

Prospects of Women Entrepreneurship in the Jute Industry of Assam: An Analysis

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Abstract

Jute is an important fibre crop in Assam in terms its economic and social relevance. Assam is the third largest jute producing state in India after West-Bengal and Bihar. Large amount of jute cultivation takes place in the rural and riverine areas of Assam since British colonisation. Based on the availability of raw material and entrepreneurial supports initiated by the National Jute Board (NJB), women entrepreneurship in the jute industry have grown-up in the last two decades. Rural women primarily produce various decorative handicraft and handloom products which are getting wider acceptance in the regional and national markets. Growing environmental awareness and effort to replace polypropylene among environment conscious consumer has created opportunities for the entrepreneurs of the jute industry because of the inherent ecological attributes of this natural fibre. This paper is an attempt to analyse the contemporary scenario of women entrepreneurship in the jute industry of Assam. Production process, marketing practices as well as the constraints are also taken into consideration in the study. The paper is based on both primary data and secondary data. Primary data was collected from 120 women engaged in the process of jute crafts selected through snowball sampling procedure. It is found that, scarcity of time due to family and social responsibilities act as a major hindrance in the process of jute entrepreneurship. However, marketing practices are less troublesome than the production process. The study suggest for ensuring uninterrupted supply of fibre and other inputs to undertake production as a full economic activity among the women entrepreneur.

Key words: Jute, Entrepreneurship, Production, Constraints, Marketing, Diversified Jute Products (DJP)

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Introduction

Entrepreneurship plays a pivotal role in the socio-economic development of a nation by harnessing available human and natural resources. A prosperous economy ensures optimum utilisation of human as well as natural resources. Holistic socio-economic development requires identical contribution of the entire stakeholders in the economic activities including the women of the society. A woman entrepreneur is an adult who owns and runs an enterprise, especially a

commercial one, often at personal financial risk. The International Labour Organisation (ILO) define the women's enterprise as an unit where one or more women entrepreneurs have not less than 50 per cent financial holdings. Development of women entrepreneurship, especially among rural women is vital for national growth of a country like India. Entrepreneurship development is an important measure for women's economic empowerment and a pillar on the road to sustainable development. By undertaking economic activities women can attain economic

independence, overcome poverty and improve socio-economic condition of the family as well as society.

The end products of jute are primarily categorised into two categories: traditional and diversified. The traditional products are popular in global trade as a packaging material. The non-traditional jute products having utilitarian and decorative values are termed as Diversified Jute Products (DJP). The DJPs include non-traditional goods produced by transforming jute into numerous value-added products through innovations and application of artistic skills (Rahman, 2008). It includes floor covering, home-textile including table-cloth, cushion covers etc., which are made exclusively from jute or by blending jute with other fibres. Jute handicraft items are the decorative products produced from jute fibre, yarn and fabric. These products vary from cushion-covers to lampshades, from hats to footwear and from handbags to fashion accessories. Some other attractive handicraft items are the candle holders, handbags, jewellery boxes etc. (International Jute Study Group, 2015).

Literature Review

In analysing the importance of women entrepreneurship Vanithamani & Menon (2012) stated that women entrepreneurs have been considered as the new engines for the growth of economy. Rising women entrepreneurship in developing countries usually brings prosperity and inclusive welfare. In Indian perspective women entrepreneurs faced many social as well as economic challenges in their entrepreneurial endeavor. In analysing the constraints of women entrepreneurs in India, Sharma (2013) stated that women entrepreneurs faced the problems of low level of formal education, social barriers, legal formalities, high cost of production, limited managerial ability etc. In the perspective of Assam

Sengupta (2011) stated that finance, resource availability and inadequate marketing practices are some of the major constraints faced by women entrepreneurs in Assam.

The developed markets including the European Union (EU), Australia, Japan, and the United States (US) are more sensitive to the environment-friendly products with an emphasis on biodegradability, recyclability and carbon emissions. Several EU countries, including France, Belgium, Italy and the United Kingdom (U.K.) are either banning or limiting the usage of plastic bags. In such contexts, the Diversified Jute products (DJPs) are becoming the limelight of the era for its ecological attributes. The natural fibres are projected as strong competitors of synthetic fibres, after considering the global environmental consciousness. The demand for eco-friendly bags is also increasing in Western Europe, Australia, Middle-East, Asia and African countries. In such a scenario, jute may emerge as a viable alternative of the polypropylene. The DJPs are the assortments of non-traditional goods produced by transforming raw Jute to several value-added products through innovations and use of artistic skills (Rahman, 2008). The diversified products are relatively lesser-known but significant in supporting the jute industry. Presently, the development process for the DJPs has spread throughout India and about 2.5 lakh artisans particularly womenfolk are engaged in it. As per the Physical Survey of the Producer and Exporter of DJPs (2013), most of the units engage in producing the DJPs are in the informal sector. It can be noted that 63 per cent of the handloom units are either in proprietorship or partnership firms (Annual Report, Ministry Labour and Employment, Government of India, 2016). However, the sector has the potential to emerge as a major industry, particularly in rural areas for reducing unemployment and thereby rural poverty. Meena, Roy, Gotyal, Mitra, and Satpathy, (2008) have emphasised the productivity and the export

