#### **Suggestions for improvement:**

In the light of the above discussions, some suggestions may be put forward for the future improvement of the small-scale units in this sub-division.

1. The small entrepreneurs are required to move from pillar to post to meet different agencies like IDO, DIC, Panchayet and banks etc. for the sanction and early implementation of their projects. This causes a lot of strain and stress to them. To save time and hassle the DIC should maintain a close liaison with all other concerns involved in the process and take the entire responsibility of clearing the project as soon as possible. Perhaps, the DIC should be strengthened with skilled staff to meet the specific needs. Co-operation and coordination between the banks and the DIC should also be improved.

2. DIC should assure the supply of scarce inputs on quota basis at subsidised rates so that the small entrepreneurs carrying on small industrial units are saved from the exploitation of the middlemen.

3. Marketing is an important factor, particularly in case of cottage and small scale units producing goods and services. It will be simply disastrous if the products or the services fail to find sustained and steady market which not only spells financial loss but also leads to eventual closures of the units. For the survival of these small units the Government should create marketing

facilities through different channels like 'Tantuja', 'Tantushree', 'Manjusa' which purchase the products of cottage and small units. Also payment made by such channels to the SSI units should be as quickly as possible so that the production process of the SSI units can continue without any interruption. Besides, different government and quasi-government sectors should give due preference to SSI goods and services while placing their orders.

4. It is advisable to clear the projects at an early date keeping in mind the continuous price hike of inputs, machinery and other equipments so that it is possible for the entrepreneurs to purchase the same with their limited investible funds.

5. DIC should take care regarding the prevention of haphazard location of growth of small-scale units with similar nature in the same locality or market. For this purpose, DIC should undertake location-specific potential surveys and reassess the market potentiality so that non-viable projects are avoided. For example, Xerox copying units are suitable only at busy places where the govt. offices, schools and colleges are located.

6. In order to serve the technical needs and to improve their entrepreneurship qualities a sound training programme is urgently needed for the some units. It would be better if a single training centre under the roof of the DIC is established.

7. With the persistence of inflation in the country, the maximum ceiling of subsidy( at present Rs. 10,000 ) provided by West Bengal State Aid to Industries to some poor artisans at village level through DICs should be enhanced. Considering the genuine demands, more finance should be facilitated to large number of poor artisans with relaxation of terms and conditions.

8. As there is no insurance cover some entrepreneurs are found incurring losses on account of theft and fire. The entrepreneurs should be encouraged to become insurance-minded so that they realize that with incurring a paltry amount towards insurance premium the possibility of huge losses can be solved.

9. It is advisable that government should make arrangements through DIC by which spare parts are available all the time in the district.

10. For better functioning of cottage and small-scale units and to overcome their financial position more capital is needed by them. In this regard banks should come forward and more finance should be given to the small entrepreneurs. There should be all-out efforts on the part

of Block and Panchayet level officials to help the banks in the matter of recovery of past loans. There must be political will on the part of Panchayets for this purpose.

11. Government should employ such persons as IDOs at block levels who will be well equipped with training and having technical knowledge by which they would have a good idea about various cottage and small scale industries.

12. For entrepreneurship development and for prospective small entrepreneurs, government should arrange seminars and awareness camps regarding cottage and small-scale industries with the help of DIC and Block and Panchayet level officials.

13. Government should make necessary arrangements in which different govt. circulars and current information regarding cottage and small scale industries should reach the small entrepreneurs as soon as possible.

14. For smooth functioning of cottage and small-scale units, Government should improve the position regarding the supply of electricity.

15. To meet the changing demands of the local customers as well as on the part of the tourists, some units like Baluchari units, terracota, handicrafts, conch shell and ice candy should change their products accordingly.

16. For the development of agro-based industries, the development of agriculture is necessary. The larger amount of production of wheat, til and mustard seeds will accelerate the production of agro-based small scale units.

17. The State Govt. should make arrangements for the exhibition of Baluchari sarees, terracotta, handicrafts in other provinces so that cottage and small-scale units will be able to enjoy larger market.

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