Impact of Community Development Programme
on the Rural Economy of
NORTHERN MAHAEOSHAL (M.P.)

CHAPTER XI

ANALYSIS AND IMPACT OF THE PROGRAMME OF
RURAL INDUSTRIES ON EMPLOYMENT AND
OTHER ECONOMIC ASPECTS.

General Introduction and Need of Rural Industries:

The importance of cottage and small scale industries for the development of rural economy as an essential factor improving the standard of living of the vast rural population has long been recognised. With the rapid growth of population, it has become imperative to find employment opportunities for the rural population of the country. Apart from the development of agriculture and industry in general, we have to create a third force for fighting unemployment. In this respect rural industries have to play the most extensive role. In spite of the agricultural bias of our rural economy much depends on the progressive development of rural arts and crafts and establishment of cottage and small scale industries in increasing number. The importance of cottage and small scale industries lies in the fact that they can more easily surmount the basic difficulties which backward economies have to face in the process of industrialisation. In this context the statement of our late Prime Minister Pt. Nehru is worth quoting.
"India today needs large as well as small industries and both should co-exist. We must protect the things of beauty created by Khadi and village industries. Large factories alone can not cater to our needs."1 Based on two factors; local resources and local consumption of products, it offers the only remedy to set right the present lop-sided economy of purely agricultural communities. "In a balanced rural economy it is important that opportunities for non-agricultural work should increase steadily relatively to agricultural work. Recent experience points to the need for an extension service which can be in touch with village artisans, provide them necessary guidance and aid, organise them in co-operative and help them market their products."2

Gandhi Ji stressed the need for reviving our handi-crafts and rural industries as a part of the country's struggle for freedom. However, it was only after independence that village industries received the correct recognition and that too, particularly during the Second Plan period that these industries made appreciable progress when the Planning Commission recommended the organisation of village industries on co-operative lines, as the only effective means of ensuring their economic viability over a period of time. In our agricultural economy where employment opportunities are seasonal, rural industries can do a lot in breaking new grounds for increasing employment and simultaneously the income of the village people as well as training a class of entrepreneurs. Promotion and diversification of rural industries

2. Second Five Year Plan, Planning Commission, 1956, p. 243
therefore, is essential for increasing rural employment and production and hence central to the objective of community development. With this view an added importance has been given to the establishment and expansion of rural industries in the community development programme, considering it as integral part of it.

Rural Industries in the Area under Study prior to the C.D.P. ...

An attempt was made in the survey to know the development of rural industries prior to the C.D. programme in the area. In industry M.P. ranks among the less developed areas of the country. Generally speaking industries can be divided into agricultural process of industries, forest based, textile industry, chemical industries, metal based and non-metallic industries and other industries. These factory industries are concentrated in Jabalpur district in larger number compared to the other three districts under study i.e. Sagar, Damoh and Narsamhapat. Though here we are not concerned about these industries but for the sake of information it may be added here that even before the inception of the programme under the region under study, Jabalpur district has been the largest saw-milling centre in the State. Bidi industry has also been quite developed in Jabalpur, Sagar and Damoh districts. In case of textile industries, Mahakoshal area has not been a developed one. Under the mineral based industries there is a largest cement factory in Katni in Jabalpur district in the region. There are also three ceramic factories in Jabalpur district producing refractory bricks, stoneware, pipes and crockery etc. There are also brick and tile factories in Jabalpur district including one
glass factory.

Under the small scale non-factory industries this sector occupies a more important position in the State's economy in terms of both employment and output. Important small industries have been cotton spinning and hand-loom weaving, shoe making and pottery making, basket making, blacksmithing, oil-pressing and carpentry. Handloom workers are concentrated in Mahakoshal region and Jabalpur district is most important in this respect under the region. Working force in selected small and cottage industries per 100,000 of population is given in the table on the next page for two districts i.e. Jabalpur and Sagar for which figures could be available.