earnings of the jute sector in the Indian economy. The researchers have also stated about the diverse utilities of the jute fibre by highlighting the growing trend of diversification in terms of bags, decorative items, textiles and geo-textiles etc. Sinha et al., (2009) have stated that after considering the global market, diversification and value addition of jute are the viable steps. Thus, the sector has the potential to emerge as a major industry, particularly in rural areas for reducing unemployment and thereby rural poverty. Vries and Weijers (2007) have stated that Jute diversification creates additional employment opportunities, improves the economic conditions of the farmers and workers, and alleviate rural poverty

Objectives

The objectives of the present work are

- (i) To analyses the contemporary scenario of women entrepreneurship in the jute industry of Assam
- (ii) To analyse the constraints faced by women entrepreneurs in the jute industry of Assam.

Methodology

The study is based on primary and secondary data. Both qualitative and quantitative approaches were adopted in the study. Adoption of qualitative approaches enhances the understanding of the phenomenon of the researchers. Secondary data was collected from ministry of textile, national Jute board. Primary data was collected through filed survey of the researchers. Snowball sampling procedure was applied in the selection of the entrepreneurs engaged in the production and marketing of jute diversified products in Assam. As all the respondents belong to the same social group so snowball sampling is justified. Information was collected in face to face discussion by the first

author of the paper. Geographically the study was carried out in the Golaghat district of Assam, which is one of the pioneering districts in regard to promotion of jute craft in Assam. One interview last for 15 to 30 minutes and interview with the key respondents last up to 90 minutes. The response was collected with the help of structured schedule containing both open ended and close ended questions. Besides, the official of the National Jute Board and expert craftsmen were also interviewed to have a holistic understanding of the scenario. The study covers 120 women engaged in production and marketing of jute diversified products. As the study is exclusively dealing with women entrepreneurship in the jute industry and therefore the findings and suggestions cannot be applicable for women entrepreneurs of other industries. Focus group discussion was conducted among two groups of women to have an inclusive understanding of the constraints faced by them. Utmost efforts were taken to reduce the acquaintances bias and social desirability bias during the data collection by explaining the academic objective and scope of work. As the primary data was collected by the first author of the paper therefore non response was reduced to a large extent. The interview was conducted in Assamese language and thereafter transcribed into English. To analyse the association between production pattern and different socio economic variables chi-square test was used. Constraints were analysed with the help of mean analysis.

Study Region

Assam, the gateway to North East India, is the largest state in the North–East with a geographical area of 78438 sq. km. The state has 33 districts, 67 Sub-Divisions, 219 blocks. As per the Census of India 2011, the population of Assam is 3.11 crores with a density of 397 populations per sq. Km. The rural population of the state is 85.92%. Sex ratio is 954 female over per 1000 male population. Total

cropped area as per 2008-09 record 41.05 lakh hectares, out of which net area sown is 28.10 lakh hectares. Major crop is Paddy and major fibre crop is Jute. Golaghat district is one of the administrative district of Assam. Golaghat district is surrounded by the river Brahmaputra to the

north, the state of Nagaland to the south, Jorhat district to the east and Karbi Anglong and Nagaon district to the west. The climate is tropical with a hot and humid weather prevailing most of the summer and monsoon months.

