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A Role of Cottage Industries in Indian Economy

Real India resides in rural India. India is a country with a large rural population. The economy of India much more depends on the industrial sector in present perspective. In a country like India, cottage industries have a prominent place. Cottage industries greatly help rural development and provide livelihood to millions of people in the villages. Cottage industries have traditional occupation since barter system in rule. Since ancient times in India, such indigenous products have been able to attract foreign traders and merchants. They helped India in successfully establishing trade relations with foreign countries. In this paper I tries to find out the characteristics and the role of cottage industries in Indian economy.

Definition of Cottage Industry:-

Cottage industry is a specialized form of small scale industry where the production of the commodity takes place in the homes and the labor is supplied by the family or nearby neighbor's only. The machineries or means utilized for the production of the commodities generally are the common ones used at homes. The basic characteristics feature of cottage industries is that it is basically unorganized. In nature and come under the group of small scale industry type.

Types of Cottage Industry:-

These cottage industries include both product based cottage industries and service based cottage industries.

(1) Product based cottage industries –

it includes incense, candles, wood and stone art, pottery, weaving, toys, handicrafts, pickles, roasted, natural medicine, flowers weaving etc.

(2) Service based cottage industries–

it includes packing industries, dyeing, private label services, inventing new fragrances, design packing etc.

Products manufactured by cottage industries

These cottage industries manufactures handicrafts, handlooms, cigars, decorative articles, incenses perfumes, leather products, toys, candles, potteries, wood and stone items and many more products. All these products from cottage industries were manufactured by skilled persons manually. The retail price and whole sale price will be same (approximately) and is very less, so that consumer can invest money on these products.

Objectives of the study:-

(1) To know the characteristics of cottage industries in India.

(2) To know the role of cottage industries in Indian economy.

Characteristics of Cottage Industries in India:-

- (1) Labor intensive
- (2) Flexible in their operation
- (3) One man show or family member entrepreneurship
- (4) Use of indigenous raw materials
- (5) Localized operation
- (6) Lesser gestation period

- (7) Poor educational level of the employees and owners
- (8) Profit motive intense
- (9) Absence of machineries and technology
- (10) Shortage of capital
- (11) Traditional productive method
- (12) Absence of new ideas and innovation
- (13) Unorganized sector
- (14) Poor bargaining power
- (15) Absence of storage houses
- (16) Localized establishment
- (17) Ecofriendly industries

The Role Of Cottage Industries in India:-

(1) To useful for unemployment eradication:-

After the six decades of independence unemployment, disguised unemployment and seasonable unemployment levels are still high in India due to various affecting factors. In such condition village and cottage industries played a magnification roll in elevation of unemployment in rural area.

(2) To useful for poverty eradication:-

There are still 26% population of the country is still living under the below of poverty line . In this challenging scenario government taken so many steps to eradicate it but its result is still far away. So that the village and cottage industries in backward and rural area provided a huge opportunities of employment for large numbers of illiterate and poor mass.

(3) To useful in removing income inequality:-

The distribution of resources and income inequalities are another worried issue in Indian economy. There is 80% of total income of our GDP is still remain with only 20% of rich population of the country. While 80% population carries just 20% income of total national income of the country. In this condition the village and cottage industries give an opportunities for the poor and illiterate employee for enhance their livelihood. Thus the cottage industries are help to the poor people in eradicate their poverty.

(4) To useful in controlling migration:-

After the independence India faced the major problem of fasting migration of village people towards the city area due to industrialization, employment and other attractive facilities. Therefore so many problems created in city area like increasing population, inadequate water, sanitation, electricity, infrastructure, pollution, slum areas etc. in such condition the village and cottage industries provides an opportunities to local youth for stay in their own village and expand their own self-employment business.

(5) To useful in women empowerment:-

Women illiteracy and unemployment are another challenging issues against the development of women and country. The village and cottage industries provided opportunities for women to use their spare time in such type of industries and established their own business and earn for self-dependence and empower in their status.

(6) To provide opportunity for employee to demonstrate their skill against the society:-

The cottage industries provided a platform for cottage employee to demonstrate their hidden skill and techniques among the world via selling the hand made products. That's why the employee get their own identity and satisfaction.

(7) To useful in earning of foreign currency:-

There is huge attraction and high demand of Indian handicrafts and hand made products in foreign countries. Thus the village and cottage industries helps Indian economy for increasing their position in balance of payment via increased the export of such products. In this sector India have lots of opportunity for increased their production, export and earn the valuable foreign currencies for the development.

(8) To useful in decreasing the imports of the country:-

there is no use of heavy machineries and techniques in the village and cottage industries. So that

there is no need for import such a products from the developing countries. Thus we can decreased our imports and save our valuable foreign currency due to such type of industries.

(9) To useful in saving of scare resources like land and capital:-

The village and cottage industries are labor intensive. So there is no more need of scare resources like capital and land. Thus we can use our surplus labors in such types of industries and save our valuable and scare resources.

(10) To useful in reducing the pollution:-

The pollution is the biggest threat against the globe. It rapidly increased due to the industrialization and population. In this situation the village and cottage industries are useful to all of us because they can't create pollution due to in absence of heavy machineries and techniques. In this sense such types of industries are like eco-friendly.

(11) To useful in reducing the problems of centralization of industries in the specific areas of the country:-

After the independence the most of the industries were established in Maharashtra, Calcutta, Tamilnadu, West Bengal, Karnataka, Gujarat and Bihar states. While other states and regions are still backward and awaiting for industrialization. So we can say that its centralization of industries in some part of the nation. In this challenging scenario the village and cottage industries play a vital role in removing of such type of disparity of industrial centralization problem. It gives a large opportunities for rural population to establish their own business in their own town.

(12) To help in the built of value and virtues of co-operation and brotherhood in employee:-

In these cottage and village industries almost employee are from the familiar or neighbors. So there is no big issues are created like big industries of quarrel, strike, boycott, picketing etc. in such industries. Instead of these industries are promoting the value and virtues of brotherhood, love, honesty and co-operation in their employee.

(13) To useful in economic development:-

In India cottage industries have a more important part to play than any other country. They can help a lot in solving the major problems of unemployment and poverty. These industries are not only helping in saving of nation scare resources like land and capital but also helping in earning foreign currency. In this sense we can say that the cottage industries are really useful in economic development.

Refrence

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