(Table on the next page)
Table No. 11:1

Table showing the working force per 100,000 population in selected small and cottage industries (1951)

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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Jabalpur</td>
<td>76.3</td>
<td>610.3</td>
<td>73.1</td>
<td>150.4</td>
<td>72.5</td>
<td>263.6</td>
<td>73.5</td>
<td>50.7</td>
<td>179.2</td>
<td>73.9</td>
<td>64.6</td>
<td>2107.0</td>
</tr>
<tr>
<td>Sagar</td>
<td>-</td>
<td>130.8</td>
<td>12.2</td>
<td>34.4</td>
<td>18.7</td>
<td>42.4</td>
<td>5.5</td>
<td>26.6</td>
<td>50.8</td>
<td>135.1</td>
<td>2.6</td>
<td>513.0</td>
</tr>
</tbody>
</table>

The table on the last page shows that in both the districts highest working force has been employed in cotton spinning and weaving industry. Next industry in order of importance has been pottery in Jabalpur district while in Sagar it has been Bidi making. In Jabalpur district the working force in small and cottage industries has been about four times larger compared to Sagar district.

As regards percentage of working force into rural and urban population it was 39.7 and 5.3 percentage of urban to total population in small scale and cottage industries in Jabalpur and Sagar districts respectively in 1951. These cottage industries have been suffering from outmoded techniques of production, inefficient organisation, lack of financial resources to buy and sell on the most advantageous terms, dependence on middlemen, narrowness of the market, inability to adapt production to changing conditions of demand. Absence of industrial training has also accentuated the situation and the labour has remained unskilled and illiterate.

It was noticed that some traditional type of crafts have been in vogue in the area since the time immemorial. These crafts included carpentry, black-smithy, spinning and weaving, bamboo works, oil ghani, rope making and pottery and shoe making etc. These industries were carried on a very small scale because of the shortage of capital and lack of technical guidance, lack of markets and modern tools. It was reported that these industries did not provide employment opportunities and income to those engaged in them to any significant scale, rather it would be correct to say that
employment aspect has not at all been an impulsive force behind these industries. Most of the rural crafts were taken up by the villagers just to fulfill their own needs and the produce was not at all marketed as there was no surplus. Almost in every village industries of carpentry and black-smithy existed to cater to the need of the farmers and other villagers.

The enquiry also revealed that in the past no attention was concentrated on development of village industries along right lines. The training centres were not established in the area under study and no loans were advanced for the purpose of development of rural industries. Prior to the inception of the programme the village-industries were not properly developed to influence the vital part of the village life in a decentralised manner strengthening the social fabric of the village population. It was also known that the rural-industries were not organised in a scientific manner. Simply the artisans had been carrying on their activities as a matter of tradition sticking on to the same profession and struggling for existence in spite of the competition. Still today this practice prevails in the rural area regarding rural industries. The artisans used implements and instruments either out-moded or inadequate in the present context. Thus there was no proper development of rural industries in the area under study prior to the inception of the community development programme.

**Industrial Pilot Projects:**

The Pilot Project scheme was mainly envisaged as one of co-ordinating and intensifying the programmes for village
and small scale industries sponsored by the various All India Boards. These pilot projects were to develop cottage and small scale industries in each area in a co-ordinated and integrated manner taking into consideration the various schemes and to develop a pattern of industrial extension service that would be necessary in undertaking a rural industrial programme in block areas. The pilot projects schemes were taken up for implementation from 1st April 1956.

The main functions of the projects is to train artisans, help them with loans and promote industrial co-operatives. "These pilot projects are to act as laboratories for controlled observations to find possible solutions to problems that have come up in the field of cottage and small scale industries. They will also study the possibilities of planning for rural industries with people's participation and examine the possibilities of developing market for products of cottage industries locally with the participation of people and project staff." 1

Out of 12 blocks under study, only two blocks fall within the pilot project areas. These two blocks are Goteaon of stage III and Tendukheda of stage II. One of the important aims of these projects was to promote the development of industries in selected areas in a planned, integrated and intensive manner and to provide experience for the working of this programme in other areas. The detailed information of Tendukheda block in the field of industries could not be available as the extension officer in charge of industries could not be interviewed as he was on tour. There were three special officers in charge of industries in Tendukheda block. According to the block report 11 demonstration-cum-training centres

1. Pilot Projects: - An Assessment, Kurukshetra May 1958, p. 585
were started in the block out of which two were defunct. In these centres 90 persons were trained and in the year 1966 financial assistance for industrial purposes was given amounting to Rs. 1300.00 while in 1965 it was only Rs. 240.00.

