

# **DHAKA PRODUCTION**

A Case Study of Myanglung Municipality

**A Thesis**

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## LETTER OF RECOMMENDATION

This thesis entitled **DHAKA PRODUCTION: A Case Study of Myanglung Municipality** has been prepared by Pramila Bhattarai under my supervision. I hereby recommend this thesis for examination by the Thesis Committee as a partial fulfilment of the requirements for the Degree of Master Degree in Economics.

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## APPROVAL LETTER

We member of thesis committee, evaluated the thesis entitled **Dhaka Production: A Case Study of Myanglung Municipality** prepared by PramilaBhattarai to the Central Department of Economics, Faculty of Humanities and Social Sciences in partial fulfilment of the requirements of the Master Degree in Economics have found satisfactory in scope and quality. Therefore, we accept this thesis as a part of the Degree.

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## TABLE OF CONTENTS

| <b>Title</b>   | <b>Page No.</b> |
|--|-----------------|
| LETTER OF RECOMMENDATION                             | i               |
| APPROVAL LETTER                                      | ii              |
| ACKNOWLEDGEMENTS                                     | iii             |
| TABLE OF CONTENTS                                    | iv              |
| LIST OF TABLES                                       | vi              |
| ANCRONYMS  | vii             |
| <br>   |                 |
| <b>CHAPTER I: INTRODUCTION</b>                       | <b>1-6</b>      |
| 1.1. Background of the Study                         | 1               |
| 1.2. Statement of the Problem                        | 4               |
| 1.3. Objectives of the Study                         | 5               |
| 1.4. Significance of the Study                       | 5               |
| 1.5. Limitations of the Study                        | 5               |
| 1.7. Organization of the Study                       | 6               |
| <br>   |                 |
| <b>CHAPTER II: REVIEW OF LITERATURE</b>              | <b>7-16</b>     |
| 2.1. International Context                           | 7               |
| 2.2. Nepalese Context                                | 14              |
| 2.3. Research Gap                                    | 16              |
| <br>   |                 |
| <b>CHAPTER III: RESEARCH METHODOLOGY</b>             | <b>17-19</b>    |
| 3.1. Research Design                                 | 17              |
| 3.2. Selection of the Study Area                     | 17              |
| 3.3. Nature and Sources of Data Collection           | 17              |
| 3.4. Population and sample                           | 18              |
| 3.5. Explanation of Variables                        | 18              |
| 3.6. Data Collection Tools and Techniques            | 19              |
| 3.6.1. Questionnaire                                 | 19              |
| 3.6.2. Observation                                   | 19              |
| 3.7. Data Analysis and Presentation                  | 19              |
| <br>   |                 |
| <b>CHAPTER IV: PRESENTATION AND ANALYSIS OF DATA</b> | <b>20-36</b>    |
| 4.1. The Social Status of Dhaka Producers            | 20              |
| 4.1.1. Age Group                                     | 20              |
| 4.1.2. Caste/ Ethnic Wise Distribution of Population | 21              |

|   |    |
|---|----|
| 4.1.3. Distribution of Residential Status of Population         | 21 |
| 4.1.4. Facility of Clean Drinking Water                         | 22 |
| 4.1.5. Accession of Electricity Service                         | 23 |
| 4.1.6. Availability of Means of Communication to the Population | 23 |
| 4.1.7. Road Access to the Industry                              | 24 |
| 4.2. Income and Employment Generation of Firm                   | 24 |
| 4.2.1. Experience of Population in the Firm                     | 24 |
| 4.2.2. Involvement of Employees in the Industry                 | 25 |
| 4.2.3. Audit of Industry  | 26 |
| 4.2.4. The Marketfor Raw Materials                              | 26 |
| 4.2.4.1. Availability of Raw Materials                          | 27 |
| 4.2.5. The Marketfor Selling Product                            | 27 |
| 4.2.6. Facility of the Sales Market                             | 28 |
| 4.2.7. Grant From Government                                    | 28 |
| 4.2.8. Training   | 29 |
| 4.2.9. Wage Rate of Employees                                   | 30 |
| 4.2.10. Loan  | 30 |
| 4.2.11. Distribution of Income Level of Respondents             | 31 |
| 4.2.12. Reinvestment of Profit                                  | 32 |
| 4.2.13. Occupation Instead of the Dhaka Production              | 32 |
| 4.2.14. Household Spending Fulfilled by Different Source        | 33 |
| 4.3.Problems and Prospects of Dhaka Production                  | 34 |
| 4.3.1. Problems of Dhaka Production                             | 35 |
| 4.3.1. 1 Transportation   | 36 |
| 4.3.1.2. Price of Raw Materials                                 | 37 |
| 4.3.1.3. Existence of Middleman                                 | 37 |
| 4.3.1.4. Linkage to the Association                             | 38 |
| 4.3.2. Prospects of Dhaka Production                            | 39 |
| 4.3.2.1. Increase in Export                                     | 39 |
| 4.3.2.2. Preservation of Local Art and Culture                  | 39 |
| 4.3.2.3. National Income  | 39 |
| 4.3.2.4. Quality and Design                                     | 39 |
| 4.4 Regression Result   | 40 |

|   |              |
|---|--------------|
| <b>CHAPTER V : CONCLUSION SUMMARY AND RECOMMENDATIONS</b> | <b>37-42</b> |
| 5.1 Summary of Major Findings                             | 37           |
| 5.2. Conclusion   | 40           |
| 5.3 Recommendation  | 41           |
| <b>REFERENCES</b>   | <b>43-46</b> |
| <b>APPENDIX</b>   | <b>47-50</b> |

