In the scheme of reconstruction for free India, its villages should no longer depend, as they are now doing, on its cities, but cities should exist only for, and in the interest of the villages.


CHAPTER - III

REVIEW OF PAST STUDIES

3.1 Studies on Theoretical Aspects
3.2 Historical Perspective
3.3 Socio-economic Aspects of Small-scale and Village Industries
CHAPTER III

REVIEW OF PAST STUDIES

Several studies, depicting village industries and changing aspects of Indian villages have been made by both Indian and foreign scholars. These studies generally deal with village or small scale industries at large with varied focal thrusts viz.

1. Theoretical aspects.
2. Historical perspective.
3. Socio-economic aspects of small-scale and village industries.

3.1 Studies on Theoretical Aspects

A comprehensive review of relevant studies and researches related to village industries in India is attempted here with a view to derive theoretical and practical insight into the various aspects of the problem to be investigated in the present study.

Gandhiji was the pioneer in highlighting the relevance of village industries and he stressed the need for the revival of village industries in India. He has made valuable contribution to the development of the theoretical and practical aspects of village industries. His vision and ideas regarding village industries were expressed through various writings and speeches which were edited
and compiled by eminent scholars in the form of books dealing with specific topics. 'Collected Works of Mahatma Gandhi',¹ 'Mahatma',² 'The Mind of Mahatma Gandhi',³ 'Towards New Horizons',⁴ 'Khadi - Why and How'⁵ etc. are some of them. In all his writings Gandhiji tried to elaborate various aspects of village industries and their role in the revival of entire social, economic, political and cultural life of Indian villages.

A complete presentation of all the writings of Gandhiji on village industries is not possible. However, his thoughts regarding man, machinery and civilization are presented in his pioneering work 'Hindswaraj'.⁶ In this book, Gandhiji made a strong attack on machinery and mass production. Even today his ideas on man and machinery is much more misunderstood and much less properly understood. In 'Hind Swaraj' he stated "what I object to is the

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craze for machinery, not machinery as such. The craze is for what they call labour saving machinery. Men go on saving labour, till thousands are without work and thrown on the open streets to die of starvation. I want to save time and labour not for a fraction of mankind, but for all".

His observations regarding machinery and production by the masses are quite significant in the context of the changing patterns of industrial set up in India today. Today as we experience the ill-effects of industrialisation a lasting solution to the problems could be achieved only through Gandhiji's concepts. Various dimensions of Gandhiji's thoughts on village industries are presented in relevant chapters.

J.C. Kumarappa a prominent Gandhian economist, in his eminent work 'Economy of Permanence', shows that only through the village industries, India can arrive at the economy of permanence in the place of that of the fleeting nature. In this work Kumarappa gives an advice to the common man to live in and approach nature with co-operation and non-violent methods. Otherwise nature will refund with violence.

7. Ibid., p.8.

In 'Khadi Economics - A few Aspects', K. Arunachalam gives a detailed report of the philosophical background of khadi and village industries. He is of the opinion that:

khadi and village industries are the only solution to the crisis of forced idleness and increasing unemployment in the country. The khadi and village industries have to be saved from destruction because of their unlimited capacity for providing employment for the starving millions in the country and because of their importance of building cohesive, well-knit, small village communities. ¹⁰

In this work he also makes an attempt to upraise Gandhian approach to khadi and village industries as a tool for the reconstruction of Indian villages.

3.2 Historical Perspective

A historical perspective of traditional industries is a must for the proper grasp of the changing conditions of these industries. In this regard, various books dealing with the status of traditional industries in Pre-British, British and Post Independent periods are available.

R.C. Majumdar in his work 'Ancient India',¹¹ describes the

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10. Ibid., p.16.

status of rural industries in ancient period. According to him our villages were self-sufficient in all aspects as almost all the goods needed by a village were produced in the village itself. K.A. Nilakantasastri,\textsuperscript{12} explains the traditional organization of industry and trade during Mughal period and also the role of Mughal emperors in the development of village handicrafts.

In the Gazettier of India,\textsuperscript{13} Dr. P.N. Chopra presents the condition of village industries in medieval India. The major non-agricultural production process in our ancient villages include cotton spinning, weaving, extraction of oils, pottery and leather works. He further states, "paper of some sort was manufactured and used in ancient and early medieval India".\textsuperscript{14}

Bipin Chandra in his work on 'The Rise and Growth of Economic Nationalism in India'\textsuperscript{15} deals with the gradual development of the nationalist understanding of the economic basis during the years 1980-1905 and policies of British imperialism in India and the evolution of an alternative nationalist programme for the development of an independent national economy. This book

\textsuperscript{12} K.A. Nilakantasastri, G. Srinivasasastri, History of South India, Oxford University Press, Delhi, 1980.