In Cotegaon block there were 9 industrial co-operative societies out of which two were Charmkar societies, two were oil ghani societies, two weavers societies and three were bricks and tiles manufacturing societies. But at the time of survey all these societies were not smoothly working and three of them were newly registered. In the year 1966 a loan of Rs. 6300.00 was advanced to these industrial societies among 14 loanees and Rs. 1500.00 were granted as subsidy to 5 grantees while the figures for the year 1965 were Rs. 2050.00 to four loanees and grant being nil. In the same block, a dying and printing centre was started in 1963-64 for which a loan of Rs. 2800.00 was given by the industry department and block budget and subsidy of Rs. 3200.00 was given by M.P. Khadi Board.

**Crafts in the Area Under Study:**

Information was collected regarding the crafts which were being practised in the selected blocks. In addition to this, possibility was also explored as to which crafts could be developed in the area. In every block some crafts or other has been found to exist. Bricks making, tailoring and black-smithy were three most common crafts found in every block though bricks making is also organised on private basis. The data of bricks manufactured were available in all the blocks. In two blocks there were co-opera-
-tive societies of bricks making. It was also noticed that in three block reports, figures of bricks were not available for the year 1966 though for the previous years all the data were available and out of 12 blocks there was increase in number of bricks manufactured in 8 blocks. In Jabalpur block such bricks and tiles making units were 100 in the year 1966 while the number was only 2 in the year 1961-62.

Tailoring has also been introduced in all the 12 blocks under study. For this purpose sewing machines have been distributed on the subsidy basis. This industry is most popular among Mahila Mandalis and almost in every block ladies have been trained in the art of sewing. Tailoring also continues almost in every block’s villages on private basis. Under the programme of community development, sewing craft has been very popular in the year of beginning, mostly in the second stage of blocks and in the years after that its pace has slowed down. On an average 15 ladies have been trained in every block during the period of five years. The figures of sewing machines were collected for the year 1961-62 to 1965-66. The figures of sewing machines available for 11 blocks were on an average 2 and 5 respectively for the above period. During the above period a subsidy ranging from Rs. 125.00 to Rs. 500.00 was given for tailoring by the blocks.

Carpentry is also quite popular industry in all the blocks, organised both on the private scale and with the aid of the blocks. Carpentry training centres have been started by the blocks and persons have been trained in the same. There was also provision of giving stipends to the trainees in order to
attract them to learn this craft. In the villages surveyed, there were carpentry centres in 3 villages where on an average 14 persons were trained per centre. Subsidy and loans have been also given for the development of carpentry which range from Rs. 375.00 to 1200.00 and from Rs. 1000.00 to 2000 for the year 1961 and 1966 respectively. It also includes the subsidy for purchasing the tools to the extra-trainees of carpentry centre.

Next to above, there were three crafts namely tanning, oil ghani and hand-loom weaving. In the sphere of leather tanning, subsidy has been given to prepare tannery pits. In ten blocks this craft of tanning has been introduced and developed. In addition to this, Charankar samitis have been organised in the blocks and loan has been given to them by Khadi Commission up to Rs. 3800.00. In one block leather and tanning centre is running and ten persons have been trained. In Rehli block, two tanners co-operatives have been granted the loan of Rs. 6 thousands. But in the villages no progress was seen regarding this craft.

The report about of industry of oil ghani was also available in the blocks but it was limited to five blocks only. This industry seemed to prosper in the previous years though even today it is carried on private basis by traditional method. Hand-loom weaving industry was also not a popular industry at the time of survey. Only in four blocks it was in vogue prior to survey. Some villagers reported to have had self-sufficiency in matters of preparing hand-loom cloth in older days but today this industry seems out-dated.

Black-smithy was found in three blocks only
where subsidy has been given to purchase the tools though almost in all the villages of the area, the black-smiths practised this craft on private basis. The soap industry was reported to have developed quite appreciably in Katni block of Jabalpur district. Bidi making industry also existed almost in all the blocks but it was quite developed in four blocks. As this industry is not at all concerned with block activities, no information was collected in this respect.

Other industries such as rope making, spinning, gur making, bamboo works and hand pounding of rice were also found in one to three blocks only. The following table shows the number of blocks according to the crafts found there.

Table No. 11:2

Table showing the number of industries in blocks.