## **LIST OF TABLE**

|   | <b>Page No</b> |
|---|----------------|
| Table 4.1: Distribution of the Population by Age Groups                               | 20             |
| Table 4.2: Distribution of Respondents by Their Caste/ Ethnic Wise Group              | 21             |
| Table 4.3. Distribution of Residential Status of Population                           | 22             |
| Table 4.4 Distribution of Availability of Water Facility to the Population            | 22             |
| Table 4.5 Accession of Electricity Service to the Population                          | 23             |
| Table 4.6. Distribution of Availability of Means of Communication                     | 23             |
| Table 4.7. Distribution of Road Access to the Population                              | 24             |
| Table 4.8. Distribution of Population by Year of Experience                           | 25             |
| Table 4.9. Distribution of Population by Involvement in Industry                      | 25             |
| Table 4.10. Distribution of the Population by the Audit                               | 26             |
| Table 4.11. Distribution of Population to the Market of Raw Materials                 | 26             |
| Table 4.12. Distribution of Availability of Raw Materials                             | 27             |
| Table4.13. Distribution of Sales Market   | 27             |
| Table 4.14. Facility of Sales Market to the Population                                | 28             |
| Table 4.15. Distribution of Grant Received by Population                              | 29             |
| Table 4.16. Distribution of Training Given by Government to the Population            | 29             |
| Table 4.17. Distribution of Population Paid Salary to the Labor                       | 30             |
| Table 4.18. Distribution of Population Taking Loan                                    | 31             |
| Table 4.19. Distribution of Population by Level of Profit                             | 31             |
| Table 4.20. Distribution of Firm of Reinvestment From Profit                          | 32             |
| Table 4.21. Distribution of Population's Family Occupation                            | 33             |
| Table 4.22. Distribution of Population Spending Fulfilled by Occupation               | 33             |
| Table 4.23. Distribution of Transportation Problem Faced by Population                | 34             |
| Table 4.24. Distribution of Population Facing Inappropriate Price of<br>Raw Materials | 35             |
| Table 4.25. Distribution of Middleman Existence Faced by Population                   | 35             |
| Table 4.26. Distribution of linkage to the Fabric Association of Population           | 36             |



## **LIST OF FIGURES**

| <b>Title</b>   | <b>Page No</b> |
|--|----------------|
| Figure 4.2.2.1. Distribution of Producers' Involvement in Industry         | 26             |
| Figure 4.2.7.1. Distribution of Population Receiving Grant from Government | 30             |
| Figure 4.2.8.1. Distribution of Population Training Provided by Government | 31             |
| Figure 4.2.11.1. Distribution of Population by Level of Income             | 34             |

## **ANCRONYMS/ ABVRLIATIONS**

|        |   |
|--------|---|
| AAN    | Action Aid Nepal                                    |
| FNCS   | Federation of Nepal Cottage and Small Industries    |
| GDP    | Gross Domestic Product                              |
| INGO   | International Non-Government Organization           |
| MEDEP  | Micro Enterprises Development Program               |
| NGO    | Non-Government Organization                         |
| NRS    | Nepalese Rupee                                      |
| SAWTEE | South Asia Watch on Trade, Economics and Government |
| SME    | Small and Medium Enterprises                        |
| T&C    | Textiles and Clothing                               |

# **CHAPTER I**

## **INTRODUCTION**

### **1.1 Background of the Study**

Industrialization plays a significant role in building up of a country in terms of its share in employment, output production, wealth creation and so on. The industry is regarded as a secondary sector of Nepalese economy. The economic development of a nation depends on the stage of industrial development. The industry is the greatest sector that can provide employment to the mass people which help to increase per capita and reduces the poverty. (Bhusal 2015)

Industries of Nepal are classified into four broad groups based on capital investment. They are:

Those industries which have capital investment is more than 15 crore are called big scale industries. Such industries provide employment to mass people and produce large quantities of goods. For example, iron industries, steel industries, petroleum products purifying industries Those industries which have capital investment is between 5 crores to 15 crores are called medium scale industries. Such industries are capital-intensive industries and they use more labours. For example, jute mill, sugar mill, cement factory, cigarette factory. Those industries which have capital investment up to 5 crores are called small-scale industries. Such industries are mostly capital-intensive and are operated by outside labours. For example, rice mill, oil mill, printing and publication, carpet industries, and etc. Those industries which use up to 10 Kilo Watt electricity are called traditional cottage industries. Such industries are mainly labour-intensive. They use local raw materials and skills and produce different types of goods. For example, wooden product, paper product, carpets, hand-made items like handmade textiles (MOI 2011).

Among the cottage industries, handloom textiles are one. The handmade textiles of society become the chief means of livelihood. It also fulfils their daily requirements and provides employment to the members of the households of the society. Textiles are flexible materials woven from many kinds of thin fibres. Textiles made by people

in Nepal include a wide range of products like rugs, bags, blankets and clothing, all made of natural plants and animals materials. Textiles from plants include cotton fabrics; cloth made from a type of nettle and items made from jute is made into rough threads used for bags, twine and rugs. Textiles from animals include wool, carpets; items spun from yak fur; and Pashmina long soft shawls made from goat hair. In addition to the colourful Pashmina, Nepalese textiles also include Dhaka, cotton fabrics are traditionally woven on wood and bamboo handlooms. Dhaka comes in brilliant colours and intricate geometric and today it is still woven by hand. (Walton 1937)

Initially Dhaka clothes were weaved in Bangladesh. Later its patterns were copied and modified by Nepalese people slowly and gradually in different time periods in the past. The raw materials of Dhaka clothes are different types of threads and equipments are Scissor, frame, Koka-kongi, tholi, and so on. It is truly an indigenous form of expression reflecting Nepali mastery of craftsmanship. It is an intricate art in the traditional hand weaving technique that has been practised in Nepal for many generations (Karjeet 2036).

For centuries, craftsmen from Nepal's eastern and western development region have been the unique, pure cotton cloth known as Dhaka still produced by handloom and using traditional designs. In modern-day Dhaka is used to create everything like sarees, shirts and shawls to bed sheets, handkerchiefs and table mats. The colourful design has become one of the most recognizable handicrafts. The distinctive style has become so popular that fabric shops are now littered with mass-produced, printed copies of Dhaka design. But genuine Dhaka is woven by hand, with one weaver able to produce up to two meters of fabric in a day depending on the design. Using pure cotton thread and a locally fabricated wooden handloom, weavers turn out an array of the traditional reds and greens used to make topis, the Nepali men's hat, to vibrant purples and pinks often found in women's shawls and skirts and the more earthy in tones a doming dining tables (MEDEP, 2016).

Dhaka has become the major source of income in Myanglung. Dhaka product of Myanglung has its unique identification in the Nepalese market. The government has not put this sector into the competitive product of Nepal. Only local peoples are

engaged in this with no any incentives from the government and private organizations.(Gurung 2018)

Dhaka weavers are usually women from remote and hilly districts. Because of their isolation from Nepal's major markets, the weavers are often susceptible to exploitation from middlemen. MEDEP has been promoting Dhaka producers in Terhathum, Nawalparasi, Nuwakot, Ramechhap, Parbat and Udaypur districts to build their entrepreneurship and technical skills, facilitate the bulk purchase of materials to lower the cost of production, and develop market linkage with buyers in Nepal and abroad. A variety of Dhaka product in both wholesale and retail quantities are sold as to fulfil the demand.(MEDEP, 2016).

