

**FIELD REPORTING ON THE WORKING OF VILLAGE
AND SMALL INDUSTRIES SCHEMES - 1970**

1. The Study

Right from the beginning of the planning era, numerous measures were being introduced for the development of village and small industries. These measures included the setting up of six all-India Boards, i.e. Handloom Board, Silk Board, Coir Board, Khadi and Village Industries Commission, Handicrafts Board and Small Industries Service Board, formation of a number of community industrial pilot projects, initiation of rural industries projects, organisation of training centres for training the artisans, extension of credit facilities at reasonable terms, setting up of industrial co-operative societies, Small Industries Service Institutes and industrial estates, etc. The total expenditure incurred in the public sector on village and small industries increased from Rs.31.2 crores in the First Plan to Rs.240.8 crores in the Third Plan. However, the study on the development staff at the district and lower levels undertaken by the PEO in 1968 observed wide disparities in organisational structures, overlapping functions in respect of issuing loans and grants and uncoordinated implementation of industrial programmes. It was against this background that the Programme Evaluation Organisation (PEO) took up in 1969 a study on the working of village and small industries schemes under its programme of periodical field reporting.

2. Objectives

The objectives of the study was to throw light on:

- i) The schemes operated by the offices/centres located in the selected districts;
- ii) The staffing pattern; and
- iii) The problems of co-ordination including the nature of duplication and overlapping in the working of the Schemes.

3. Sample Size/Criteria for Selection of Sample

38 districts spread over all the States (excluding Nagaland) and the then Union Territory of Himachal Pradesh were selected for the study. From the list of districts forming cluster with the district where

the Project Evaluation Office was located, the district having the maximum number of workers in household industries as per the 1961 census was selected. In the case of Project Evaluation Offices located at state headquarters, the frame of selection was, however, constituted by the list of districts in the cluster after the exclusion of State headquarters district. One block having the maximum number of schemes in operation was selected from each selected district. Within each selected block, from the areas where the village and small industries were concentrated and the schemes were in operation, three villages were purposively selected for spot-visit to gather artisans' opinion about the operation of the Schemes.

4. Reference Period

The field work of the study was conducted during the period September, 1969 to May, 1970. The data analysed in the report related mostly to 1968-69.

5. Main Findings

1. The village and small industries like handloom, spinning and weaving were most widely spread among the selected districts. Industries like Bamboo works, dying and printing, tobacco processing and metal products were rated next in the coverage of villages.

2. Wide variations were observed from district to district in the number of offices connected with village and small industries schemes. The State Government Offices looking after these Schemes were the largest in number. The offices of Khadi Commission/Board were next in number and were located in 31 out of 38 selected districts.

3. There were considerable differences between the States and within the State in the jurisdiction of the Staff employed. In some cases the jurisdiction confined to a district (as in Sambalpur district of Orissa), and in some other cases it was beyond a district (as in Anantnag district of J&K and Bijapur district of Mysore).

4. All the posts sanctioned for administering the Schemes were filled only in 5 of the selected districts i.e. Chittoor (Andhra Pradesh), Poona (Maharashtra), Ajmer (Rajasthan), Moradabad and Varanasi (Uttar Pradesh). The maximum percentage of vacant posts (i.e. 30 per cent) was reported from Darbhanga (Bihar) followed by 22% in Churu (Rajasthan) and 21 per cent in Bijapur (Mysore).

5. The inadequacy of technical staff was observed at the district level in case of Cachar (Assam), Poona, Bhandara (Maharashtra), Jalpaiguri (West Bengal) and Moradabad (Uttar Pradesh) and at the block and village levels in case of Kamrup (Assam), Rohtak (Haryana), Jabalpur (Madhya Pradesh) and Cuttak (Orissa). The shortage of qualified staff hampered promotional activities.

