

Assessment of the Role of Handloom Industries in Rural Economy: A Case Study of Mubarakpur Town Area of Azamgarh District

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ABSTRACT

The growth rate of the country's economy still depends to a large extent on the small scale sector. In small and cottage industries, more production can be achieved with the help of less capital. Not only this, more employment opportunities can also be made available through this. Considering the contribution of small and micro industries in rural India, the government is also paying special attention to them. Khadi and Village Industries Commission have worked very fast in this direction. The commission not only caters to the basic needs of manufactured goods by the vast rural sector of the country but also provides sustainable employment to about 152 lakh people in rural areas. In this study to test the contribution of Handloom and Powerloom industries at present in weaving sector of Indian economy. The data collected from annual report of MSMEs ministry and raw data collected from 8 different CD blocks around Mubarakpur Town area of Azamgarh district. The comparison of raw data with annual average has been dealt with one sample t-test. Result shows that there is a significant domination of power loom industries over Handloom industry in weaving sector of MSMEs. We can clearly state that level of mechanization has been tremendously improved in recent time period and the traditional Handlooms contributing regressively.

Key Words : MSMEs, Handloom, Employment Opportunities, One-Sample T-Test

INTRODUCTION

Employment has been at the core of the Indian economy. It developed naturally in the rural part of the country, especially at Swaroj. Cottage industry or in today's language, micro, small and medium industries have provided a strong base to the country's informal economy. Even today, the growth rate of the country's economy largely depends on this small scale sector.

In a diverse country like India, small scale industries have helped to bridge the economic gap in the society. But it is ironic that this sector has not been able to end the dependence of people on agriculture sector even after so many years in rural India. Even today two-thirds of India's population lives in villages. But rural India is completely dependent on agriculture. Even after a decade of independence, such alternative opportunities have not

arisen in rural India which would reduce the dependence of the people on agriculture.

Because of this, the economic problems of the majority of the villagers have not yet been resolved. Everyone knows that more production can be achieved with the help of less capital in small and cottage industries. Through this, more employment opportunities can also be made available. Despite this, till now the self-employed aspirants for this sector were deprived of the availability of cheap and easy loans. It would also be wrong to say that efforts have not yet been made to achieve this goal. Efforts for the development of small scale industries had started since the country became independent. A year after independence, in 1948, the Cottage Industries Board was established in the country and during the first five-year plan itself, an amount of Rs 42 crore was spent towards their development.

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Review of Literature

Jain and Gera (2017): This study focus on the government endeavor to promote Handloom industries. Capital has become a major obstacle in the development of small and micro industries in rural areas. In view of this, the present government established the Credit Guarantee Trust Fund for these industries. To assist micro and small scale industries, the government has approved enhancement of corpus fund from Rs 2500 crore to Rs 7500 crore. The government made a full contribution to increase this fund by Rs 5,000 crore.

Sadanandam (2016): The study based on financial assistant to the MSMEs reveals that the government is also running many other schemes, including ensuring the sale of goods produced in small and micro industries run by the villagers. In addition to the Khadi Village Industries Commission, the central government is also running a scheme called Market Promotion and Development Assistance to help these enterprises. Under this scheme, financial assistance is provided at 30 percent of the basic cost. This assistance is distributed to the extent of 40 per cent to the producer institutions, 20 per cent to the selling institutions and 40 per cent to the artisans.

Objectives of the Study:

- To study the level of Mechanization in Handloom industries in India in second decade of twenty first century.
- To study the contribution of Handloom industries in MSMEs Sector.

METHODOLOGY

Hypotheses in the study:

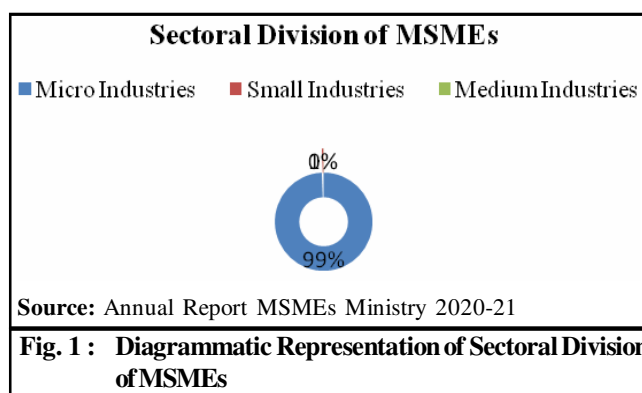
H0: Handloom and power loom both contributes equally in Handloom industries at present.