Though that the main centre of Dhaka weaving Terhathum is an area in the hill that is also famous for Hyatrung falls(second highest falls in Nepal).According to elders of Terhathum weavers, this type of weaving has been known for generations although formerly the patterns were applied mainly to the ends of shawls and waistbands rather than topi. Today, some of the finest Dhaka cloth is woven from eastern Nepal by Limbu and Rai women. Dhaka is made by the individual weaver in their own home at such times as they choose or when their daily and seasonal tasks in the home and on the farm allow. (Kanoi 2016)

## **1.2. Statement of the Problem**

Nepal is one of the liberalized countries in the South Asian region. Both applied tariff rates and openness indicators corroborate this. Despite such a liberalized trade regime, Nepal is increasingly facing the problem of diversification of trade, both in terms of partner countries and commodity diversification. More than two-thirds of Nepal's trade is concentrated with India. There has been no commodity diversification in trade even in the post-liberalization period.

There is no advanced technology to reduce the factor of cost and is totally labour intensive, a large number of industries are engaged in this, which can't compete in the globalized economy. Having the disadvantage of the high cost of production and transportation faces a serious threat of losing export markets if necessary preparations and adjustments should be undertaken at the earliest.

The raw materials are heavily imported from foreign countries, cottage industries are running. Most of them are agro-based industries, handicrafts, fabrics, and cultural customs etc. It should be given concern to the constraints of exported goods.

In Nepal, the production of Dhaka is an age-old practice. It is the costume of indigenous people culture. It is not only conservation of costume rather it contributes to reducing poverty by creating employment opportunities. It is produced in a traditional way from generation to generation.

Dhaka is yet to meet its organizational goal but it should be coped with ever-changing market demand in competitive in the world, encouraged governmental policies, stable political situations. Industry alone should be able to cope with all these problems which can go beyond governmental regulation or societal norms.

Dhaka production could be the major source of income and employment. So, it should give priority to the stakeholders. This research is for analysis of Dhaka based upon the research questions as below:

- a. How the Dhaka production creates income and employment?
- b. What are the problems of Dhaka production?

### **1.3. Objectives of the Study**

The general objective of the study is to examine the economic condition of Dhaka producers.

The specific objectives of the study are as below:

- a. To find out the income and employment generation of Dhaka production.
- b. To find out the problems of Dhaka production.

### **1.4. The significance of the Study**

The study would be useful for the one who wants to study on Dhaka production and its valuation especially for Economics, research and cultural background.

The study would be undertaken to provide information on the real condition of Dhaka weavers in a rural area of Terhathum districts.

Since the cultural valuation of Dhaka in Limbu culture, this study also would be inspired and focused future research efforts on economic aspects of this production.

The study would help relevant disciplines researchers.

This study also would be promoted and focused future research efforts of Dhaka production.

### **1.5. Limitations of the Study**

The study of Dhaka production has some limitations:

- a. It was a micro level study, thus the study cannot generalized the whole Terhathum district.
- b. Production of Industry is not analyzed due to heterogeneity of products in this study.
- c. Its conclusion did not resemble other categories of textiles.

### **1.7. Organization of the Study**

The study is going to be divided into five chapters as given below:

The first chapter is the introduction which includes background of the study, statement of the problem, objective, significance, limitation and organization of the study.

Second chapter is the review of literature that is divided into international and national context. Besides, research gap is also included in the chapter.

Third chapter is the research methodology. The chapter includes research design,, explanation of variables, selection of study area, nature and sources of data collection and specification of model.

Chapter fourth is the presentation and analysis of data. This is the body of the study. In this chapter, the result generated from the study is analyzed.

The last chapter includes major findings, conclusion and recommendations.

## **CHAPTER II**

### **REVIEW OF LITERATURE**

#### **2.1. International Context**

Reyhmen (1999) found that the high price of domestically produced fabrics was, to a large extent, underwritten by the high cost of capital. The study stressed the importance of appropriate policy interventions by the government for the purpose of lowering the cost of capital, cited the example of the Korean model of industrialization in this regard and argued for a proactive role of the government towards the establishment of an efficient textile industry in the country. The study noted that under the current *laizes-faire* system pursued by the government designing of such policies was hardly a realizable goal.

Niranjana(2001) found that the textile industry, which encompasses the organized mill sector, the unorganized decentralized sector consisting of handlooms, khadi and power looms, plays a crucial role in the Indian economy today. Using secondary data the study concluded that textile industry contributes to 8 percent of GDP, 20 percent of industrial production, 35 percent of export earnings and employs around 38 million persons. However, there are also distinct differences between these sectors, with reference to production, technology, and so on.

Aretha (2007) found that Yoruba women were not just active participants in the production of mundane cloth but were also fully active in the production of highly qualitative and significant cloth forms that the society as a whole recognizes as valuable and ascribes social, political, and religious importance too. In contemporary time women have become the dominant force in the production of hand-woven textiles. In some areas, their cloth forms served mainly domestic and social purposes while in other areas they wove cloth that served political, social, and ritual purposes. Using the qualitative method, the journal showed that in contemporary Nigeria the women still dictate and influence fashion trends and at the same time ensures that the traditional hand-woven cloth is always a part of the Yoruba fashion.

Jodie and Dirk (2008) found that the textiles and clothing industry plays significant role for countries, in terms of trade, GDP. Using secondary data this study concluded



that the contribution of T&C production to GDP differs by country but ranges from around 15 percent in Pakistan to around 5 percent in Sri Lanka and 1 percent in Mauritius, T&C is the dominant exports in certain countries. Low income and developing countries such as Cambodia, Bangladesh, Pakistan and Sri Lanka depend on T&C exports for more than 50 percent of total export and the employment effects are also significant.

Sharma and Borthakur (2010) found that traditional handloom and handicrafts of Sikkim contributes to the livelihood and provides employment to the members of the households of the society and its socio-economic development. Following standard method (personal interviews with the village head, group discussion and assistance of local informants), the study was found that handloom and carpet weaving, Thankapainting, wooden mask making, wood carving, bamboo and cane craft are indigenous product of Sikkim and despite modern technology is replaced, There is no noticeable change has been recorded in both urban and rural areas.