\textsuperscript{14} Ibid., p.385.

\textsuperscript{15} Bipin Chandra, The Rise & Growth of Economic Nationalism in India, Peoples Publishing House, New Delhi, 1977, 82.
also reveals the reason for the decay of our traditional industries and the reaction of the national leaders towards this destiny.

Dr. D.R. Gadgil,\(^\text{16}\) presents a detailed picture of traditional industries in British period and also the reason for the decay of Indian handicrafts and village artisan works.

S.K. Jaju in his book on 'The History of All India Spinners Association'\(^\text{17}\) gives a report on the Khadi Movement conducted by Gandhiji for the revival of khadi and village industries. He also speaks of evolution of All India Spinners Association and its role in the development of khadi and village industries in Pre-Independent period.

A number of books and reports, dealing with the status of village industries in post-independent period is available. The Report of the Planning Commission discusses in detail the programmes implemented by the Government of India for the revival of village industries through the Five Year Plans.

In the First Five Year Plan, for giving close attention to the progress of these industries and to create favourable conditions for action, the Government of India set up the All India Khadi and


\(^{17}\) S.K. Jaju, The History of All India Spinners Association, Sevagram, Wardha, 1950.
Village Industries Board in January 1953. The report of the study team on Community Development states that a special study team assessed the working of 25 small industrial projects in 1959, which were taken up in Community Development Blocks.

A notable development during the Second Plan was the establishment of statutory Khadi and Village Industries Commission with more executive powers than those enjoyed by the Khadi and Village Industries Board. For the proper planning and development of small-scale industries, the Planning Commission of India appointed the Village and Small Scale Industries Committee, commonly known as 'Karve Committee' in June 1955. The Karve Committee report states that "if the bulk of the increased production during the plan period of consumer goods in common demand is to be provided by the village and small-scale industries, the employment provided by these industries should progressively increase". 19

The report of 'Ashok Metha Committee', appointed in 1966 suggested a seven year programme for the progressive improvement of traditional industries including khadi. The Annual Reports of


19. Karve Committee Report, p.3.

Khadi and Village Industries Commission gives a wide description regarding the programmes implemented by the Commission for the development of khadi and village industries.

The report of the Khadi and Village Industries Review Committee discussed in detail the programmes implemented by both the Khadi and Village Industries Commission and the Khadi and Village Industries Board for the development of village industries. The committee made a critical assessment of the programmes and presents the merits and demerits of the programmes.

There are also various sources giving historical information regarding the role of village industries in Kerala. The Travancore State Manual gives detailed information about the traditional industries of Kerala. In this book, V. Nagam Aiya states that next in importance to agriculture is the weaving industry. Apart from weaving, pottery, oil pressing, carpentry, metal works etc., were prevalent in Kerala. He also explains the reasons for the decline of traditional industries in Kerala.

A. Sreedharamenon in his book on 'Cultural Heritage of Kerala' explains the relationship between the agriculturist and


artisans that existed in Kerala. He wrote "the art of weaving the bamboo-reed is one of the simplest of Kerala handicrafts. The reed-mat weaver helps agricultural operations in the village by supplying winnowing fans for separating the chaff and big baskets for storing it".23

John Thomas Chirayath24 presents a detailed picture of Match industry in Kerala. The book shows that it was in the 1920's that the Match industry had its beginning in Kerala. The study also discusses the reasons for the stagnation of the industry for a short period. An analysis was made in this study about the pattern of labour force involved, minimum wage and also the relevance of Cottage Match Industry in the present economic set up of Kerala.

3.3. Socio-Economic Aspects

It can be noticed that the majority of the studies deals with the socio-economic aspects of village and small scale industries. Most of these studies discuss the relevance of village industries in the development of national economy.

In 'Rural Sociology of India' A.R. Desai makes an attempt


to provide a total picture of the emerging rural society in India. Describing the problem of economic development he states "Industrialisation uproots the old division of labour, creates new occupational pattern demanding new training, new discipline, new routine and new mode of living".  

Further in the same book Arun Chandra Sinha presents the difficulties confronting cottage industries.  

Shrinivas.Y. Thakur clearly elaborated the role of rural industries in Indian economy. According to him "rural industrialisation provides clinical remedies to many socio-economic ills prevalent in India", because "village industries have a capacity to create more employment opportunities with low investment and shorter gestation". This study also discusses the problems faced by rural industries.  