<table>
<thead>
<tr>
<th>Name of crafts and industries</th>
<th>No. of blocks having them</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailoring.</td>
<td>12</td>
</tr>
<tr>
<td>Carpentry.</td>
<td>12</td>
</tr>
<tr>
<td>Bricks and tiles making.</td>
<td>12</td>
</tr>
<tr>
<td>Tanning and leather industry.</td>
<td>10</td>
</tr>
<tr>
<td>Oil ghani.</td>
<td>5</td>
</tr>
<tr>
<td>Handloom weaving.</td>
<td>4</td>
</tr>
<tr>
<td>Soap making.</td>
<td>4</td>
</tr>
<tr>
<td>Black smithy.</td>
<td>3</td>
</tr>
<tr>
<td>Rope making, spinning, gur making and hand pounding of rice.</td>
<td>1 to 3</td>
</tr>
<tr>
<td>Lime industry.</td>
<td>1</td>
</tr>
</tbody>
</table>
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It is clear from the table given on the last page that tailoring, carpentry and bricks and tiles making were most important crafts found in all the blocks. Tanning and leather industry is also important one which has developed on a scientific basis after the inception of the programme. Soap industry is quite developed in Katni block though in other three blocks it has also been introduced. In Katni block, provision has been made to provide raw material for soap making with the assistance of the block.

Introduction of New Crafts:

The block officials and the villagers were asked about the possibilities of developing the new crafts in their area. In some blocks new crafts have been introduced during the block period. In Rehli block a saw machine has been installed with the assistance of industry department of the block. In the same way improved techniques of tanning have also been introduced. Soap making is also a new industry developed on sound lines after the inception of the blocks. As regards the scope of starting other industries in the area under study it was reported that there was little scope for industries other than described above.

The general approach to the development of village industries has been to make arrangement for training in arts and crafts, technical guidance, procurement of raw material and equipment, credit to the artisans and marketing of their products. For this purpose industrial co-operatives have been organised in the blocks. The following table shows the number of blocks covering the above programmes. (Table on the next page)
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Table No. 11:3

Table showing the related programme of rural industries in blocks.

<table>
<thead>
<tr>
<th>Name of the programme</th>
<th>No. of blocks having introduced the programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training</td>
<td>12</td>
</tr>
<tr>
<td>Supply of raw material and equipments</td>
<td>9</td>
</tr>
<tr>
<td>Provision of credit</td>
<td>12</td>
</tr>
<tr>
<td>Organisation of industrial co-operatives</td>
<td>7</td>
</tr>
<tr>
<td>Marketing</td>
<td>4</td>
</tr>
</tbody>
</table>

Training:

For the development of crafts and industries, training has been considered very important from the very beginning and it has been given priority in the programme. Training-cum-production centres were started to fulfil the above aim of imparting training. These centres were originally contemplated for introduction of new skills and arts in the rural areas by combining the stages of institutional training with those of apprenticeship system. Under the scheme, training was to be given in two successive stages viz. training and production. Under this training programme stipend is generally given to the trainees. In the survey the persons have been trained in different crafts and now these trainees have started their individual enterprise with the loan from the industry department.
However, some cases were also noticed when the trainees did not complete their training. The success of these centres can be judged by the extent to which improved techniques have been introduced in blocks. But the survey reveals that the improved techniques have not resulted in most of the blocks and trained persons have not followed the crafts sincerely in some cases.

Supply of Raw Material and Equipment:

In all the blocks where training centres have been started, steps have been taken to supply the raw materials and equipments to village industries. Loans have been provided under this programme by all the agencies such as the Block co-operatives and Industries Department of the State Government under the State Aid to industries acts. Raw material has also been supplied to training-cum-production centres and to individual craftsman. The artisans have been also helped by the provision of giving equipments on hire purchase. For example in Rehli block one saw machine has been provided to one on hire purchase basis and in Khurai block proposals were sent for the purchase of machinery on hire basis worth Rs. 21,000.00. In ten blocks under study the subsidy has been provided to the ex-trainees and individual craftsman for the purchase of tools in order to develop the small scale industries in the rural areas.

Provision of credit is also important step to improve the general credit facilities of artisans. In the it has been noted that loans have been distributed to the artisans through All India Boards and Khadi Gramodyog Commissions and Blocks.
Industrial co-operatives have also been organised in the blocks to develop the village industries. The details of such co-operatives have been given under the chapter of co-operation.

The survey does not reveal about the arrangements for the marketing of goods produced by artisans. The fact is that no records were available about the goods produced by the craftsmen and artisans. But the general observation revealed that in spite of the well developed communication facilities, no measures were adopted to market the goods on profitable lines for the artisans and craftsmen.