H1: Powerloom dominates the handloom industries in endogenous method of production in rural area.

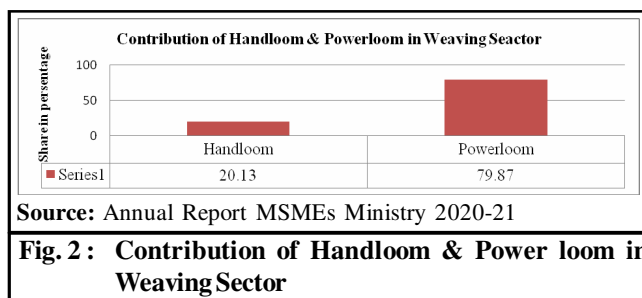
RESULTS AND DISCUSSION

The diagram (Fig. 1) shows the share of Micro, Small and Medium enterprises in India. The table shows that Micro level industries comprise of 99.40% share in MSMEs in India. 0.52% share of Small and 0.08 % Share of Medium Enterprises are available in Indian MSMEs sectors. This is worthy to note here that the micro sector contains almost entire MSMEs sector. These data have many implications. One of the implications can be

explained in terms of lack of capital to entrepreneurs in Indian MSMEs ecology. This is the reason that Government of India has initiated startup and stand up program to boost entrepreneurship culture and ecology in Indian economy. The shares of medium and small Enterprises are almost negligible. Government should focus to boost and widen the capital base for entrepreneurship in Indian economy. Micro sector in MSMEs contains Handloom sector and Power loom sector, Handicraft industries, Utensils, Furniture, Basic necessities and many more. This study is based on only the Handloom and powerloom sector at National and regional level of India and Uttar Pradesh, respectively.



The diagram (Fig. 2) shows the contribution of Powerloom and Handloom industries in Indian economy. This is worthy to note here that at present more than 80% of waving industries or jute based industries are electrification based and using power for weaving and preparing clothes. Nearly 20% of the industries are rest with the Handloom sector. This data for modern industrial base in Indian economy at micro level industries. In analysis, this data has been compared with a case study of different CD Blocks of Azamgarh district which is known for handicraft, Handloom and powerlooms. The comparison has been tested in above hypothesis and the conclusion has been mentioned in the following conclusion section.



The Table 1 shows the result of hypothesis testing with respect to one sample T- test. As the data shows that 80% of the cotton based sector has been operated through electricity based powerloom and rest 20% of the industries are under handloom operation. It is worthy to mention here that the average of 80% power loom has been compared with the raw data of 8 different CD blocks of Azamgarh district. This is known for handloom and its products. Different CD blocks reveal the result as average of 20.13% Handloom industries and rest 79.87% are with Power Loom industries. This study basically focused to compare the situation of Handloom industries in rural areas with respect to power loom sector. One sample T- test contents t value is equal to 19.69 and P value calculated with the help of t- value reveals 0.032. As a thumb rule, if P-value is less than 0.05, null hypothesis rejected at 5% level up significance and alternative hypothesis states that power loom sector dominate the Handloom sector in Indian cotton industries. It has a significant stake in MSMEs sector of Indian economy.

Table 1: Findings of One Sample t-Test				
Hypothesized Mean	Sample Mean	Degree of Freedom	t-value	p-value
80	20.13	7	19.69	0.032

Source: Calculated by Researcher

Conclusion:

This study thrives on to enquire the level of mechanization in Handloom industries in India in second decade of 21st century and to study the contribution of Handloom industries in MSMEs sector. Hypothesis for the same has been formulated to test the contribution of Handloom and Power Loom industries at present in weaving sector of Indian economy. The data collected from annual report of MSMEs ministry and raw data collected from 8 different CD blocks of Azamgarh district. The comparison of raw data with annual average has been dealt with one sample t- test. Result shows that there is a significant domination of power loom industries over Handloom industry in weaving sector of MSMEs. We can clearly state that level of mechanization has been tremendously improved in recent time period and the traditional Handlooms contributing regressively.

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