Dash (2011) handicrafts are substantially associated with home accessory market. Among many other factors the financial condition of final customers, their fashion trend and buying pattern are the most influential factors of home accessory market. Though commoditization is increasing very rapidly, people buy different kinds of handicrafts simply because of having an emotion of being associated with a particular community, their custom, culture, values and so on.

Ishraf, Wani, SeikhandBumla (2012) found that Pashmina is a down fibre or undercoat derived from domestic goat known as *Capra Hircus* which is native to India. The habitat of these Pashmina goats is spread throughout the mountainous region of Central Asia and a Semi-Structured questionnaire containing open-ended questions by traditional methods concluded that the Pashmina shawls in Kashmir valley are prepared by adopting the traditional practices during processing right from harvesting up to the finishing stage of final product durable and mechanical damages. Although the traditional practices lead to durable quality products but are full of physical stress in the form of a backache, numbness in legs etc during processing steps viz; spinning and weaving, besides being less remunerable the processing technique/tools which will reduce the stress and improve efficiency during processing.

Dar and Parrey (2013) endeavored to study various avenues of social and economic upliftment of state in terms of revenue generation, foreign exchange, raising standard of labors and employment generation. The paper focuses on the contemporary challenges as well as the scope of handicraft sector in the state of Jammu & Kashmir and thereby providing suitable suggestions in order to make industry more market oriented and sustainable in future. The study concluded that handicrafts are a pivotal source of revenue generation of Jammu & Kashmir State. This industry is unique in terms of design, cost and quality of products and thus provides a competitive advantage on other national and international players of handicrafts market. The paper recommended that, in spite of the various advantages, the industry still needs to explore and identify various opportunities and challenges ahead to compete at national as well as at global level marketers.

Shrivastava (2013) found that the Indian handicrafts industry is highly labour intensive and is a cottage based industry and it largely decentralized being spread all over the country in rural and urban areas. Artesian not only work on full time, but there are numerous artisans who are engaged in crafts work on part timebasis. The industry employs to over seven million artisans of the society. Through primary and secondary data, the researcher concluded out that handicrafts sector is full of possibilities for employment and expert, but highly disorganized and difficult to survive.

Khan and Amir (2013) studied the handcraft marketing strategies of artisans in Uttar Pradesh, India. The study was based on marketing concepts of four P's i.e. Product, Price, Place and Promotion. The study concluded that, the rural producers/suppliers are struggling to market their products and services due to various reasons. Theperformance of the manufacturer and artisans both for financing and marketing of handicrafts is far from satisfaction. Artisans are depending on the middlemen for raw materials, finance and market for the finished products because of their illiteracy, ignorance and poverty. Further, the study expresses that, the success of handicrafts depends on how well the artisans can produce the articles and introduced in the market in keeping with the tastes and preferences of consumers.

Yasmin and Bhat (2013) evaluated the growth, performance and problems faced by the handicraft industries since 1990's in Kashmir valley (India) in general and District

Budgam in particular. The study concluded that, this sector has great potential to generate gainful employment within and outside the state. It is a labor intensive sector, needs less capital and is eco-friendly. Therefore, the social cost of handicrafts is less compared to other small and medium scale industries. Being a labor intensive sector, handicrafts can be established both in rural and urban areas and can be taken off as a subsidiary occupation in the valley.

Ali (2014) found that handloom has got its predominance and heritage in Bangladesh. In itself, the tradition of weaving cloth by hand is one of the richer aspects constituting Bangladeshi culture. The level of artistic powers and intricacy achieved in such fabrics are unique and unparalleled. The handloom can meet a wide range of uses, from the needs of the daily life to being an exquisite handloom. Using descriptive method and taking Key Informant Interview Ali concluded that, there are over 25 different kinds of weaves in Bangladesh and easily over 50 different crafts, but despite their diversity, the crafts in Bangladesh are dying.

Din (2014) found that Indian Arts and Crafts of each age reflect the culture, traditions and activities of that particular period. Every age, every dynasty, every empire has its influence and essence in the crafts belonging to those times, therefore making India's heritage dissimilar and culturally rich. Through secondary data found that Indian craftsmen carefully made numerous designs, complicated and beautiful in a variety of handcrafted items. Indian handicraft plays a vital role in employment generation with low investment. Large populations are engaged with this sector directly or indirectly. So the government should have to do care about this eco-friendly and near to the ground invested sector.

Jadhav (2014) studied the situation of the Indian handicraft sector and analyzed the problems and identified the developmental pathways. The study concluded that, handicraft sector is an unorganized, decentralized, labor intensive cottage industry. The Indian handicraft industry forms a major part of the rich cultural heritage of the country. Some of the strengths identified were availability of abundant & cheap labor in the country, use of local resources, low capital investment and unique craftsmanship in the manufacturing of products along with increasing appreciation by international consumers. Despite the strengths, the study revealed that, the industry faces a number of problems in the country such as low literacy and education levels,

lack of modern / technological skills & lack of adequate finance. And finally the study suggest that for the creation of globally competitive handicrafts and provision of sustainable livelihood opportunities to the artisans, an innovative product designs, better product quality & use of technology while preserving traditional art is essential.

Jain and Sharma (2015) attempted to present an overview of perception of Artisan on the exiting marketing strategies for the promotion of various Government Schemes and policies for Indian handicraft. The analysis was fully based on data from the Artisans, Retailers, Handicraft bodies and Export agencies of both private and public sectors. The data attained supports in analyzing the market scenario of Indian Handicraft, its rise and fall in previous years. As for the detail analysis data is being searched by country wise figures and their Handicrafts policies. The study is based on facts and figures obtained from various primary and secondary sources .The data was collected using a structured questionnaire. The collected data has been transcribed in long sheets and tables and further analyzed with the help of statistical techniques. The findings of study indicate that the overall perception of artisans towards the policies concluded that Handicraft bazaar or Fair/Melas are somehow benefitting the artisans, but in totality there is no significant impact found of Government marketing support and policies.