Diagram1.1: Map of the study area



Analysis

The export volume of diversified Jute products from India for the period 2005 to 2019 is presented below:

Export growth of diversified jute products from 2005-19 (in Rs. million)

Source: <https://www.google.com/search>

Golagaht Disrtct (Study area)

Table 1.1: Export Trends of Diversified Jute Products from 2005 to 2019

Year	Export value (in Rs. Million)
2005-06	3125.92
2006-07	2564.84
2007-08	2985.52
2008-09	2945.36
2009-10	2308.28
2010-11	2697.48
2011-12	3199.01
2012-13	3635.93
2013-14	4838.76
2014-15	5085.70
2015-16	5624.01
2016-17	5902.15
2017-18	6314.94
2018-19	8155.10

Source: The researcher's compilation based on data obtained from the National Jute Board

Analysis of the above table reveals the increasing demand of the DJPs in the international market. The growing export trend may be attributed to the increasing consumer preferences for eco-friendly products (Das, Ammayappan, Nayak and Sen, 2015, Banik & Shil, 2015). To avail the opportunities of the growing demand for natural fibre products, an analysis of the issues of the contemporary scenario of jute diversification in the region is very important. However, adequate secondary data could not be gathered as the DJPs are in their nascent stage of production in Assam. It is to be noted that a good number of Non-

Government Organisations (NGOs) are actively associated in the sector. Due to the absence of a consortium of DJPs stakeholders, a proper estimate of the beneficiaries of the DJPs could not be made.

Demographic profile of the sample respondents

The demographic profile of the women entrepreneur in the jute industry of Assam including the age, literacy, types of crafts, experiences etc. are presented in the following table;

Table 1.2 Demographic Profile of the women entrepreneur of jute industry of Assam

Demographic Variables	Frequency	Percentage
Gender		
Male	0	0
Female	120	100
Age		
18 to 30	68	56.7
31-40 years	43	35.8
41-50 years	9	7.5
Education		
Primary	26	21.7
Secondary	46	38.3
High school	41	34.2
Graduate	7	5.8
Types of crafts		
Handicrafts	85	70.8
Handicrafts and handloom	35	29.2
Status of the craftsmen		
Experience of the craftsmen		
0 to 5 years	99	82.5
5 to 10 years	11	9.17
10 to 15 years	10	8.33
Hours devoted to DJP		
0 to 2	21	17.5
2 to 4	87	72.5
4 to 6	12	10.0

Source: The researcher's compilation based on data obtained from primary field survey

It is observed that cent per cent of the entrepreneurs interviewed are female as the production of jute crafts is confined among the rural women of the area. Majority of the entrepreneur (56.7%) belong to the age group of 18-30. Majority of the entrepreneur (38.3%) have their formal literacy up to secondary level. Majority of the women entrepreneur (70.8%) are concerned with the production of handicrafts. 82.5% of them having experience less than 5 years. Furthermore, they have acquired the skill of production from the training provided by Udyog Vikah Kendra , National Jute Board.

Types of the crafts

Based on the nature of production, the DJPs are categorised into three types: handicrafts, handlooms and machine-loom products (National Jute Board, 2015). Handicrafts include various decorative and commemorative merchandise produced from jute without using the traditional loom and power-loom. Common jute handicrafts items produced by these women entrepreneur in Assam include lamp-shades, hats, handbags, fashion accessories and ornaments. Handloom products are those merchandise, produce with the use of the traditional loom (locally termed as *tat xal*). Common handloom items produced from jute by these entrepreneurs include rug, mat etc. The third type of jute craft i.e. machine-loom products includes diversified products produced from jute with the use of power-loom run on electricity. Semi processed raw fibres i.e. straightened fibre of fine

quality is used in the power loom. Shopping bags, carpet etc. are produced in large quantities in the power loom. However, it can be stated that the production of the DJPs in Assam is limited to the production of handicrafts and handlooms only. Machine-loom crafts are not produced in Assam due to the non-availability of the required machineries. The same was verified officially by the official of the National Jute Board. It is observed that 70.8 per cent of the craftsmen exclusively produce handicrafts in Assam. 29.2 per cent of the craftsmen produce both the handicrafts and handloom. Apart from the production of the handicrafts, they are also engaged in the production of handloom items. As the traditional looms are available in rural households, they utilise these traditional looms for the production of jute handloom items.

Socio-economic factors influencing types of crafts products

Association between the types of crafts and a group of socio-economic variables were studied with Chi-square test and presented in the following section. These variables include literacy, age, and time devoted to the DJPs. To analyse the influence of these different socio-economic variables on the craft production the following null hypotheses are tested:

H_0 : There is no statistically significant association between the types of crafts and the literacy of the entrepreneurs.

