CHAPTER I

INTRODUCTION
India, it is aptly said lives in villages. There are 5,75,936 villages in our country. According to 1981 census, nearly four of every five Indians live in the rural areas and within the rural India, five out of six depend on agriculture. Thus, our economy is basically rural in nature with labour and land as the main productive agents.

Long back, Gandhiji rightly remarked that the prosperity of India depends on the prosperity of villages. But, unfortunately the story is different, that is, the economic development in the country has not taken a proper shape in the manner it is expected. As a result, we have disparities between advanced and backward regions and mass poverty. The gap between the rich and the poor is constantly widening.

Above all, the unemployment problem is increasing, particularly in the rural areas in spite of various programmes for rural development in general, and eradication of unemployment in particular.

In this context an examination of the Indian occupational structure for the past is revealing the percentage of working force engaged in primary, secondary and tertiary sectors has been more or less static.
It has remained 76.62 per cent, 9.57 per cent and 13.82 per cent respectively in 1971 census. A further break-up of the occupational structure of the rural working population of 1981 census reveals that 73.91 per cent we depended on agriculture, which is primary occupation, 11.43 per cent are dependent on secondary sector which is industrial activities, 14.67 per cent are dependent on tertiary sector which include the transport and communications.

This highlights the fact that the agriculture continues to be the sole occupation of the rural masses and the programmes for industrialisation have hardly made a dent in the countryside.

The heavy dependence of the population on agriculture is aggrevated by rapid population growth. The growth of agriculture sector even during the "Green Revolution" period has not been significantly higher so as to create enough opportunities for additional employment and new additions to labour force have resulted in wide-spread under employment. For centuries Indian agriculture has been subjected to the vagories of uncertain monsoons. One shower of the rains at wrong time and the whole years toil goes invain. Successive droughts and devastating floods
have been the bane of our country. A number of times it can be seen that one part of the country is gripped by a severe drought while another is witnessing an equally severe floods. This leads to the seasonal employment which may not provide employment for the rural people throughout the year. The basic features of rural unemployment are:

1. Underemployment is prevalent among self-employed workers engaged on their small farms or in the household occupations in the case of artisans and agricultural labourers.

2. Seasonal unemployment characterised by irregularities of job on and off the farm.

3. Non-mobility of labour.

4. Proportion of unemployed females has been constantly higher than the males in the rural areas. Further, the women labour are less mobile than the men folks.

It has been observed that weaker sections of the society constitute bulk of unemployed and under-employed in the rural sector.
IMPORTANCE OF RURAL INDUSTRIALISATION

In this context one way of making a significant impact on employment would be the rapid development of the non-agriculture sector. What is to be pointed out here is that the investment pattern of the various plans was directed towards capital intensive industries. Since, simultaneous effort in developing a labour intensive technology in agriculture and small scale industries was not adopted on a "vast scale", the occupational pattern remained more or less static. The only meaningful way in which the occupational structure can be changed is through rural industrialisation and foster the growth of non-agricultural employment in the rural economy.

For this purpose, dependence on small scale industries and development of rural infrastructure for the rapid growth of non-agricultural occupations is a necessity. This has been envisaged by Mahatma Gandhi as early as 1930s. He stated that the development of village industries and small industries will solve the problems of the villages in India. Further, in the words of Jawaharlal Nehru, "Small Scale Industries can help considerably in the economic advancement of the nation. Unemployment presents our most difficult
programme today and the development of village industries could certainly play a prominent role in solving it".

The emphasis on village and small scale industries is based on sound economic facts. The village and small scale industries today employ about 24 million people either on a full-time or on a part-time basis, turn out products valued at about Rs. 37,510 crores and export goods worth Rs. 2,225 crores. They account for 56 per cent of the employment and 53 per cent of the exports of this sector. In 1978-80, the village and small scale industries have been estimated to have continued nearly 35 per cent of our Gross National Products and 35 per cent of the total exports.

The above facts clearly establish that the development of village and small industries will create large scale employment opportunities, promote decentralisation and dispersal of industries, achieve diffusion of ownership and prevent concentration of economic power, promote entrepreneurship, develop agro-based and ancillary industries, improve the skills of artisans and quality of their products, reduce the role of subsidies and step-up the production of essential articles and also develop potential for exports. In short,
village and small scale industries help to establish a socialist pattern of society by creating opportunities for work and earning for all and distributing wealth as widely as possible. Here, it may not be out of place to refer to what Mahatma Gandhi pointed out. He said that eighty per cent of the people of India lived, worked and died in the villages and that no programme of economic development could be a National Programme unless it took work and wages into the rural areas.