Das (2015) found that traditional Indian handloom enjoys a global reputation as well as huge demands in the local markets. However, the weavers face a number of challenges which affect their livelihood and overall wellbeing. The study aims to analyze the socio-economic condition of the weavers and offer possible recommendations to mitigate their plight. Using the technique of primary data collected through interview schedules from 100 weavers residing in Bargarh district of Odisha. The result of the study revealed that the weavers are facing a number of challenges like a financial constraint, inability to purchase up-to-date machinery, poor working condition, meagre remuneration and the absence of government support.

Reshi (2015)The handicraft sector has a large potential to generate a gainful employment opportunities to unemployed people and has a great potential for economicdevelopment of a country/region like Kashmir, which is known all over the world with its traditional crafts. Kashmir Handicrafts are the matchless appearance ofour society and way of life. A hefty crowd of population is directly or indirectly

depends upon handicrafts for their livelihood. It generates employment and foreign exchange earnings which are vital for economic growth and upliftment of the rural economy. Both state and central Government must take step to increase the wages and improve the working conditions of the artisans and others who are involved in this handmade industry. Due to absence of large industries, handicraft industry remains the key economic activity in both rural and urban areas in the Jammu and Kashmir economy after agriculture. Jammu and Kashmir handicraft has also got good fame in international markets, and earns healthy income which is much supportable for our economy. It means that government has to come forward and take immediate action for the uplift of handicraft producers if they expect more exchange earnings and employment from this sector.

Mandal (2015) Studied the handloom scenario of India by the case study of a renowned silk-village in Murshidabad, West Bengal, India. The study paper abstracted that, the weavers of Murshidabad are both intelligent and genius in their art, though they live in a very plain simple manner. Unfortunately they suffer from scarcity in every material requirement. The study concluded, if both public awareness and Government initiatives can nurture the art and artists properly their products will earn enough foreign exchanges to strengthen the economy of West Bengal. So the study recommended that, the silk based handloom and Khadi industry should find out the proper way to keep this art cum industry alive and to make it strong further.

Singh and Fatima (2015) studied the role of handicraft sector in the economic development of Uttar Pradesh, India. The study attempted to look into the emerging opportunities for growth through this sector in Uttar Pradesh and what measures could be taken upon so as to tap the untapped growth in the sector. The study concluded that, the handicraft sector is one of the emerging sectors playing a very important role in the economic development of Uttar Pradesh. Further the study argued that, the growth potential of Uttar Pradesh is that it is one of the fastest developing states in India and how handicraft sector possesses opportunities which can help in the economic development of the state and therefore it requires a great amount of support from the government to be fully equipped and developed. Since this sector is labor intensive, it gives a great deal of employment opportunities as well as key to further enhancement of living standard and thus bringing in more positive impact on

economic development of the state. The study recommended that, in order to boost up the exports of handicrafts from U.P. the government has set up special economic zones.

Sawhney (2016) found that handloom weaving is one of the largest rural activities, second only to agriculture, and provides employment to 43 lakh workers. It contributes almost 15 percent to total cloth production in the last two decades. This is due to poverty, low market demand for handloom products and therefore the need to find alternative employment and destructive policies of the government. For many years after Indian independence, the handloom weavers were not given an independent status or treated as a separate economic entity.

SrinivasaandSreedhar(2017) found that the handloom sector in India is the largest sector next to agriculture. The handloom sector in India today presents many-sided and complex problems which are more complicated in view of its Socio-Economic Importance. It is the biggest cottage industry in India and there are about 48 lakhs of looms and a population of 40 million depends on this industry. Applying primary and secondary data concluded that the decade 2006-16 is the decade of manufacturing for India. So there is a need for focused attention on the specified sectors of manufacturing which are labour intensive and also enjoy a competitive advantage. To enhance the scope of weaving activity, measures should also be taken to provide raw materials, finance, marketing facilities and other requirements.

Roy and Chouhan (2017) found that the handloom industry is dominated by the male workers with a very low level of educational level. The weavers are facing a number of challenges like financial constraints, inability to purchase up-to-date machinery, poor working condition, drop off in wages, increased price of yarn, the absence of government support, lack of domestic market and demand and so on. Schemes are not executed properly and all of the money and the facilities not reached to the grass root people. Using purposive sampling and structured questionnaire concluded that though once weaving was their primary occupation, it failed to earn reasonable money for them, so now people are not wholly dependent on weaving and many of them have turned to agriculture for a better living. Government inefficiencies are a major problem that the weavers face.

## 2.2. Nepalese Context

Bista (1979), Handloom is the main occupation after the agriculture for Kirtipur villagers. It has played a significant role for upliftment of economic condition of Kirtipur's villagers. Using Primary data the researcher found that handloom industry plays a significant role to create job opportunity makes skilled, decisive and independent. From this occupation villagers of kirtipur fulfills their basic requirement.

Shah (2002) found that the textile industry in Nepal faces severe market problems due to the unrestricted availability of cheap smuggled fabrics mainly from Tibet/China.) through primary and secondary data researcher concluded that due to decreasing market share, 60 per cent of the textile mills have closed down and the remaining mills are operating only at 30 per cent of the capacity. Production of textiles in the last fiscal year (2000-2001) was 20 million meters, which is only enough to meet only 5.7 percent of domestic demand; as Nepal's domestic demand of textile is estimated at 350 million meters, the rest is to be supplied by import. Import of textile in the period under review was 47.6 million meters, 13.6 per cent of the demand, and it is assumed that balance demand for textile is supplied by smuggling.

Ghimire (2011) concluded that there are many challenging facing by the SMEs. In the age of globalization, every local product should compete with the global product. Using secondary data concluded that cost is first challenge of the SMEs and quality also comes together. Lacks of technology, marketing strategy financing are some examples facing by our SMEs. It is found that most of the micro enterprises are still operating their activities in informal sector. Government's small effort doesn't success to transmit them in the mainstream of the economy. Most of the enterprises are run by the uneducated people so that they have lack of proper management skill and knowledge.

Bhusal (2015) studied that Traditional occupation bamboo craft could play a crucial role encouraging in the rural economy, and help to sustain the livelihood of many rural households. It is one of the income generating sources for the rural poor and landless people in Nepal. Using primary data the study found that most of the ethnic community Pahari has less land for agriculture which was not sufficient to feed their

family for more than six month and bamboo crafting was the only alternative income source to cope with the food insecurity situation as it was the traditional occupation.