V. Venkaiah in his study on 'Impact of Agrobased Industries in Rural Economy' makes an attempt to determine the impact of agrobased industries on the transformation of the rural economy. The changing patterns of employment, occupations, wages, income, migration etc., in the rural areas because of the setting up of agrobased industries constitute the major portion of this study.

27. Ibid., p.27.
Dr. Prabin Baishya has made a critical appraisal of the role of small and cottage industries in the rural economy of Assam. He is of opinion that small and cottage industries are most potential and abiding solution to the twin problem of economic resuscitation and of providing additional opportunity of work:

Industry is the pace-setter of modern life and industrialisation is the only way out to solve the problem of poverty and penury, unemployment and underemployment in our country as well as other developing countries. But the general trend of industrialisation is mass production where the masses are left in the backwood of unemployment and poverty.29

In this regard he suggests appropriate technology as a via-media between industrialisation for mass production through automation and industrialisation for production by the masses through indigenous techniques.

The National Council of Applied Economic Research, New Delhi presented a report30 on survey of the Handloom Industry in Karnataka and Sholapur. This survey reveals the economics of the handloom industry in the 5 districts of Karnataka region namely Bijapur, Dharwar, Belgaum, North Kanara and Sholapur. The study includes an assessment of the production potential of the industry, its cost structure, its financial and organisational problems and an


estimation of the degree of underemployment associated with it.

An assessment of the role of village industries in rural development is made by R.C. Arora in his work 'Industry and Rural Development'. He recognised that these industries could mitigate unemployment. In this respect he discusses the present status and possible avenues of improvement and prospects of some of the important industries in the cottage and small-scale sector. He also highlights the position of small and cottage industries after independence.

Gunnar Myrdal very competently discusses the conflict between the traditional and modern ideology, problems of labour, its utilisation and relevance of crafts and small-scale industries.

The cause for protecting and promoting the craft industries in the villages in South Asia is a strong one, particularly in the poorer countries. In the villages there is no alternative employment for most of the craftsmen and the only possible way to improve their lot and indeed prevent a further deterioration in their living levels is to give them as much market protection as possible and at the same time improve their productivity.


Dr. R.V. Rao\textsuperscript{33} makes a vigorous appeal to adopt small industries for industrialisation of India. Dr. Rao very convincingly exposes the role of cottage and small industries in India. He discusses in detail the meaning, scope, financing and relevance of cottage and small industries in Indian economic development.

The book on "Small Industries in the Seventies", written by Ram K. Vepa\textsuperscript{34} will help the administrators and policy makers in developing countries to formulate the programmes for the development of small industries. The study describes extensively the experience of India and Japan. It also deals with the review of progress of small industries in other countries.

Dr. T.K. Lakshman in his work on 'Cottage and small-scale Industries in Mysore'\textsuperscript{35} presents various issues and problems of cottage and small industries and speaks of the utilisation of personal discussion with administrators, artisans and entrepreneurs etc. in the study. The study propounds the importance of small industries in the overall pattern of economic development. The issues like raw-material supply, productivity, financing and problems of marketing have also been discussed in detail.

\begin{itemize}
\item \textsuperscript{33} R.V. Rao, Small Scale Industries and Planned Economy, Sterling Publishers, New Delhi, 1967.
\item \textsuperscript{34} Ram.K.Vepa, Small Industries in the Seventies, Vikas Publications, Delhi, 1971.
\end{itemize}
The book on Economics of Handicraft Industry discusses the economic claims of the Handicrafts sector in Andhra Pradesh. In this book, M.N. Upadhyaya has made a plea for dynamic policy particularly with regard to marketing and export promotion in view of the vast potentialities.

S.P. Mathur has made an analysis of the economic aspects of small-scale industries in Agra District. The study undertakes to highlight the small scale industries like paper, scientific instruments, agricultural implements, wood, iron furniture, glass wares etc. His study mainly focusses on the contribution of small scale industries in the field of economics. He wrote "...We shall have to focus round the small scale industries. Such industries do not require large capital and sophisticated technology. Besides they are labour oriented and hence suitable for a country like India".37

T.S. Bharde,38 (the Vice-Chairman of Khadi and Village Industries Commission in 1972), tries to bring an awareness in the mind of the reader, of the necessity for village industries, in the

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wake of growing unemployment and underemployment in the rural areas. "These industries enable to develop local initiative, co-operation and a spirit of self-reliance in the economy and at the same time help in utilisation of the available manpower for processing locally available raw materials by adoption of simple techniques". 39

S.N. Bhattacharya assessed the significant role of small scale and cottage industries in increasing income generation in backward areas and thereby attacking poverty in India, particularly in the rural sector. He writes, "The role of small scale and cottage industries in India is being increased and in the years to come, this tendency is expected to increase for various reasons of which removal of poverty is a part". 40 He also analyses the progress achieved during the successive Five Year Plans.