Though the importance of village and small scale industries has been recognised in our earlier plans, we did not have an industrial policy which is conducive for the promotion of village and small scale industries. It is only during 1980 when the new industrial policy was framed, a proper emphasis is laid on village and small scale industries. Before we consider the place and the role of village and small scale industries in the new industrial policy and in the Sixth Plan, it is relevant to mention the sectors within the village and small scale industries. The village and small scale industries sector in India consist broadly of:
1. Traditional cottage and household industries viz., handloom, Khadi and Village Industries, Sericulture, Handicrafts and Coir etc.

2. Modern Small Scale Industries including tiny units and power looms.

Though the Industrial Policy statement of July 1980, the Government has shown its determination to promote such a form of industrialisation in the country as it can generate economic viability in the villages. Promotion of suitable industries in rural areas has been proposed to be accelerated to generate higher employment and higher per capita income for the villages in the country without disturbing ecological balance. Handlooms, handicrafts, Khadi and Village Industries will receive greater attention to achieve a faster rate of growth in the rural areas.

To accelerate the process of rural industrialisation, it would be necessary to identify the various avenues for occupational diversification and to promote the entrepreneurial potentiality among the rural artisans. Besides, it would be necessary to help the rural artisans in preparing the viable projects, eliminate the
bottlenecks in the flow of credit and raw material, provide proper marketing facilities and other requisite infrastructural facilities to promote the growth of village and small scale industries.

OCCUPATIONAL DIVERSIFICATION

The traditional occupational structure in India is by and large hereditary in nature, maintaining occupational distance and hierarchy on the principles of purity and pollution. Further, it has been linked with caste system. It has been argued that by some earlier writers that each caste has a traditional occupation. Srinivas maintaining that the traditional occupations are closely linked to caste.

Ibbetson (1916) though disagrees with the occupational theory of caste, however, he observes:

"These traditional occupations are seen to be forming a hierarchy within themselves which is based on the same principles as amused to place caste on this hierarchy, purity and pollution."

The hierarchy of traditional occupations based on purity and pollution and its link with caste reinforced by its hereditary nature of occupational specialisation naturally lead to the belief that it is
rigid, exclusive and closed. Summarising these notions about the exclusiveness and rigidity of occupations in India. Ghurye says:

"The unfreedom of occupation in actual operation at the beginning of 19th century was accompanied by a stand belief that almost every one of the large member of castes has an occupation which was its own, its traditional and hence the hereditary occupation of its members, to abandon which in search of another was atleast not proper if not actually sinful".

However, on the contrary to the notion of rigidity and exclusively closedness of traditional occupational structure, several contemporary writers maintain that traditional occupational structure in India showed cleavages and occupational changes are not uncommon. According to them, the traditional occupational structure was never that rigid and exclusively closed. It was far from being static and bittle on the face of change and pressures from the inside and outside. The traditional occupational structure has been highly adaptive.
Thus, the above discussions reflect on the relative rigidity and fluidity of traditional occupational structure in India before the advent of British rule.

After the advent of British rule in India, many modern and secular forces came into interplay with the Indian occupational structure. Consequently, the occupational structure underwent and is faced with many changes.

The process of occupational deviation in India from the traditional caste based occupations was paid foremost attention by the early researchers and attempts were made to gather empirical evidence. Investigations related to the pre-independent period, Census of India, 1921, Census of India Reports show that Madiga (untouchable caste tanning as their traditional occupation), have deviated from their traditional callings in coastal Andhra and Rayalaseema. According to 1931 census of India for the entire state (today Uttar Pradesh) only 36 per cent of the members of 31 selected castes were employed in their traditional occupations. The empirical information about castes and their occupations was collected up to 1931 and since then this place was abandoned. The subsequent research
and empirical insight has been gained by the individual surveys during the last six decades or so.

Blunt (1931), in his individual survey on these occupational deviation, basing himself on this findings, found it expedient to draw the following general conclusion:

"The authority of the castes is becoming increasingly weaker; the traditional function is becoming a powerless superstition; and before long a Hindu will acquire exactly the same freedom in choosing an occupation as any one else in their counting".

The major contention of these reports and studies is that traditional occupational structure is gradually opening up and the caste is gradually losing its grip on the choice of occupation. These studies point out that rate of deviations from the traditional occupational structure which increase and indicate the occupational flow from caste specific occupations to that of caste free and secular and modern occupations.