Karki (2017) studied the practices of micro enterprises in Nepal with objectives of to identify practices of business registration, nature and types of enterprises, location of business, conducted of main business and entrepreneurs manage their business premises. The study was based on survey research approach and both qualitative and quantitative data have been used for the study. The result shows that out of total respondents 78.6 percent respondents did not register their firm in concern authority. Main reasons for not registered their business in concerned authorities were as follows: respondents have no knowledge, lengthy procedures; registration office is too far, costly, difficult to fill in the forms, and other reasons for not being registered. The result of study shows that out of total micro enterprises, 83.9 percent enterprise belongs to sole proprietorship and 10.8 percent belongs to partnership.

Shahi (2017) found that in Nepal, women have just started to work outside. But in handicraft industries, they were involved since many years ago. Through primary data collection of 37 industries with objectives of the study: to analyze the socio-status of women in handicraft industries of Patan Industrial Estate, to analyze the economic condition of women workers in handicraft industries, and to analyze the problems and challenges of women workers, concluded that women from age 15 to above age 45 actively participate in the handicraft industries of Patan Industrial Estate. But their socio-economic condition is not very good. Their workload is much higher than that of men after involving in the industries. They need to perform household works with their office work.

Maharjan (2063) the handicraft made by Nepalese like wooden masks, bags, canvas work, wood carvings, jewellery designs, and statutes are adored not just in Nepali society but also have high demand in foreign countries. Due to the high demand for handicrafts supplied by Nepali market, Nepalese are more attracted to get involved in this handicraft business. Also, families are encouraging women in their family to utilize their skill and their leisure time. Similarly, many NGO/INGO or even Government are gradually providing the job training of handicrafts like eco-friendly crafts, wooden decors, and etc. and helping people to be independent and live their dignified lifestyle.



### **2.3. Research Gap**

The literatures about Dhaka production are covers the different aspects of industries, demand of handicraft products, export of readymade garments, socio-economic status of women in handicraft industries, prospects and challenges of handloom industries, poverty demand of textiles, young entrepreneurs and income export. However, by reviewing literatures there is no any study in the context of Mayanglung Municipality, Terhathum as of my knowledge. This study is also analysis the economic condition of Dhaka producer by using regression model, which is not found in any of the reviewed literature.

## **CHAPTER III**

### **RESEARCH METHODOLOGY**

The chapter has been dealt with the methods those are followed during the preparing of field work and during the presentation of the dissertation to explore its objectives and to generate valid data and information hereby. During the research work, the work the methods which are followed are filling up a set of questionnaire, field visit etc.

#### **3.1. Research Design**

The present study has been carried out on the basis of descriptive research design because it is the description of income, output and employment generation of Dhaka industry. In order to fulfil the specific objective of the study, the analysis has been based on primary data. Basically, this study describes the level of income, output, the wage of the employee; market etc. has been described and identified to light on the determination of output and employment generation in the industries.

#### **3.2. Selection of the Study Area**

In Nepal there are 7 provinces and 77 districts. Terhathum district lies in province number 1 (eastern part of Nepal). The head quarter of Terhathum is Myanglung and is also municipality. Myanglung Municipality was selected for the study because it was the main area of Dhakaproduction to promote art, culture, the status of artist and cottage industries. Most of the industries were centralized in Myanglung( headquarter of Terhathum).There are registered 62 industries (office of Small and cottage industry, 2075) and remaining are not registered.

#### **3.3. Nature and Sources of Data Collection**

The Present study has been based especially on primary data in order to meet the stated objective of the study. Primary sources of data have been obtained through field research. The owners of the related industries were interviewed to fill up a set of questions.

### 3.4. Population and sample

For the study, Myanglung Municipality has been selected for research. The producers' actual data were unknown and among them 149 population were selected as sample size. The study considered purposive sampling as the best technique to meet the respondents which included owners of the Dhaka industry in Myanglung.

### 3.5. Specification of Model

The regression analysis is a statistical method for determining the nature of relationship among two or more variables and making (estimates) prediction from that relationship. The known variable whose value is going to predict or estimate is dependent variable or explained or regressed. The known variable (variables) is called independent variable or explanatory variable or regression. In order to check the impact of different variables on the income of Dhaka producers following regression model is used.

$$Y = \beta_1 YE + \beta_2 TR + \beta_3 GG + \beta_4 T + U \dots \dots \dots (1)$$

Where,

Y=Income

YE = Years of Experience

TR = Types of Residence

GG = Grant from Government

T = Training

=Intercept

1, 2, 3, and 4 are respective coefficients for independent variables

U=Error term

### 3.6. Explanation of Variables

In this study both qualitative and quantitative purposes various variables have been used some are explained as:

#### Income

Income means that an individual or business receives in exchange for providing a goods and services or through investing capital. In my study income has been taken as Dhaka industry income receipt through transaction of Dhaka product per year.

### **Employment**

It means contract between two parties, usually based on a contract where work is paid for. In my study employment has been shown made within producer or hiring employees.

### **Training**

It means teaching or developing in self or others, any skills and knowledge that relate to specific useful competencies. In my study training has been taken as human skills for Dhaka production.

### **Market**

An actual or nominal place where forces of demand and supply operate, and where buyers and sellers interact to trade goods and services. In this study market has been taken as domestic market, foreign market and size of market where the entrepreneurs transact.

## **3.7. Data Collection Tools and Techniques**

Two types of data collection techniques were applied during primary data collection. Questionnaire and observation were the main tools and techniques used for collecting information and data from the sample unit for this study.

### **3.7.1. Questionnaire**

The questionnaire is a fundamental process of getting actual data through social interaction. It plays an important role in social research. It was the best technique to understand the concept and opinion of people and useful to collect the qualitative and quantitative information. Closed-ended questionnaire were used for the purpose of the study. Owners of the industries were provided to fill up the set of questions.

### **3.7.2 Observation**

Observation allows the researcher to study people in their natural setting without asking a question or their opinion. It is the data usually consists of detailed information about particular groups or situations. So this method has been applied to compare the different aspects like physical condition, working condition to get different firms to get qualitative and quantitative information.

### **3.8. Data Analysis and Presentation**

The data have been tabulated according to the need of research objectives and content cross-checking that has been done to derive the appropriately reliable data. The data is further analyzed in a descriptive way. The data has been presented in the table. The percentage of the necessary information has been worked out.