Table 1.3: Chi-square test of Types of Crafts and Literacy of the entrepreneur

	Value	df	Sig. (2-sided)
Pearson Chi-Square	6.561 ^a	3	.087
Likelihood Ratio	8.341	3	.039
Linear-by-Linear Association	.352	1	.553
N of Valid Cases	120		

Source: The researcher's calculation based on data collected from a Primary Field Survey

As the p - value (0.87) is greater than the level of significance ($\alpha = 0.05$), we could not reject the null hypothesis. Therefore, it is concluded that there is no significant association between the types of crafts and the literacy of the craftsmen. The literacy levels do not influence the types of jute crafts practised by the women of the region.

H_0 : there is no statistically significant association between the types of crafts and the age of the entrepreneurs

As the p - value (0.018) is less than the level of significance ($\alpha = 0.05$), we reject the null hypothesis and concluded that there is a statistically significant association between the types of crafts and the literacy of the craftsmen

Regarding the association between the crafts and the age of the craftsmen, it can be concluded that younger craftsmen belong to age group 18-30 prefer to diversify their production and therefore, they are associated with the production of the handicrafts as well as handloom. The craftsmen belonging to the age category 31-50, prefer to produce handicrafts for its easy marketability in comparison to the handloom due to time constraints. For decorative attributes of handicraft products, the marketing practices appear comparatively convenient for the craftsmen. Besides, the family and social obligations of the craftsmen also affect their residual time and thereby the pattern of production of the jute crafts

H_0 : There is no statistically significant association between the types of the crafts and the time devoted to Diversified Jute Products (DJPs) by the entrepreneurs

As the p - value (.136) is greater than the level of significance ($\alpha = .05$), we cannot reject the null hypothesis. Therefore, it is concluded that there is no significant association between the types of crafts and the hours devoted to the DJPs.

Hence, it is observed that types of craft are influenced by age of the craftsmen rather than literacy and time devoted.

Procurement of fibre and other inputs by the entrepreneurs

It is observed that entrepreneurs primarily depend upon the jute traders for the required fibre. However they have been facing acute shortage of the fibre in the region. As the region does not come under the traditional jute belt of the state, the scarcity of the fibre is one of the major constraints faced by the entrepreneurs. Jute traders supply the required fibre within the stipulated time usually based on their verbal agreements. Timely deliveries, the cost of transportation and communication difficulties are the main issues faced by the entrepreneur. The production of the DJPs requires several other inputs including thread, colour, bleaching powder etc. It is observed that only 26 per cent of the entrepreneurs procure these required inputs from the nearest primary markets. However, the majority of the entrepreneurs (74.2 per cent) procure the required inputs from the local stationery shops.

Sources of labour and credit

Availability of labour is one of the critical issues as the women entrepreneurs are able to devote their residual time to produce the jute crafts only after meeting their family and social obligations. It is observed that 76 per cent of the craftsmen depend on the family labour for the production of their crafts. Only 24.2 per cent of the craftsmen depend on the hired labour for craft production. Hired labour primarily includes the members of the self-help groups and the relatives of the craftsmen. They are casually engaged with the production of the DJPs depending upon the availability of the time after meeting all the obligations towards family and society. Dependency on the family members is possible due to the small scale of

production and low level of commercialisation. It is found that all the home-based units are unregistered and undertake production at the individual/ household efforts. There is a scope for the formalisation of these informal and scattered production units under the existing regulatory framework. Availability of credit is one of the major issues among the craftsmen. They often face the problem of the scarcity of working capital during the production process. 40.8 per cent of the respondents depend upon the moneylenders for meeting the working capital requirement. Friends and relatives also comprise one of the major sources of credit for the 35 per cent of the craftsmen.

Marketing practices of the Jute entrepreneurs

The following channels are identified by the researcher in the study area regarding the marketing of the DJPs undertaken by women entrepreneurs.

Channel 1: Producers-Buyers

Channel 2: Producers-Intermediaries- Buyers

Channel 3: Producers- Fairs and Exhibitions (local/ National)

In the first marketing channel, the jute entrepreneurs (58.3%) sell their products to the buyers directly. They rely on their individual efforts in selling their produces. In most of the instances, the craftsmen are supported by the other family members particularly their husband and children. The small amount of production makes the process convenient for them to sell directly without involving intermediaries.

In the second marketing channel, the jute entrepreneurs (30.0) sell the produces to the intermediaries. These native intermediaries procure the crafts items from the entrepreneurs depending on the market demand and extract a high

margin of commission for their services. Several issues including ignorance, lack of time due to family and social obligations etc. influences the jute entrepreneurs to rely on the intermediaries. The growth of the intermediaries as a syndicate in the district is another observation recorded by the researcher during the field survey. A group of intermediaries with some amount of networking skill has emerged as a syndicate for selling of the produces in the cluster. This syndicate of intermediaries restrained the growth of the crafts by affecting the morale of the entrepreneurs by charging excessive margin as revealed by them.