After independence many studies have been undertaken with respect to the occupational diversification. The basic trend of these studies is to point
out that the deviation from the traditional caste based occupation is on increases; general correlation between caste hierarchy and the occupational hierarchy. These studies also reveal the general trend of greater occupational deviation occurring in urban and industrial areas than in the rural areas. Here, an attempt is made to review few of such studies.

In the 202 households of his specimen community near Indore, Mayer (1960) found:

"On average 44 per cent of the male weavers were employed outside their caste occupations".

G.P. Reddy (1968), in his study of a village in Telangana region of Andhra Pradesh infers that castes in the villages are acquiring new modes of livelihood patterns. This inference was based on his findings:

"Of the 36 households belonging to 13 different castes in the village, change of occupation has taken place with 12 heads (33 per cent) belonging to eight different castes".

Increasingly, trends of occupational deviations over the generations have been observed in the inter-generational occupational mobility. Umamohan (1976), in his study of a coastal village in Andhra Pradesh shows:
36.64 per cent of respondents (N=191) and 53.2 per cent of respondents (N=86) have deviated from their respective parents' occupations.

The earlier studies which have discussed the determinent factors of occupational mobility in India, however found that many factors other than caste are associated in determining occupational diversification. The various determinent factors are:

a) Structural determinent factors
b) Socio-economic background factors

STRUCTURAL DETERMINENT FACTORS

Structural determinent factors are not many. Most of them are resultant of the new forces both external and internal in modern India. The structural determinents of occupational diversification include such factors as 1) General economic factors, 2) Migration, 3) Education, 4) Social legislation and policy, 5) Social reforms and rehabilitation, 6) Population size and 7) Other Social factors.

SOCIO-ECONOMIC BACKGROUND FACTORS

The socio-economic background factors are generally concerned with caste, parent's occupation,
age, position in the family (i.e., first child or eldest son etc.), income, and landholdings etc.

Therefore, the occupational diversification takes place in proper shape. It will provide us with a clear interpretation of changes and the dynamic process of social changes that are taking place in India. It is also pointed out here that the occupational diversification has been leading to entrepreneurial development and industrialisation. Thus, rapid industrialisation of the villages is a vital necessity for developing the country and making people economically independent. In order to formulate a suitable package programme for the development of these village and small scale industries, a proper understanding of entrepreneurial potentiality and the development of entrepreneurship is a must.

ENTREPRENEURSHIP

Promotion and development of small scale and rural industries would mean the development of entrepreneurship. Rural industrialisation and rural entrepreneurship are inter-dependent, and indeed are the two faces of the same coin. Industrial development envisaged the entrepreneurial development. In nut-shell, entrepreneurial development leads to industrial development
and later leads to the economic development. Therefore, in this context it is necessary to have a clear understanding of the concept of entrepreneurship.

Cochran states that, the word, 'entrepreneur' appeared in the French language long before there was any general concept of an entrepreneurial function. In the early 16th century it was applied to those who were engaged in military expeditions. In the 17th century it was extended to cover civil engineering activities such as construction and fortification.

Kolby Peter (1971) cited that in the 18th century, Richard Cantillon, an Irishman, living in France who defined an entrepreneur "as a person who buys factor services at certain prices with a view to sell its products at uncertain prices in the future."

Singh Pritam cited in his book Joseph A. Schumpeterian's view, "innovation was criterion of entrepreneurship by nature he (entrepreneur) is neither technician nor a financier, but he is considered as "innovator". Entrepreneurship is not a profession or a permanent occupation and therefore, it can't formulate a social class like capitalists or wage earners, Schumpeterian "innovation" is a creative response to a situation."
According to Bert. F. Hoselitz (1952), entrepreneurship is a function of managerial skills and leadership. He states that "a person who is to become an industrial entrepreneur must have additional personality traits to those resulting from a device to a mass wealth. In addition to being motivated by the expectations of profit, he must also have some managerial abilities and more important he must have ability to lead.

From the above different definitions from the different economists and sociologists, entrepreneurship involves the characteristics like innovation, organisation, supervision and management etc. With these characters today the industrialisation has been rapidly growing at faster rate of urban development in India. But, the rural sector is lagging behind because the people are not having the entrepreneurial qualities.

Entrepreneurship in the rural activities would be from the local artisans, traders and agriculturists. In the most of the developing countries, there are groups of artisans with varying degrees of skills, who have been supporting the agriculture sector for many years. They use very simple equipment
and family members help in the manufacturing. The rural entrepreneur is of traditional and conservative in nature than his urban counterpart. His resistance to change is high. His ability to take risk is limited. He needs support at various stages of development starting new occupations like rural industrialisation.

