

Importance of Self-Employment and Microfinance in Rural Development- A Case Study on Jari Embroidery Industry of Hooghly in India

¹Utpal khara, ²Biplab Das

¹Research scholar (Ph.D) University of Calcutta

²Research Scholar (PhD)

Indian Institute of Engineering, Science and Technology, Kolkata

Abstract

Rural development is a holistic approach of development. There are so many item to analyze the rural development issue. Here two items (self-employment and micro-finance) have chosen to elaborately discuss about it. Self-employment and micro-finance closely related with each other in the rural development aspect. It's a case study on Jari embroidery industry which is non- agricultural base. Methodology of the study followed simple random sample techniques for survey within jari workers family and units. Major findings are mainly rural women are involved in this work in family and joint sectors but in unit sectors young male are engaged. Working female also connected with SHGs to enhance their livelihood.

Key words: Self-employment, Micro-finance, Jari embroidery, SHGs

Date of Submission: 26, November, 2012



Date of Publication: 11, January 2013

I. Introduction:

Self-employment refers persons who operated their own farm or non- farmer enterprises or were engaged in independently in a profession or trade on own-account or with one or a few partners were treated as self-employed in household enterprises. The essential feature of the self-employed is that they have autonomy (decide how, where, and when to produce) and economics independence (in respect of choice of market, scale of operation and finance) for carrying out their operation. The remuneration of the self-employed consists of a non-separable combination of two parts: a reward for their labour and profit of their enterprises. The combined remuneration is wholly determined by the revenue from scale after netting out value of purchased inputs in production.

In 1997, a convention had organized on microfinance in Washington D.C. A definition had provided by the participants on microfinance- A self help program for poor people through providing loan, from this programmed the poor people can lead their life in the society. Besides this program there are several alternative schemes for self dependence of the poor people in his life like opportunity for deposition, traning, mutual co-operation etc.

Self Help Group is an important platform for the development of self-employment. Self Help Group(s) is/are regulated by several banks and NGOs in rural area which are directly linked with Microfinance. The SHG is organized by 10-15 women. Among those one is group leader. The some amount of earning money is deposited in the respective SHG's adjoining bank by the women earned through different activities. In this regard this type of deposition is savings type but more appropriate we called one type of thrifting,

The thrifting is called in the sense because in this case women does not deposit the surplus earning but the generally deposits the minimum amount from their earning. In some cases when a woman does fails to deposits the money, the responsibility of deposition is carried by another member of respective group. A SHG after exchanging the money for more than six months got opportunity to take loan from adjoining bank. The general rule follows in this scheme is that the money that are debt by a women is also taken by all member of the group, such moral responsibility are termed as 'Social Control'.

II. Study area and Its Historical Background:

At present Jari embroidery is an important handicraft group of industry. Firstly this type of industry has developed some important pockets of India like Jaipur, Barmer, Varanasi, Agra, Surat etc and gradually Kolkata and surrounding suburban area also emerged. Hence Kolkata has also introduced important Jari export pocket in India. From West Bengal some group of young people have been going Jaipur, Barmer, and Varanasi etc. for learning of Jarri work as well as job requirement. After two to three years they came back to home and they also established Jari embroidery at their own area. Kolkata has been performing as big market.

The study area (gourangachak village) is located at eastern side of Khanakull-II block of Hooghly district. Latitudinal and longitudinal extends from 22°41'22"N and 87°54'32"E respectively. The village is surrounded by Howrah District in eastern side, balaichak village in southern side, Malancha and Solasta are western side and par-24 pur in northern side.

Jari embroidery work has been getting popular from two-three decades in this village. Firstly jari embroidery established on 1993 in this village, and slowly it has developed up to 1998. From 2004-2008 large numbers of household and other industrial units emerged. Presently its emerging growth rate steadily going on. Jari embroidery works emerged and helped in household wise cottage and non agricultural base industrialization.

III. Definition of important terms and concept:

Self-employment: Sole-proprietor or partner in a partnership to whom the legal requirements under a contract of employment do not apply. He or she, however, may employ others under such contract. Self-employed individuals obtain their own work or sales and pay their own expenses.

Micro-finance: micro-finance is the loan of self help programme will provide poor people to earn money and survive in the society, apart from giving loan some other facilities can be provided like-storage facility, training, mutual co operation etc.

Jari embroidery: Needlework used to enrich textile fabrics also, the art of embroidering.

Objectives:

#To assess role of jari embroidery industry for self-employment development.

To enumerate importance of the industry for micro-finance profile improvement.

To find out effectiveness of the Industry for rural development.