In the third marketing channel, the entrepreneurs (11.70%) sell their products by participating in the fairs and exhibitions organised at the regional as well as national levels. They mostly take part in the fairs and exhibitions sponsored by the district administration. They reveal that these fairs and exhibitions (the third marketing channel) provide a comparatively better return than the other prevalent channels. They also participate International trade fairs at Guwahati, Delhi *haat*, Toshali Mela in Odisha at national level for selling their produces. However, due to family and social obligations, they are unable to manage the required time to participate in those fairs and exhibitions. This is another reason of the growth of the intermediaries in the marketing of Jute craft in the region.

Branding and quality control

Cent per cent of the respondents are unaware of branding or registration of their products. It is found that entrepreneurs are mainly production-oriented and market-orientation is still lacking in them. Due to the scarcity of quality fibre and lack of quality consciousness, the produced crafts are not soft and smooth like the jute crafts of West-Bengal. Jute entrepreneurs of the study region are not concerned with the registration of their design to prevent imitation by the competitors.

Registration of the crafts to prevent the imitation is suggestive. This will help the entrepreneurs in availing the Intellectual Property Right (IPR) protections and in attaining Geographical Indication in the future.

Constraints analysis

Production related constraints were identified through literature survey and during the feasibility analysis of the work. 10 select constraints measured in 5 point likert scale is presented with mean analysis in the following table,

Table 1.5; Constraints faced by the women entrepreneur of jute industry of Assam

No	Constraints	N	Mean
1	Scarcity of time	120	4.44
2	Issues of working capital	120	4.34
3	Absence of mechanisation	120	4.15
4	High wages of hired labour	120	3.47
5	Lack of skilled manpower	120	3.38
6	Seasonal availability of the jute fibre	120	2.76
7	Availability of labour	120	2.64
8	Increasing price of other inputs	120	2.53
9	Availability of other inputs	120	2.46
10	Increasing price of raw material	120	2.43

Source: The researcher's calculation based on data collected from a Primary Field Survey

Table (1.5) indicates that there are 5 constraints with a mean value above 3. These constraints are taken for further analysis. The other constraints with a mean score less than 3 are not considered for further analysis, as the problems with a mean score less than 3 are not the problems for the entrepreneurs as measured in a five-point Likert scale. The scarcity of time (mean 4.44) for the production of diversified products is one of the major constraints faced by the jute entrepreneurs in Assam. They are able to devote their residual time of the day after meeting all the obligations towards their family and society. Apart from regular household activities they also take part in agricultural activities of the household. Moreover, most of the respondents reveal that conventional weaving is a customary practice in the households. Thus, they are unable to devote full time for jute crafts and practice it during the residual hours of the day. The scarcity of working capital (mean

4.34) is another constraint faced by the women entrepreneur of the jute industry of Assam. As jute crafts are primarily produced by rural women entrepreneurs without alternative sources of income, they often face the problem of the scarcity of working capital to buy the raw materials and other inputs. Absence of mechanization (mean 4.14) is considered as one of the major limiting factors in the growth of attaining greater productivity and economies of scale in the production. The entrepreneur reveal that the unavailability of machinery and equipment at their level restrain them in attaining higher productivity. Besides, the conventional approaches of handicrafts and handloom preparation are time-consuming. The ratio of output/per hour or output/per day is very less in comparison to the machine hour or machine loom. Increasing wage of hired labor (mean 3.47) also influenced the entrepreneurs as it increases the cost of production

and thereby affect the profit margin. Lack of skilled labour (mean 3.18) in the study region is another problem faced by the entrepreneurs.

Conclusion

Women entrepreneurship in the jute industry of Assam is unorganised and scattered in nature. Moreover, women entrepreneurs are not able to give their full time in the production of jute handloom and handicrafts. They are able to devote only the residual hours of the day after meeting family and social obligations. They faced the problem of scarcity of time and skilled labour. They also faced the problem of scarcity of working capital and increasing wages of hired labour often affect them. After considering the growing environmental consciousness, it is suggestive that women entrepreneurs in jute industry scale up their production and marketing in the region. Capitalising the resource availability i.e. raw jute in large quantities is also suggestive for wider economic and social benefits of the region. Further, adoption of mechanisation in producing handloom products without diluting the essence of the crafts is the applied outcome of the work.

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