Assuming that entrepreneurship would contribute to economic growth, the developing countries laid much stress on the growth of entrepreneurship, particularly in the small sector. Many action programmes were initiated for this purpose which may broadly be classified into three categories, viz., 1) those relating to infrastructure (communication, transportation, electrification etc.); 2) those relating to capital formation, promotion of marketing, and; 3) those relating to the development of skill and entrepreneurial aptitude in the people to enable them to assume entrepreneurial roles and to perform these roles successfully.

THE STATEMENT OF PROBLEM

Among the village and small scale industries, handloom weaving industry occupies a prominent place in the economy of Andhra Pradesh next to agriculture. At present, there are 40 lakhs of people who directly
or indirectly depend on estimated six lakh handlooms. Generally speaking, this sector is organised by master weavers, co-operative and independent weavers, producing cotton, silk and wool cloth.

One of the important areas in handloom weaving is silk weaving. In Andhra Pradesh, Dharmavaram of Anantapur district is known for its handloom silk. Still it has good potentiality and attracting those who are engaged in non-weaving caste occupations. Because of this potentiality, the people from rural areas are migrating to Dharmavaram town to get better employment opportunities and to earn better incomes.

In the present study an attempt has been made to study the socio-economic conditions of silk weavers so as to assess the factors responsible for occupational diversification and to examine the entrepreneurial potentiality among the silk weavers.

METHODOLOGY

OBJECTIVES OF THE STUDY

The present study within its framework has been undertaken with the following objectives:

1. To analyse the socio-economic conditions of the selected silk weavers.
2. To study the occupational diversification among the silk weavers.
3. To examine the entrepreneurial potentiality among the silk weavers.

SELECTION OF THE AREA

Andhra Pradesh has three distinct regions of which Rayalaseema is chronically drought-prone and is always in search of alternative means for employment. Hence, this region presents an ideal setting for exploiting the role of weaving industry for rural employment and rural industrialisation.

Within Rayalaseema, Anantapur district is geographically and economically suitable for sericulture. As a result, the district has the highest acreage under mulberry cultivation in comparison to other districts not only in Rayalaseema but also in Andhra Pradesh.

Dharmavaram town has been selected for the purpose of study because, it is a traditional centre for the production of silk looming sales in national and international markets. It also has the highest
loomage in the state and majority of the weavers in
Dharmavaram are migrants.

And thus, Dharmavaram in Anantapur district
of Rayalaseema region in Andhra Pradesh has been
selected as the area for carrying out the present study.

UNIVERSE

Dharmavaram consists of 15,527 households
of which 7,536 (48.53 per cent) are weaving house­
holds. The weavers at Dharmavaram are mostly made up
of migrant weavers. The weavers who had migrated
prior to 1981 have adopted and assimilated and are
now being considered as natives. The weavers who
had migrated after the year 1981 are, however, still
reckoned as migrants and they consist of 2,395 migrant
households. Out of this migrant silk weavers, 838
(35 per cent) belong to non-weaving castes. These
households have been considered as the universe for
the present study.

SAMPLE

Dharmavaram town has been divided into 17
wards for administrative purpose. All the wards
consist of weavers' households. The migrant weavers
are located in only 12 wards. However, 838 weavers'

households belong to non-weaving castes. More than 85 per cent of these weavers' households have settled in first, fifth and sixteenth wards. It was decided to select 100 weavers households in these wards, and these households have been selected on the basis of proportionate random sampling methods.

DATA COLLECTION

For the purpose of data collection, a well-designed interview schedule has been administered to the heads of the sample households.

In addition, interviews were conducted to collect necessary information which is not covered by the schedule. The interview technique is adopted in order to get necessary additional information from the Government institutions/organisations and also to cross check the data which is obtained through the schedule.

TOOLS OF ANALYSIS

The results were analysed using statistical techniques like percentages, averages etc.

SCHEME OF PRESENTATION

The present study is divided into six chapters. The chapter scheme is as follows:
The First Chapter covers the introductionary part of the study, giving details of the brief note of the importance of rural industrialisation for rural development and presents brief review of literature on occupational diversification and entrepreneurship. It also states the methodology that has been adopted for the present study.

The Second Chapter presents the details of the Handloom Industry in Andhra Pradesh with special reference to silk weaving industry in Anantapur district.

The Third Chapter deals with the setting and socio-economic characters of the respondents at Dharmavaram.

The Fourth Chapter refers the occupational diversification among the silk weavers in Dharmavaram.

The Fifth Chapter presents the entrepreneurial potentiality among the silk weavers in Dharmavaram.

The Sixth and the last Chapter present the summary of findings and conclusions.