Methodology:

Methodology that governed three different stages which are as follows:

- A. **Pre-field method:** Before embarking field survey of the village on Jari industry it was done a pilot survey for taking situation of the work. Then it was prepared a questionnaire schedule to process in pursuing survey of the village.
- B. **Field method:** During field work the researcher visited to Panchayat (Chingra), Khanakul-II block and B.L.R.O office for collecting necessary research related data and information like map, chart, etc. And also was conducted household and unit wise survey within jari working families and its related industrial units. Simple random sample technique was followed during survey.
- C. **Post-field method:** In this stage researcher processes and tabulate the collected data to draw suitable map and diagrams by cartographic and statistical techniques, at last was prepared a report on the research work.

Hypothesis:

It is need to consider some hypothetical aspects for properly progress of the research work. Here four alternative hypotheses have taken which are as follows -

- ❖ There is significant role of jari embroidery industry for self-employment development.
- ❖ There is significant contribution of the jari industry for micro-finance profile improvement.
- ❖ There is effective role of the jari Industry for rural development.

Analysis:

A. Role of jari embroidery industry for self-employment development.

Jari embroidery is emerging household industry in this area. About 23 percentage of village people mainly women engaged with this work. Jari embroidery categorized into three sectors on the basis of ownership of hadda/adda (wooden or metal structure where embroidery work have done) which are: a) family sector b) joint sector c) unit sector.

Family sectors means household wise embroidery work have done all workers are belonging in a same family, joint sector means two or more men and women have done this work in a single hadda, and unit sectors are those where some youths have worked in a or more hadda with undertaking a company.

Female workers are dominant in family and joint sectors (82%), but in unit sectors only 18% female workers, where 68% is male workers. Maximum village women are housewife, but now they are involved with the embroidery work, it refers they are able some earn besides their housework, so it stated that jari workers are self-employed. This also noticeable fact that in families female child labour is larger than unitary sector, Age-sex structure denotes that 15-30 ages female workers concentration is high(30%) and 30-45 age group of female workers also quite larger. 15-30 age groups of male people (20%) have engaged with this work. This is refers to us that that group of people dependent on this self-employed work, who have not other source of income.

Age-sex structure of workers: (Table No. 01)

Age group	Percentage of male	Percentage of female
Below 15	8.04	14.94
15-30	21.84	13.79
31-45	2.87	31.61
46-60	2.87	4.02
Above 60	00	00

Maximum workers (56%) have worked 4-8 hours daily and very few people have worked about 12 hours, when the working pressure was high. In unit sectors workers was paid salary according to their working hours. Hence it included that owner of the unit sector are self-employed because he establish and organized the sector, but labour of the sector were not self-employed, they are wage employed. This also reported fact that there are only 15% trained workers (Balaichak Samabay Unnayan Samity training Centre) and rest 85% were untrained workers.

B. Importance of the industry for micro-finance profile improvement.

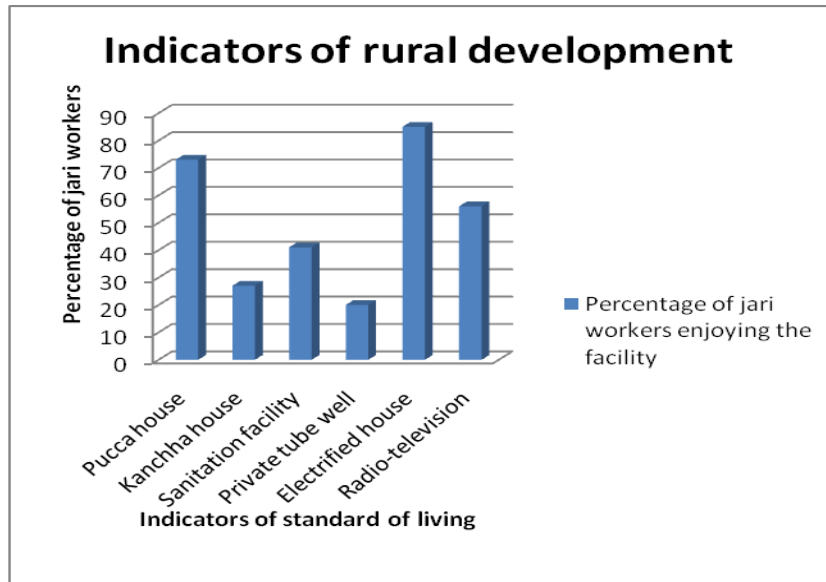
In 1997 the world microfinance summit was held on Washington D.C. According to the summit definition of micro-finance is the loan of self help programme will provide poor people to earn money and survive in the society, apart from giving loan some other facilities can be provided like-storage facility, training, mutual co operation etc. We already experienced from I.R.D.P (which launched in 1980) that only providing loans was not sufficient to eradicate poverty.

