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Problems and Prospect of Small Scale and Cottage Industries in Panna District

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ABSTRACT

Industry plays an important role in the economic development of any region. This paper reflects the current scenario of the small scale and cottage industries in Panna district. For this purpose secondary data have been used which collected from various Governmental organizations and research publications. The collected data have been analyzed with the help of composite z-score methods for the analysis of level of industrial development in the study area. The study shows that Panna block is highest level of industrial development in the district and also pointed out the main problems of industries of the study site.

KEY WORDS: Economic development, Industrial problem, Industrial development, small scale and cottage industry.

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INTRODUCTION

Industrialization is the base for the development of any area, industrial development affects the growth of any nation, the gross domestic product, and per capita income is influenced exclusively. Industrial development is vital for speeding up the pace of economic development, reducing the pressure of population growth on agriculture, reducing poverty and unemployment, and reducing economic disintegration and achieving self-reliance.

Cottage industries are also called household industries, which are organized with the help of individuals with personal resources and family members. Through this, they are help to pursued full time or part-time employment. These industries are mostly use locally available resources like raw materials and indigenious skills and produced items are sold in local markets¹. Hasija, 1998 studied the impact of economic reforms on sickness in small scale industries. He emphasized on the role of small scale industries to increase employment opportunities for the labour force and attain balanced regional development². Sharma, 2004 studied the level of industrial development on the basis of industrial units, investment and employment in Madhya Pradesh. He analyzed the problems related to industrial growth, employment and availability of raw materials in Madhya Pradesh³. Mangal and Khan, 2006 studied the problems of industries in Jhunjhunu district and he also explained the industrial development and described the type and pattern of industries⁴. Reddy, 2008 studied the different problems and prospects of small scale industry in India⁵. Tiwari and Sharma, 2011 attempted to examine the level of agro-based industrial development of eastern Uttar Pradesh. They calculated level of industrial development in district of eastern Uttar Pradesh on the basis of units, investment and employment⁶.

DATABASE AND METHODOLOGY

This study is based on secondary data. Secondary data is collected from District Industrial profile Panna, District Statistical Handbook, District Census Handbook. The collected data have been analyzed with the help of composite z-score methods for the analysis of industrial development in the study area. In this study, 3 variables of number of industries, number of employment, and capital investment have been taken and composite values were calculated with the help of mean and standard deviation method to show the block wise industrial development of Panna district.

STUDY AREA

Panna district is located in the northeast of Madhya Pradesh, in which 23.45 'to 25.10' northern latitudes and longitudinal expansion is 79.445 to 80.40. Its total geographical area is 7029

km² and its extension is in Banda district of Uttar Pradesh, Katni district in the south, Satna in the east, Chhatrapur and Damoh district in the west.

The district is divided into eight tahsils, Panna, Pawai, Gunnor, Ajaygarh, Shahnagar, Rapura, Devendranagar and Amanganj. It is under the Rewa-Panna Plateau, the main river of this district is Kain and many of its tributaries flow which irrigate this area. Pandav Falls and Saga Falls are also located in this district. Panna tiger reserve is a major tourist attraction in the district. Topography in Panna District divided into three different bases in the form of a series of hills and plateaus - the Upper Talgaon Plateau, the Central Hinouta Plateau and Ken Valley. According to Indian Census 2011, the total population of the district is 1,016,520, in which 891,185 are rural population and 125,335 urban populations, and literacy rate is 64.8%. Most of the population of the district is engaged in agricultural work and has been very backward due to lack of industrial development.