## CHAPTER IV

### PRESENTATION AND ANALYSIS OF DATA

The chapter has analyzed the data collected from primary sources focusing on Dhaka weavers. In this chapter, an attempt has been made to describe output, employment and income of the producer. The relevant data are collected and analyzed to get the industrial condition and problems of Myangling Municipality.

#### 4.1. The Social Status of Dhaka Producers

Concerning the above topic age group, caste, residential status, facility of drinking water, electricity service, means of communication, health status etc. are analyzed.

##### 4.1.1. Age Group

Age is one of the factors which affect the economic activities of the producers as they have different working capacities. Various age groups people have been involving in the production of Dhaka. The table 4:1 shows age wise percentage distribution of producer.

**Table 4.1: Distribution of the Population by Age Groups**

| Age Group    | Numbers of Respondents | Percentage |
|--------------|------------------------|------------|
| 0-14         | 0                      | 0          |
| 15-59        | 139                    | 93.29      |
| Above 60     | 10                     | 6.71       |
| <b>Total</b> | <b>149</b>             | <b>100</b> |

Source: Field Survey 2018

Table (4.1) depicts that the majority of people engaged in Dhaka production is 93.29 percent belong to 15-59 age group which is followed by 6.71 percent belong to above 60 age group. And there is no participation of 0-14 age group. It means Dhaka industry is run by active population rather than dependent age group because they are healthy, active and decisive to the enterprises.

#### 4.1.2. Caste/ Ethnic Wise Distribution of Population

Nepal is a multicultural and multiracial country. It is heterogeneous in its ethnic composition. Various caste/ethnic wise groups have been involved in Dhaka production. Table (4.2) shows the caste/ethnic wise distribution of population as below.

**Table 4.2: Distribution of Respondents by Their Caste/ Ethnic Wise Group**

| Caste        | Number     | Percentage   |
|--------------|------------|--------------|
| Limbu        | 62         | 41.6         |
| Newar        | 4          | 2.7          |
| Rai          | 7          | 4.7          |
| Tamang       | 9          | 6            |
| Brahmin      | 19         | 12.8         |
| Sherpa       | 2          | 1.3          |
| Tharu        | 3          | 2            |
| Chhetri      | 21         | 14.1         |
| B.c.         | 16         | 10.7         |
| Magar        | 4          | 2.7          |
| Gurung       | 1          | 0.7          |
| Darji        | 1          | 0.7          |
| <b>Total</b> | <b>149</b> | <b>100.0</b> |

Source: Field Survey 2018

Table 4.2 shows the majority of entrepreneurs of Dhaka industry are Limbu, which occupies nearly 42 percent of the total entrepreneurs and followed by Chhetri (14%) and Brahmin (13%). And the others are B.C., Rai, Newar, Magar, Tharu, Sherpa, Gurung and Darji by 10.7 percent, 6 percent, 4.7 percent, 2.7 percent, 2 and 1.3 percent respectively. It means the majority of Limbu People are there because they are continuing the occupation from the very beginning to conserve their cultural custom.

#### 4.1.3. Residential Status of the Population

The residence is needed to fulfil the basic needs. It saves people from natural calamities and other many problems. Nowadays it has been necessary to measure the

economic status of people. The (4.3) table shows the distribution of respondents by residential status:

**Table 4.3. Distribution of Residential Status of Population**

| <b>Types of Residence</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|---------------------------|-------------------------------|-------------------|
| Own house                 | 80                            | 53.7              |
| Rented                    | 69                            | 46.31             |
| <b>Total</b>              | <b>149</b>                    | <b>100.0</b>      |

Source:Field survey 2018

Table 4.3 shows respondents are the owner of their house by 53.7 percent and remained 46.31 percentare rented. It shows that the producers who have own house involving in Dhaka production because it can't afford all the expenses of the family being rented.

#### **4.1.4. Facility of Clean Drinking Water**

Drinking water is very important in human life.Nepal is the second richest country in water resource in the world. As rich in water resource, Dhaka producershavenot been getting easily in my study area.Table (1.4) shows the Distribution of availability of drinking water to the producers.

**Table 4.4 Distribution of Availability of Water Facility to the Population**

| <b>Clean Drinking water service</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|-------------------------------------|-------------------------------|-------------------|
| Available                           | 125                           | 83.9              |
| Unavailable                         | 24                            | 16.1              |
| <b>Total</b>                        | <b>149</b>                    | <b>100</b>        |

Source: Field Survey 2018

Table 4.4 reveals that 83.4 people percent of the Dhaka producers have clean drinking water facility remaining of them 24 percent have not. It means there is still lack sufficient clean drinking water because there is not the good management of the government.



#### 4.1.5. The Accession of Electricity Service

Electricity is the measurement of infrastructure in a country. Most of the technologies are innovated through the electricity. It plays the significant role in the industry. Dhaka producer has been using the electricity for daily uses table (4.5) shows the distribution of availability of electricity service as below:

**Table 4.5 Accession of Electricity Service to the Population**

| <b>Electricity service</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|----------------------------|-------------------------------|-------------------|
| Accessed                   | 149                           | 100               |
| Not accessed               | 0                             | 0                 |
| <b>Total</b>               | <b>149</b>                    | <b>100</b>        |

Source: Field Survey 2018

Table 4.5 depicts that all the population have accessed electricity service. It means there is an opportunity for the population to continue their occupation through better technology.

#### 4.1.6. Availability of Means of Communication to the Population

Today means of communication make the world a small village. All the events are noticed through the means of communication. Similarly, in business, means of communication plays a vital role to deal with other parties. Table (4.6) shows the distribution of means of communication to the producers:

**Table 4.6. Distribution of Availability of Means of Communication**

| <b>Service of Means of communication</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|--|-------------------------------|-------------------|
| Available                                | 149                           | 100               |
| Unavailable                              | 0                             | 0                 |
| <b>Total</b>                             | <b>149</b>                    | <b>100</b>        |

Source: Field Survey 2018

Table 4.6 shows that all the producers involving in Dhaka production have the facility of means of communication because of the expansion of communication.