Some initiatives were taken by NABARD (national Bank for Agricultural and Rural Development) in West Bengal : 1. Farmers club. 2. Development Programme for Women. 3. District Rural Industries Project 4. Area Development Plan. Last three initiatives were related with micro -finance.

It is worth mentioning that in Gourangachak village 60-67 percentages of jari workers mainly women are connected with Self Help Groups (SHGs). Among the family received some financial facility for their Self Help Group like low interest bank loan etc. but the receiving number of loan are remarkably low because they are not habituated with banking work and try to avoid debt for future. Renounced economist Md. Younus (Nobel laureate in peace, 2007) view over the earning of woman is - ‘ At first (any earning woman) try to make happy to her children, then to her husband, then relatives and in the bottom of the list her won nne take place in her mind. Besides that, they have tendency to think about the upcoming days which is inherent characteristics of woman- they want to earn to be secure in the future.’

C. Effectiveness of the Industry for Rural Development:

Rural development issue depends on holistic approach. Economic, social, political, etc. related with the approach. Here on the basis of economic and social aspects described on rural development. Economic as well as social development is a reciprocal relation. Livelihood enhancement dependents on economic progressions, which are also, connect with social development. Livelihood enhancement means to increase the standard of living. There have some indicators of standard of living (‘social well being’), the researcher has chosen some of them to justify the development level among the jari working families like- number of pucca and kanchha house, sanitation condition, private tube well, electrified house, radio -television.



There noticeable fact that rate of schooling is also gradually increasing among the families, because they are now maintaining the educational expenditure for their children. Over all Jari embroidery working families have been developing both in economically and socially.

Major Findings:

1. Lacks of proper infrastructural facilities are found like sufficient working place within their house, low voltage and insufficient supply of electricity etc.
2. Maximum families suffer for delay supply of raw material, so they can't finish the work within time simultaneously production rate decreases.
3. Due to illiteracy and lacks of proper training quality of production also hamper, as result they can't received appropriate value of their work.
4. Although maximum families involved with SHGs but they feel fear to receive loan from the respective bank or financial society because they think it will risk for them.
5. Respective bank or financial society also don't take suitable initiatives for encourage the rural villagers.
6. Sanitation and deep tube well facilities also suffer of the villagers.
7. Although schooling rate has increased, found girl child (below 15 years) workers in few families.

Suggestion:

- I. Lack of insufficient space it can be organized in joint venture in which families space are available and to stress on proper supply of electricity in evening because it is leisure time for housewives.
- II. Ensure supply of raw material in suitable time it can be done to engage some young people for the work which relax from single ostagar (who supply raw material, collect, and buy finishing goods in market).
- III. Arrange proper short term related training to enhance the quality of production and quick supply.
- IV. Need to organize intermittent campaign to conscious about SHGs and financial facility, also need friendly behavior with the new comer in the bank or financial society.

Conclusion: Economy is the most important aspect of the rural development and self employment and micro-finance systems are efficient indicators of economic development. At the end of the research article it is proved that to increase economics capacity of rural area need to involve employment system (self, wage and causal) of grass root level people and there is no scope to avoid rural female also. For the development of quality of life of rural people more need stress on eradication of illiteracy, improvement of sanitation condition, and enhancement of other basic needs. Through the Jari embroidery industrial work economic disparity can reduce in rural area.

Bibliography and References:

- [1]. #Yojana (January), '*A Developmental Monthly Magazine*' Esplanade East, Kolkata-69, page-14-21.
- [2]. #Mukherjee,D.(2008), '*Contemporary Indian Economy*' New Central Book Agency (p) Ltd. Kolkata-09.
- [3]. #Vijayarani.J.T, socio-economic conditions of self-employed workers, Publishing house.
- [4]. #Soundarapandian.M, Management Models for Self-Employment, Mohit Publication.
- [5]. #Muehlberger.U, Dependent self-employment: workers on the border between Employment and Self-Employment, Palgrave Macmillan.
- [6]. Singh. B, self-employment through entrepreneurship development, Md Publication Pvt.Ltd.
- [7]. #Economic Survey, (2011-2012), Government of India, Minister of Finance, Department of Economics Affairs, Economic Division, Oxford University Press, New Delhi, pp.307-315.
- [8]. #Economic Review, (2010-11), Government of West Bengal, Kolkata.
- [9]. #Rajsekhar, B. (2009) 'Transparency and Accountability Initiatives – The Social Audit Experience in Andhra Pradesh', workshop on National Rural Employment Guarantee in India – Lessons from Implementation, Institute for Human Development and Institute of Social Studies Trust, Bangalore.
- [10]. #Reddy, D. N. Tankha, R. Upendranadh, C. and Sharma, A.N. (2010) 'National Rural Employment Guarantee as Social Protection', IDS Bulletin, Vol. 41, No.4, pp. 63-76.