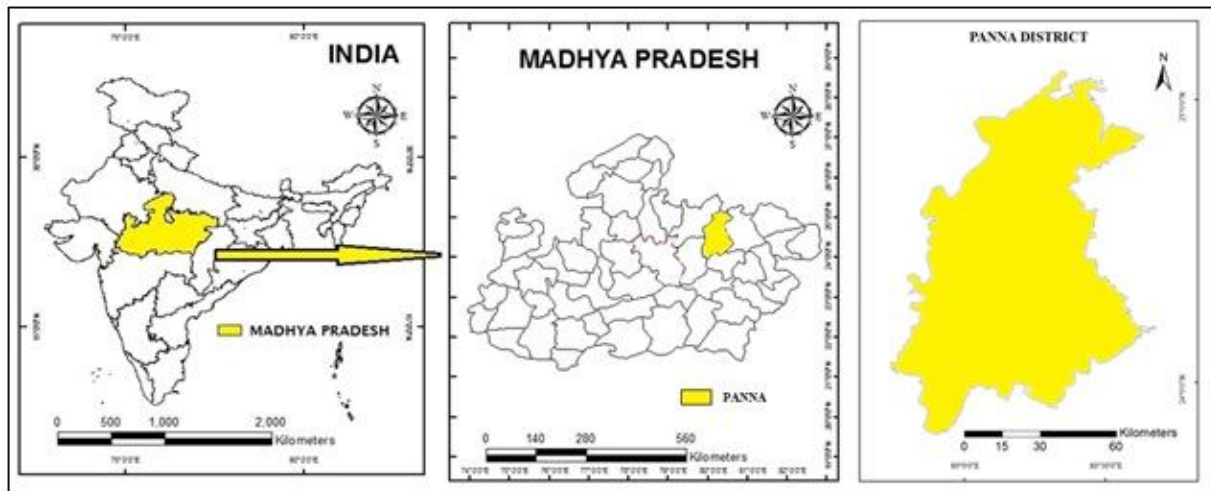


Figure: 1 Location Map of the Study Area

OBJECTIVES

1. To study the industrial development of the Panna district.
2. To study the problems and prospects of industrial development of the Panna district

RESULT AND DISCUSSION

Brief Industrial Profile of Panna District

The district has various types of industries established like mineral based, repair and servicing, chemical based, lather based, wood and wood based ready-made garment industries. Indicators such as number of industrial units, number of employment and capital investment have been included to show the industrial development of the district.

Table: 1 Types of industries, investment and employment of Panna district

| No. of Category | No. of Industries | Investment(In Lac Rs) | Employment |
|-------------------------|-------------------|-----------------------|------------|
| Mineral Based | 08 | 240.00 | 94 |
| Repairing and Servicing | 218 | 22.12 | 610 |
| Chemical Based | 02 | 130.00 | 21 |
| Lather Based | 67 | 23.5 | 117 |
| Wooden/Wooden based | 60 | 22.88 | 250 |
| Ready-made garment | 30 | 3.87 | 68 |
| Others | 2338 | 1013.68 | 5441 |

Source: District Industrial profile, District Panna, 2016

Table: 2 Year Wise Registered Small Scale Industries, Employment and Capital Investment in Panna District.

| Year | Number of Registered Units | Employment per (in person) | Investment (Lakhs) |
|---------|----------------------------|----------------------------|--------------------|
| 1984-85 | 193 | 408 | 18.62 |
| 1989-90 | 131 | 261 | 5.84 |
| 1994-95 | 193 | 408 | 18.62 |
| 2003-04 | 174 | 244 | 10.68 |
| 2011-12 | 178 | 547 | 587.32 |
| 2014-15 | 200 | 587 | 365.85 |

