



# PROSPECTS OF COTTAGE AND VILLAGE INDUSTRIES IN DEVELOPMENT OF ARUNACHAL PRADESH AND MAKING IT ATMANIRBHAR (SELF RELIANT)

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**Abstract:** The main focus of Atmanirbhar Bharat or self reliant India is to make India self-reliant and self-sufficient in all aspects, thereby reducing our dependence on imports from other nations by increasing our capacity to produce locally, most of the items. The cottage industries play a significant role in the development of a region and thereby making itself reliant. This paper tries to examine significant prospects of the cottage industries in the economic development of Arunachal Pradesh by making it self-reliant. The paper will also encompass the problems and prospects related to the development of cottage industries and finally suggest some recommendations for the growth and development of the cottage industries so that it can give more positive contribution to the economic development and self-reliance of Arunachal Pradesh.

**Keywords:** Cottage industries, Atmanirbhar Arunachal Pradesh, Economic development.

## 1. Introduction

India is a country which is mainly dominated by rural population. Approximately 70% (census 2011) of the total population of India lives in rural areas. In case of Arunachal Pradesh also, the figure is not so much different. According to census, 2011, 77.06 percentage of the total population of Arunachal Pradesh lives in rural areas. Development of Arunachal Pradesh will still be in want if these whole lots of population is not being included in the realm of development and the self-reliance or *Atmanirbharta* of Arunachal Pradesh is not at all possible if this very important part and area is being left out.

Cottage industries are small scale unorganised manufacturing business units based in rural areas generally carried on from home or cottages by the members of the family itself. The products are produced with ethno tools and equipments based on their traditional knowledge of artisanship.

Cottage industries play a very significant role in the development of a region. Cottage and Small Scale Industries play a significant role in Socio-economic development of the state. It promotes labour absorption, income distribution, rural development, poverty eradication, regional balance and promotion of entrepreneurship. It generate employment opportunities with relative low capital investment, promotes more equitable distribution of national income, makes effective mobilization of untapped capital and human skills, leads to dispersal of manufacturing activities all over the country, leading to growth of villages, small towns and economically lagging region.(Gupta, A.S,2012-13)

Cottage industries provide economic opportunities for the poor or the middle-income section of people through employment and income generation schemes all over the world, and especially in low income and technologically underdeveloped countries such as Bangladesh.(Tasneem S,Biswas R, 2014)

The population of Arunachal Pradesh is 13,83,727 out of which the percentage of population living in rural area is 77.06% (census, 2011). A well developed cottage industries will provide the rural population some employment opportunity and provide them additional income.

Different types of cottage industries in Arunachal Pradesh may be categorised into 1. basket making 2. Weaving of wrap around skirts (gaales), coats (galups), bags 3. Carpet making 4. Blacksmithy. 5. Carpentry. 6. Utility goods like bamboo winnowing fan, cane and bamboo hats etc.

This study focuses on the role of cottage industry in economic development and self-reliant Arunachal Pradesh. Cottage industries are labour intensive and It needs low technology.

## 2. Objective

The main objective of the study constitutes the following;

- 2.1 To study the prospect of cottage industries in the economic development and self-reliance of Arunachal Pradesh.
- 2.2 To identify the problems related to the development of cottage industries in Arunachal Pradesh.
- 2.3 Concluding remarks/findings of the study.

## 3. Methods used in the Study

The present study is in descriptive type. The sources used in the work are based on secondary data only. The journals, published books of national and international standard, publications from government of India and Arunachal Pradesh, articles, newspaper publications, information from Internet (Google.com) etc are consulted to collect the relevant data.

## 4. Cottage Industries and Self Reliance of Arunachal Pradesh

### 4.1 Employment

In Arunachal Pradesh, the nos. of educated youths are growing without prospective job avenues. The students after they complete their technical and non-technical degrees within the state as well as outside of the state in different technical colleges come back and join the reserve of trained unemployed manpower which remains wasted for lack of jobs.

In addition to this there is the problem of seasonal unemployment and lowering of income in the rural areas in Arunachal Pradesh. Around 70% of the population is living in the rural areas. In many cases it has been seen that most of the menfolk in rural areas spend their time idly without any gainful employment which many a times leads them into some unproductive and anti-social activities like gambling, addiction of alcohol, games etc.