**Conclusions and General Impact:**

The enquiry into the various aspects of rural industries programme under the community development indicates that not much progress has been made in the area surveyed. No doubt, huge amount has been spent and subsidies have been provided to the craftsmen and artisans. In the villages under study also no progress in this field was noticed. Of course persons have been trained in various crafts through training-cum-production centres but that very knowledge has not been utilised for the purpose of giving an impetus to the rural industries.

Really speaking there is a great difference between what is admitted to very fair and sound theory and the actual implementation of it. The common practise prevailing in this field has been to distribute loans and to leave the work of setting up units of production entirely to the people with the result that very
often such units have failed to come up to expectations and the assistance given to them has been utilised for other purposes. Very few village families have benefitted through C.D. activities relating to villages Industries. "So far no attempt is made to evolve a comprehensive programme for village industries in relation to local resources, skills, and employment needs, reliance being placed on ad-hoc schemes."

As the Balwant Rai Mehta Committee has pointed out, the rural industries programme is considered to be the weakest link in community development programme. This, despite the fact that the need for converting the present purely agricultural economy into an agro-industrial economy has imparted urgency to this programme. No doubt a series of measures have been adopted to put the programme on an even keel, but progress so far has not been commensurate with the efforts put in. "The Annual Conference on community development held at Srinagar in 1960 considered the entire programme of rural industries in the light of experiences gained through the industrial pilot projects and recommended an integrated programme had to be implemented by pooling the resources of the State Industries Department, All India Boards and Schematic budgets of C.D. blocks and other agencies responsible for assisting the development of village and small scale industries." This will go a long way to improve and develop the rural industries programme.

The data were also collected in the survey whether there has been increase in the days of employment as a result of introducing rural industries in the area. But the survey revealed

that in this field impact has been very limited and employment opportunities have remained rather stagnant. It is also a sorrowful state of affair that loans have not been properly utilised in order to develop the rural crafts. It has been noticed that rural crafts and industries which were started with greater enthusiasm were neglected after some time and there was no actual supervision of the same by extension officers in charge of industries in the blocks.

The huge quantity of loans have been given and subsidies distributed to the artisans but the return has been very poor. Though correct data could not be available but it can be very safely argued that the cost of implementing this programme is so high and the benefit that it yields in the short run is so low that critics argue whether it would not be advisable to do some re-thinking.

The more important purpose of rural industrialisation programme is to provide employment opportunities to unemployed and under-employed rural population by spreading economic activities as far as possible all over the country so as to create a vital link between rural areas and industrial centres. Thus a steady drive can be made to raise the level of living of the rural people to develop simultaneously a certain spirit of enterprise in rural areas on whose progress the prosperity of the nation largely depends. It is therefore, rightly said that rural works should be conceived as part of an integrated plan to tackle the problem of rural unemployment, with special reference to agricultural slack season in areas which have a high incidence of unemployment and under-employment. But in the survey no evidence is available either
of the establishment of the vital link between rural areas and industrial centres or tackling the problem of rural unemployment or under-employment. It may not be correct to blame the industrial departments for not achieving the success. In this field, village people are also responsible for this situation. People's participation has not been forthcoming to fulfill the desired aim. "While implementation of the rural industrialisation programme and success thereof will eventually depend on many imponderable factors; much will, of course, depend on the extent of support the programme is able to enlist."

It must also be borne in mind that the kind of industries to be established will be eventually determined by the type of raw material available and an appropriate technology to give the units a suitable structure. In broad terms an integrated approach is needed. There can not be two opinions on the issue that the programme of rural industrial development needs a Herculean effort both from the Government and the people.

The general picture that the present survey presents is not very optimistic. The cottage industries programme which was meant for the benefit of the poorer class has not achieved desired success. It is yet to be implemented properly though a beginning has been made. It has been rightly remarked that, "in spite of 15 years of Planning, the traditional outlook of villages has not substantially changed for generating industrial growth. Transportation facilities are poor and costly; there is no organised financing agency; skills of artisans need complete re-orientation,

1. A.K. Nanda, "Rural Industrialisation", Kurukshetra, June 66, p. 15
power is inadequately available, industrial crops are insufficient and the social and educational standards of the people are still poor. Primarily any programme of rural industries should equip itself for breaking new grounds, creating required infra-structure if it has at all to be successful. The success of rural industrialisation programme thus depends on an alround community development in rural India. 

It has been recognised on all hands that in an under-developed economy like ours, cottage industries have a very important function to perform during the transitional period. They have to fight many enemies before they can establish their rightful claims.