Source: District Industrial profile, District Panna, 2016

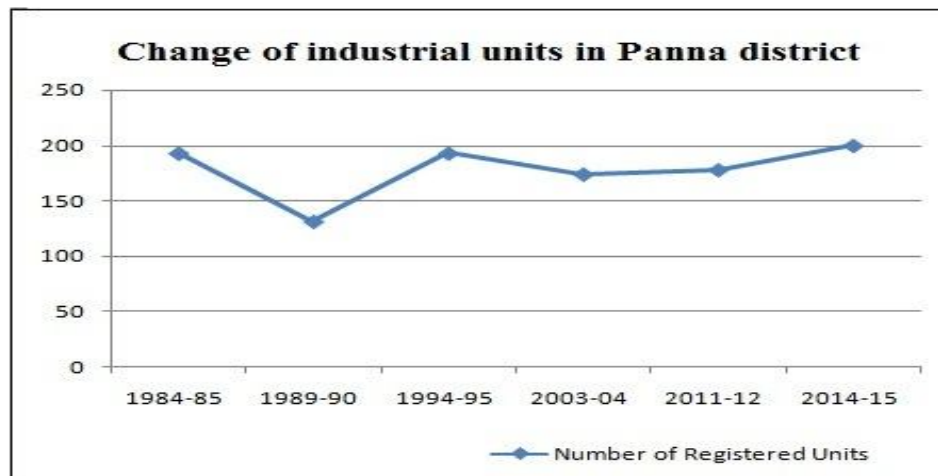


Figure: 2 Change of industrial units of Panna district

Table 2 shows that the number of registered industrial units in 1984-85 was 193 and their number increased to 200 in the year 2014-15. In the same way, the number of workers engaged in industries in the year 1984-85 was 403 and in the year 2014-15 their number increased to 587. The main reason behind this was the lack of transport, machinery, awareness, education and technology in 1984, due to which the industrial development was very poor condition, but in 2014-15 there is some improvement in road transport, machinery, education and technology. Because of this, the number of industrial units and employment workers has also increased.

LEVEL OF DEVELOPMENT

Table: 3 Block wise industrial units, employment and investment Panna District: 2016-2017

| Block | No. of Industries | Values | Employment (in person) | Values | Capital Investment(in Lac Rs) | Values | Composite score | rank |
|--------------|-------------------|--------|-------------------------|--------|-------------------------------|---------|-----------------|------|
| Ajaygarh | 105 | -0.89 | 285 | -0.59 | 356.88 | 1.43 | -0.06 | 4 |
| Panna | 269 | 1.25 | 434 | 0.81 | 261.00 | 0.39 | 2.45 | 1 |
| Gunnor | 209 | 0.47 | 459 | 1.05 | 207.25 | -0.20 | 1.32 | 2 |
| Pawai | 198 | 0.32 | 358 | 0.10 | 194.75 | -0.33 | 0.09 | 3 |
| Shahnagar | 85 | -1.15 | 203 | -1.37 | 106.30 | -1.29 | -3.81 | 5 |
| Total | 866 | 100 | 1739 | 100 | 1126.18 | 112.618 | | |

Source: District Statistics Handbook, Panna

High level of development

Panna block belongs to this category with CDI values of above 2.00. This block is highest industrial development in the district because there are many industries units established and number of employment also high. The basic reason behind the industrial development of this block is the district headquarters and main commercial centre of the district.

Moderate level of development

Gunnor and Pawai block belongs to moderate development with CDI values of 0.01-1.99. In these blocks of the district, industrial development has been moderate than Panna, because there is lack of industrial units and the capital investment is also low. The number of workers in these blocks is also less than Panna.

Low level of development

The low level developed blocks are Ajaygarh and Shahnagar which have their CDI values below 0.01. In these blocks of the district, industrial development has been low, because these blocks industrial units is very low and capital investment is also very low. The number of workers in these blocks is also very low because mostly workers have migrates other state.

Table: 4 Level of development

| Range of score | Name of block | Development level |
|----------------|---------------------|-------------------|
| Above 2.00 | Panna | High |
| 0.01-1.99 | Gunnor, Pawai | Moderate |
| Below 0.01 | Ajaygarh, Shahnagar | Low |