In 'Rural Economy of India' A.N. Sadhu and Amarjit Singh stress the need for small and cottage industries. They are of the opinion that the industrial development strategy so far adopted has emphasised the development of large industries neglecting cottage and rural industries completely and relegating small scale


40. S.N. Bhattacharya, Rural Industrialisation in India, B.R. Publishing Corporation, Delhi, p.224.
industries to a minor role. They wrote:

the solution to the chronic problem of unemployment and poverty in rural areas and the way to stop the tide of displaced rural artisans and workers from migrating to urban centres and adding to the formidable problem of urban unemployment, housing etc. lies in rapid development of rural industries.\(^{41}\)

Dr. Nagen C. Das studied the development of Handloom industry.\(^{42}\) In this work he discusses in detail the historical background, origin and development of Handloom industry, the role of Handloom industry in state economy, organisation of Handloom industry in co-operative and Non-co-operative sectors, production inputs and outputs, marketing, finance and modernisation of Handloom industry.

P.V. Shrikanta Ravo,\(^{43}\) gives an account of the prospects of Non-edible Oil and Soap industry. He describes the method of crushing Non-edible seeds, soap making, marketing and training programmes. He also discusses the economics of oil industry and its importance in providing employment to the rural people.


D.V. Ramana in his outstanding work 'Economics of Sericulture and Silk Industry in India' discusses the economics of sericulture as an agro-based industry. His study appropriately demonstrates the high employment and income generation potential to sericulture. He states that in this case the productivity per acre is quite higher even as compared to the most well irrigated crops. Moreover he demonstrates that sericulture is eminently suited for development in drought prone areas.

In a Research report M.A. Oommen has attempted an enquiry into the working of the small scale industries' development programme in the state of Kerala with a view to examine the extent to which the main objections of the programme have been realised.

Vasant Desai comprehensively documented his knowledge about rural development in 6 volumes. This study presents a kalidoscopic review of the varied policy measures, programmes and specific issues in rural development in a lucid manner. In chapter 6 of the VIth volume he makes a micro-level analysis of the need for rural industrialisation as an instrument of rural development.

He wrote:

Although Agriculture is the mainstay of rural economy, rural industry is a complementary industry. The pressure of population on land is already great and increasing.... Agriculture alone cannot absorb the entire surplus force and hence the need for rural industries.\footnote{46}

The book 'Rural Development in India - Poverty and Development'\footnote{47} presents an overall view of the approaches, policies, programmes and experiments of Rural development in India. In this book Dr. Reddy has cited the significance of rural industries in the development of national economy. Chapter 10 on 'Rural Industrialisation' discusses the national importance of rural industries, problems of village industries and development of rural industries during the planning era.

The book 'The Story of Hand-made Paper Industry'\footnote{48} compiled and edited by C.K. Narayanaswami gives a wide description of the historical and economic perspective of Hand-made paper Industry. He has noted that the Chinese are credited as the first makers and users of paper. He informs that the availability of suitable raw material will give a new facet to this industry in

\footnotesize{\begin{enumerate}
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India. The book also gives a wide description regarding the steps involved in paper making.

The article published by T.R. Subrahmanian on 'Cottage Match Industry in Kerala'⁴⁹ gives a comprehensive idea about the Match Industry of Kerala. This study is mainly focussed on the statistical aspects of the industry.

Vallathol Narayanan Kutty Menon⁵⁰ discussed the prospects of clay and pottery industry in the development of Kerala. He notices that this is one of the most potential sources of productive wealth and employment in Kerala.

The Gazettier of India compiled and edited by A. Sreedhara Menon⁵¹ presents a detailed report regarding limeshell industry of Kerala, with special reference to Kottayam. This report mainly discusses the importance of limeshell, the sources of lime shell and the varieties of limeshell in the state.

The most reliable sources giving economic conditions of

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village industries in Kerala are official reports and statistical records published by the state government. Annual reports of the State Planning Board will give a birds-eye view regarding the financial assistance given to khadi and village industries. Annual Reports of Kerala Khadi and Village Industries Board provide detailed description regarding the functioning of the Board, its role in the development of khadi and village industries of Kerala, the financial assistance given by the Board to various registered institutions and co-operative societies and the statistical information regarding the production, sales and employment in various industries.

It is revealed from the literary survey that many of the studies deal with general discussions on village industries and a comprehensive study dealing with problems and prospects of village industries in Kerala is yet to be conducted and hence the present study.