The unemployment figure in Arunachal Pradesh is very high. As per the state's Labour department, about 67,000 youths were registered as unemployed in 2018. Government jobs or vacancies are gradually coming to the point of being saturated. Lesser and lesser jobs will be available for the ever growing job seekers in the coming days. The increasing problem of mass unemployment can be tackled by adopting some alternative measures of income generation in the rural areas. With the increasing numbers of educated youth, the job demands are also multiplying. The growth of cottage industries in rural areas will create conducive environment for the growth of entrepreneurs in the rural areas. The unemployed youths have the degree but are unable to get a job in the government sector though they are willing to serve there. Nowadays the mindsets of youths are changing. They are becoming more ambitious and enterprising and are not afraid to venture out into the area of enterprise. These are the kinds who can become successful entrepreneurs in the small industry sector. They will be self-employed being the entrepreneurs themselves and create employment opportunities for other peoples. So, the excess labour that was created due to lack of availability of government jobs will be absorbed in the rural industries.

Cottage Industry especially started its function in the country sides of a country where unemployment along with under-employment are prevalent. Thus, this industry helps the economy by absorbing a huge amount of surplus labor of the rural economy. (Joy M T, Kani R M, 2013).

Thus, the Cottage and the village industries has the quality of absorbing the excess labour in the society since it is mostly labour intensive in nature.

### 4.2 Income Generation

Having a decent standard of living and a good income is one of the dimensions of human development index. The growth of cottage and small scale industries will not only mobilize local resources but will also increase income and generate employment opportunities. It has the capacity to generate a sustainable income for the family, society and the country as a whole. (Gupta, A.S, 2012-13). Traditionally and

culturally the people of arunachal Pradesh have been expert in making beautiful handicrafts for self /household consumption. Every tribe has its own unique design and way of creating such products. When these households create and produce such products for selling in the market at a certain price, then that particular household becomes a small industrial unit known as cottage industry. A traditional *adi gale* can cost around rs. 1500/- to rs.5,000/= per *gale* and a *mishmi gale* can cost around rs. 1500/- to rs.10,000/= per *gale*, a bamboo winnowing fan can cost around rs. 600/pc.table. the families involved in cottage industries can produce the products for marketing purpose .Given the stated information, a household can earn a fair amount of income and can be self-employed and even provide employment to other members also.

#### 4.3 Women empowerment and Gender equality

It has been observed that most of the activities of cottage industries are done by the womenfolk in rural areas for example, weaving, carpet making etc. whose product constitute the majority of products in the outputs of cottage industries. Cottage Industry preserves an enormous potential for employment generation among the rural women. It has given the chance of self-employment of rural women. When a woman achieved economic independence, it is the initial footsteps towards women empowerment in rural area ( Purkait S.K , 2016).The women in the rural areas formed self-help groups and cooperatively raised funds and produce goods/commodity to be sold in the market. Various self-help groups not only produces traditional products but also nontraditional items like pickle, mushrooms etc. the growth of these kinds of self-help groups among women folk has greatly increased their level of income and in turn has capacity to improve the standard of living of the womenfolk in the rural areas. The economic self-sufficiency of the women helps them in the upliftment of their social status. This means that, the decision making power, economic independence, standard of living and most importantly, their self-worth also increases. This makes them more accessible to their rights and opportunities and to be at par with their male counterpart. The cottage industry is also considered important for the women's self-reliance as a major role in these industries is played by women both at managerial and working level.

### 5. Problems related to Development of Cottage Industries

#### 5.1 Marketing

To make the production process and the inflow of income sustainable, proper marketing of commodities and maintenance of a proper uninterrupted supply chain is needed. The Marketing of product is one of the most essential factor in the whole production process. Whatever is being produced and supplied should be completely sold out. It means that there has to be sufficient demand or market in order to clear the market without any surplus of product left. If the products of the cottage industries don't have sufficient demand for its products then it may affect its future production process. This may affect in two ways, firstly it will affect the flow of regular income into the hands of the rural people who are engaged in the cottage industries and will lead to lowering of their standard of living and secondly, it will create unemployment in the rural areas, since its products do not have sufficient markets then it will lead to surplus or glut of commodities that will remain unsold in the market. When products are overproduced, the producer will not think of producing additional output. The people will not be employed anymore and there will be unemployment of labour in these industries.