Source: Computed by the authors

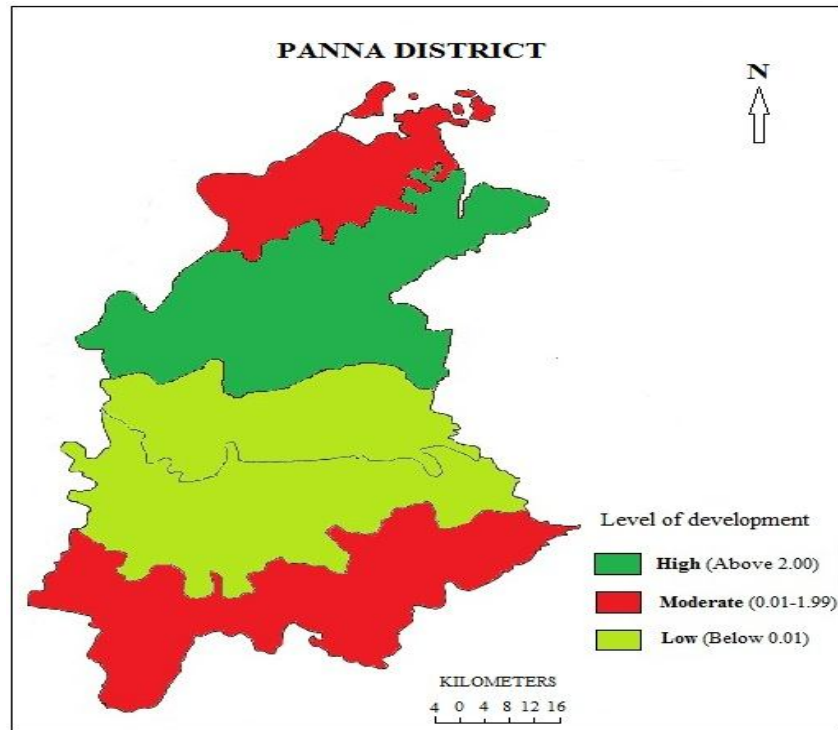


Figure: 3 Block wise map of Panna district

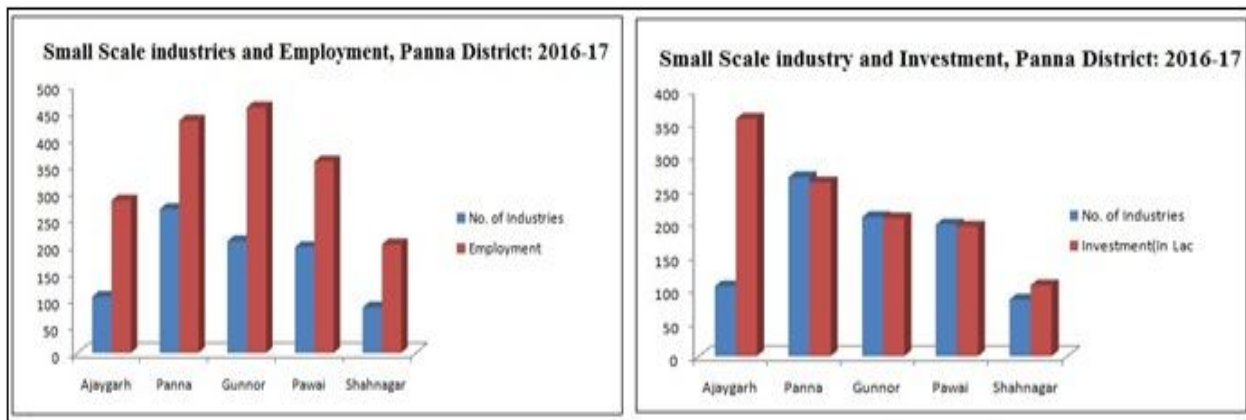


Figure: 4 Small scale industries, employment and capital investment of Panna district

PROBLEMS OF INDUSTRIES

For the last decade, the small scale and cottage industries in the district of Panna are going through some serious problems. The primary problems are as follows:

Raw materials:

Proper and timely supply of raw materials is a primarily needed thing to run a industry, specially small scale and cottage industries. But in the study site, i.e. Panna district has a major problem regarding the timely supply of raw materials in proper amount. Because of this problem,

production of these small scale industries is being vastly affected. The current survey results show that some industries are being shut down because of the lack of supply of raw materials. The socio economic scenarios of rural areas of Panna are also being affected because of this problem.

Our survey result also pointed out the reason behind the depletion of raw materials in rural areas. The main reason is the over-exploitation of natural resources. Deforestation and rapid depletion of mineral resources result into the disruption of the proper supply of raw materials in the cottage and small scale industries.

Financial problems:

To successfully run an industry, one needs another primary thing, i.e. monetary capital. The per capita income of Panna district is much lower than the average. Thus, the local industry owners are facing monetary problems, and that's why the overall productivity of the society is being severely hampered. Also the owners could not get loans in time from the bank because there are no such beneficial governmental policy for the cottage and small scale industries.