6. In majority of the districts, there was only limited participation of Panchayat Samities and Zila Parishads in industrial development. This problem was accentuated by the withdrawal of the Extension Officer (Industry) when the blocks crossed the Stage II period. The reduction in financial assistance further squeezed the involvement of Panchayats and Panchayat Samities. The enterprises started by panchayats themselves could not flourish for want of technical skill and financial assistance.

7. In the selected blocks of Moradabad (Uttar Pradesh), Bijapur (Mysore), Nadia (West Bengal) and Ajmer (Rajasthan), more than 50% of the total co-operatives were industrial co-operatives, whereas not even a single industrial co-operative was reported in the blocks of Rajkot (Gujarat) and Coimbatore (Tamil Nadu). The running of the co-operatives was constrained by the non-availability of raw-materials and requisite finance, lack of faith of the members in co-operation, lack of guidance and supervision, etc.

8. The village and small industries programme was organised well in Coimbatore, Salem (Tamil Nadu), Mysore (Mysore), Kamrup (Assam), Meerut (Uttar Pradesh), Rajkot (Gujarat) and Chittoor (Andhra Pradesh). However, the situation was not encouraging in Anantnag (Jammu & Kashmir), Jabalpur (Madhya Pradesh), Pali and Ajmer (Rajasthan).

9. In 15 out of 38 selected districts, the development budget was more than 75%. It was the highest (95%) in Bijapur (Mysore) and the lowest (12%) in Darbhanga (Bihar). Cent per cent utilisation of

development budget was reported in Cachar (Assam), Bijapur (Mysore) and Varanasi (Uttar Pradesh) only. The under utilization in other districts was caused by the non-availability of funds in time, non-filling of some vacancies, excessive formalities for claiming subsidy, lack of eligible borrowers among the traditional artisans, etc.

10. In majority of the selected districts, the average budget and expenditure per scheme was less than Rs.1 lakh; 17 districts had upto Rs.50 thousand and another 10 to 12 districts between Rs. 51 and 100 thousand. The minimum for any district was Rs.13 thousand. 29 out of 38 selected districts had an expenditure between 90 per cent to 100 per cent of the allotted budget. There was no district where the expenditure exceeded the budgeted provision.

11. The training facilities instituted by the Centre and the States during the first three plans were availed by almost all selected districts.

12. Lack of effective co-ordination between the Industries Department, Khadi and Village Industries Board and other concerned agencies was noticed in 26 of the 38 selected districts. This resulted in duplication and haphazard working of the Schemes of departments. Lack of co-ordination between the electricity department and the agencies administering the programmes was reported from 10 districts.

13. Diversion of staff to works other than developmental work in the village and small industries sector was reported in a few cases.

14. In five selected districts, there were not adequate arrangements for supplying improved tools and equipments to artisans and craftsmen. Lack of prompt financial assistance and non-availability of improved tools and equipments on priority basis forced the trainees not to pursue the particular mode of production in which they had been trained.

15. Follow-up action on the Survey (conducted in 31 out of 38 selected districts) was taken in 4 districts only. The survey had suggested the potentiality of a number of small industries; but no consolidated plan was prepared on the basis of its findings.

6. Major Suggestions

1. There is considerable scope for greater involvement of Panchayati Raj Institutions in the development of village and small industries. Their responsibilities in this regard should clearly be spelt out and their relation with other concerned agencies should carefully be laid down.

2. Steps to improve the working of the Industrial Co-operative Societies should urgently be taken.

3. The reasons for the unsatisfactory level of involvement of block agencies in the development of village and small industries should be explored.

4. The terms and conditions on which advances are made to the traditional artisans, who do not have anything to offer as security, may be liberalised.

5. District level Co-ordination Committees may be formed to harmonise the activities of the concerned departments and agencies.

6. The problems of diversion of the staff to elsewhere and the inadequate supply of equipments and finance to the artisans should be studied by the State Governments in detail and remedial measures be taken.

7. Means need to be devised for looking after the power needs of the village industries programme on a priority basis.