#### 5.2 No Proper Advertisement and Promotion of Local Products

Advertising is the best way to communicate to the customers. Advertising provides information to the customers about the brands available in the market and the varieties of the products. Advertising plays a very important role in customer's life. Customers are the people who buy the product only after they are made aware of the products available in the market. If the products are not advertised, no customer will come to know what products are available and will not buy the products. Owing to the shortage of financial resources and due to absence of proper advertisement channels; publicity and promotion of its products cannot be undertaken by artisans. Due to lack of proper advertisement the consumers are not aware of its products and consequently, deficiency of demand for their product arises.

Sales promotion covers a wide range of techniques that provide an extra short-term incentive or inducement to patronize a store or buy a product. Techniques include demonstrations and exhibitions, samples, premiums, coupons, games and contests, displays and package inserts. In the era of competition the firms normally avoid price cuts and alluring the customers but take up the alternative way of advertisement and promotion but the main problem is that the cottage industry and the artisans will not be able to bear the huge cost in the form of advertisement and sales cost.

#### 5.3 Non diversification of products

The local products are monotonous in its character. In order to generate demand and create interest of the customer, it is very important the products are being diversified which will serve the different interest and taste of the consumers. The rate of growth of demand for a products of a firm depends on the diversification rate and the percentage of successful new products introduced.( Marris, R, Macmillan

1964). The products should always be produced keeping in view the likes of the consumers, the trending fashion and the age group. The garments which are comfortable to wear and suitable for everyday use should be given priority in production. Locally produced garments like *gaales* (wrapper) and *galups* (local coats) are normally used for occasional wear like parties, festivals and other formal occasions. This is the reason why the demand for such products becomes very limited. So, to increase the demand for the local products especially local garments, it needs to be produced in such a way that it cater to the need of the buyers or consumers.

Why not locally made pant and shirt along with a *galup* .why not a locally made salwar kameez, skirt etc. along with a *gale* and so on. Products can always be modified, diversified using creativity, innovation and better technology.

## 5.4 Infrastructure problems

### 5.4.1 Transportation

Distance from the mainland and bad road condition makes supplying of products from our state to mainland India or even to other North East states involves high transportation cost which is added to the market price of the products. The effect of high transport cost increases the price of the products in the market it becomes uncompetitive relative to other products available in the market and resultantly there is fall in demand for the products.

### 5.4.2 Communication problem

Proper networking with other parts of the country is needed if we have to showcase our products. This can be done through the medium of mass media, web hosting in the internet etc. there is lacking of such initiative in terms of the producers who more or less do not have these technical knowledge as well as lack of finance to invest in these areas. This creates a gap between the seller and the buyers of the products.

## 5.5 Innovative and cost effective product

The age old traditional and obsolete inputs are being used to produce the products. It has two negative effects. **Firstly**, the rate of production of output per time period (hours,days,week etc) tends to be very low which means less output from more input. Technically, the cost of production becomes very high. In addition to this, due to lack of innovative technology and new design, they are not able to fulfil the consumer desired products .The products are not able to compete with the products already in the market produced using better technology by the large scale sized industries which are reaping the benefits of economies of scale in their process of production. The economies of scale have the quality of lowering the cost of production as the production of output increases. Hence, the price of products of cottage industries always tends to be higher than the price of products of big industries.

**Secondly**, when the cost of production per unit of output increases, there is every possibility of increase in the market price of the product. This will have a detrimental effect on the demand for the products and consequently pushed down the demand for the product of the cottage industries.

## 6. Conclusion and Suggestion

It is understood that cottage industries can play a significant role in the economic development and self-reliance of any region. We can see that the cottage industries has a very important part in helping the economy develop by increasing the level of income, standard of living, employment, promoting gender equality and not the least making a region self-reliant.

However, the prospective nature of cottage industries is limited by the bottlenecks and constraints that hinder its healthy growth and development in the form of financial constraints, underdeveloped infrastructure, high cost of production, poor marketing facilities etc.

Therefore, the onus falls on the concerned governed and the nongovernmental organisations to support this important sector in the form of financial help, incentives, infrastructural development, creating awareness of the local product through mass media, advertisement and promotion of local goods by holding regular handicraft fairs in and outside of Arunachal Pradesh, tax exemption for the cottage and village industries, conducting training programmes and workshop to enhance and develop the skill of the artisans and enterprising youths. Last but not the least framing and implementing industrial policies that will be conducive for the growth and development of cottage industries.

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