Problems of Transport:

Transport plays an important role in industrial development in any area. There is a shortage of least coast transport means in Panna district, which is badly affecting the industrial development in the district. Transport is essential to bring raw materials for the industries and reached the industrial production on the market. This district has not blessed the rail network service which is very popular least coast transport medium in India. After result of that, the cost of bringing raw material and reaching the finished product to market is very high.

Lack of availability of skilled labors:

Every industry needs a proper number of skilled labors, i.e. human capital to maintain a good production rate. In the study site, the industries do not have proper number of skilled labors. The main reason behind this is the lack of education, awareness and proper training. Frequent training programs and courses in rural areas should be conducted by the government agencies to fulfill this requirement and to regain the potential of the cottage and small scale industries in the study site. Also the basic wages of the working labors is not enough to sustain their livelihood. So the remaining workers are migrating to the other states for better scopes. To stop this labor drain, we need to reconsider the basic pay structure of the workers.

Lack of exposure of the products in national market:

In the study site, the main cottage industries are, Bidi (Country cigarette), Bamboo products (furniture and handicrafts), Agarbatti (incense sticks), Kullu gums, Khairs, etc. All these industries require natural products as raw material. These traditional natural products compete with the synthetic materials which are much cheaper in the national market. In the era of so-called modernization, these natural products from the study site Panna could not compete with the synthetic products, especially furniture. So, these products, despite having a great traditional value, losing its exposure to the national and international markets. Proper policies should be taken at the earliest to gain back the market potential of the cottage industry products.

PROSPECTS OF INDUSTRIES

Table: 5 Prospects of industries in Panna district.

| Natural Resource | Industry |
|--|--|
| Forest products | |
| Tendu leaf | Bidi |
| Amla | Herbal products , pickle, sweet(marmalade) |
| Kullu gums | Gum |
| Khairs | Dye |
| Teak | Timber |
| Bamboo | Furniture |
| Mineral products | |
| Diamond | Diamond cutting and polishing |
| Stone | Stone crashing, cutting |
| Limestone | Cement |
| Fire clay | Utensil |
| Agriculture and allied products | |
| Paddy | Rice mill |
| Wheat | Flour mill |
| Gram, Tur | pulses mill |
| Mustered | Oil mill |
| Milk | Dairy |

Source: District Industrial profile, District Panna

1. Mineral based industries:

The district has a major mineral diamond, and lime stone, stone, fire clay etc. are also available. Hence the industries based on these minerals are likely to be diamond cutting and polishing, brick making, stone cutting etc. industries.

2. Agriculture based industries:

In the district, paddy, wheat, gram, tur, peanut, and spices are grown in the district mainly coriander, chili, mustard, etc. Therefore, industries related to pulses mill, rice mill, edible oil and spices can be set up in related industries.

3. Forest Based industries:

In the district, mainly teak (*Tentona grandis*), Bamboo (*Dendrocalamus strictus*), Kullu (*Sterculia urens*), Khair (*Acacia leucophloea*), tendu leaf (*Diospyros melanoxylon*), Amla (*Phyllanthus emblica*), etc. trees and herbs are found. Therefore, there are the possibilities of industries such as wood furniture, Agarbatti (Incense sticks) making, bamboo utensils, Bidi making, pickles, marmalade etc.

4. Animal husbandry based Industries:

Cows, buffaloes and goats are found abundantly in the district, on which basis the dairy industry can be established.

CONCLUSION

From the above analysis, it is evident that industrial development in the study area is of very low level, even at the block level, industrial disparities are found. The reason for the problems is the problem of raw material, problem of agricultural production, problems of marketing, problem of transport etc. The Panna block of the district has the highest industry and employment, while the lowest number of industries and employment are in the Shahnagar block. The district has adequate possibilities for development of industries based on agriculture-based, forest-based, animal-based, and regional resources. Diversification and commercialization of agriculture should be given priority for the development of agriculture based industries and small scale and cottage industries should be established in the village from which employment can be generated.

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