#### 4.1.7. Road Access to the Industry

For the prosperity of a country, infrastructure is essential. As the road is the part of the infrastructure, it creates the market size to mobilize the product from one place to another. The people of Myanglung have been getting road facility in my study area. The table 4.7 shows the access to the road as below:

**Table 4.7. Distribution of Road Access to the Population**

| <b>Road Access to the house</b> | <b>Number of Respondents</b> | <b>Percentage</b> |
|---------------------------------|------------------------------|-------------------|
| Black topped                    | 92                           | 61.7              |
| Gravel                          | 40                           | 26.8              |
| Off Road                        | 17                           | 11.41             |
| <b>Total</b>                    | <b>149</b>                   | <b>100</b>        |

Source: Field Survey 2018

Table 4.7 reveals that nearly three-fifths industries have got access of black topped, two-fifths have gravelled and remaining have an off-road facility. It means the future of Dhaka industry is there for easy transportation of Dhaka products.

#### 4.2. Income and Employment Generation of Firm

Concerning above topic engagement of respondents in firm, involvement of employees in firm, audit of firm, market of raw materials and finished goods, grant, training, loan, production of per year, income level of per year, reinvestment from profit, other source of income instead of Dhaka and spending fulfilled by other source of income and etc. are analyzed.

##### 4.2.1 Experience of Population in the Firm (in Years)

In an Industry capital, labour, land, and organization are the essential parts to generate profit and growth of the industry. Beyond that experience is another part of an industry which plays a significant role to grow the industry in a different way. Dhaka producers have the experience to show better performance in my study area. Table (4.8) shows the distribution of experience year in Dhaka production:

**Table 4.8. Distribution of Population by Year of Experience**

| <b>Experience(in Years)</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|-----------------------------|-------------------------------|-------------------|
| 0-5                         | 42                            | 28.2              |
| 5-10                        | 37                            | 24.8              |
| 10-15                       | 38                            | 25.5              |
| 15-20                       | 21                            | 14.1              |
| above 20                    | 11                            | 7.4               |
| <b>Total</b>                | <b>149</b>                    | <b>100.0</b>      |

Source: FieldSurvey 2018

Table 4.8 shows that one-fourth of the population is beginners of the Dhaka production belong to 0-5 year experience (28.2 percent) which is followed by 10-15 years (25.5 percent) and 5-10 years (24.8) respectively. Others 14.1 percent and 7.4 percent belong to 15-20 year and above 20 years of experience respectively. It means Dhaka industry is being the centre of attraction to new entrepreneurs and entry of Dhaka entrepreneurs is increasing day by day due to income generation.

#### **4.2.2. Involvement of Employees in the Industry**

To run industry or to fulfil the demand more production needed. Employees are the main part of the industry to fulfil demand as they have skill. The growth of the industry depends upon the employee and their capability. Dhaka entrepreneurs have been involving in industry. Table (4.9) shows the distribution of respondents' involvement in the study area:

**Table 4.9. Distribution of Population by Involvement in Industry**

| <b>Employees</b> | <b>Number of Respondents</b> | <b>Percentage</b> |
|------------------|------------------------------|-------------------|
| Self             | 95                           | 63.8              |
| Hiring Employee  | 54                           | 36.2              |
| <b>Total</b>     | <b>149</b>                   | <b>100</b>        |

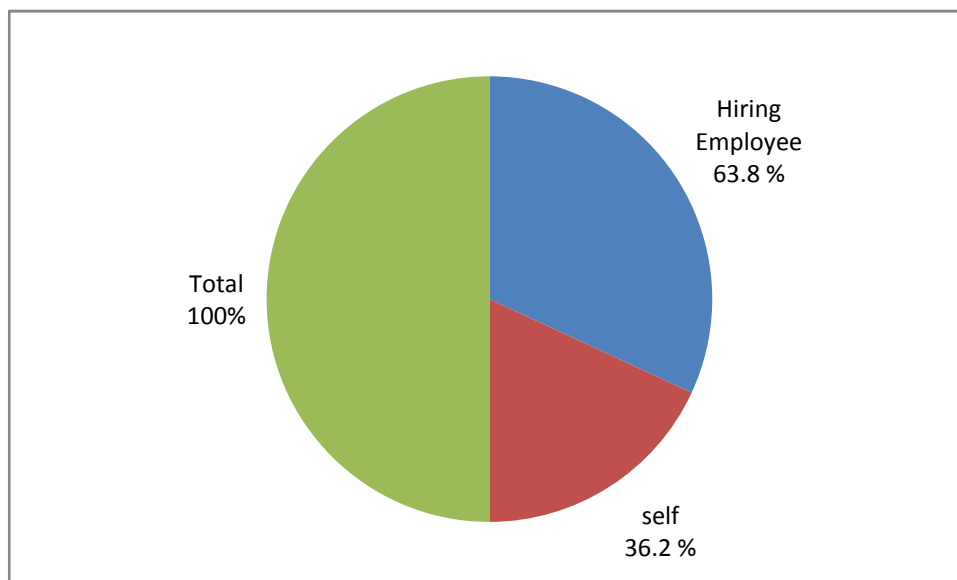
Source: Field Survey 2018

Table 4.9 reveals that nearly two-third of the respondents are continuing their industry themselves by 63.8 percent and the remaining one third are hiring employees by 36.2 percent. It shows that most of the respondents are continuing their industry hiring

employees. It means there is possibility of employment generation through small amount of investment with labor which can be shown in pie-Chart as below:

Figure 4.2.2.1.Distribution of Producers’ Involvement in Industry

**Percentage**



Source: Field Survey 2018

Figure 4.2.2.1 depicts that higher numbers of respondents involving with labors by 63.8 percent and rest of them are engaging themselves by 36.2 percent out of 149 respondents.

**4.2.3. Audit of Industry**

The audit is the examination and inspection of the institution, industry, offices and business entity annually. It is needed to know the real condition of industries. From audit, problems can be solved during the work. Table (4.10) shows an audit of the industry as below:

**Table 4.10. Distribution of the Population by the Audit**

| <b>Audit</b>  | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|---------------|-------------------------------|-------------------|
| Being Audited | 53                            | 35.6              |
| Not Audited   | 96                            | 64.4              |
| <b>Total</b>  | <b>149</b>                    | <b>100.0</b>      |

Source:Field Survey 2018

Table 4.10 reveals nearly two-third of the industries 64.4 percentis not audited and remaining35.6 percentis audited. It means most of the firms are in the shadow of government and other non- governmental organizations that can be the reason of decreasing the position of the industry.

#### 4.2.4. The Marketfor Raw Materials

A material or substance used in the primary production or manufacturing of a good. Raw materials are often natural resources such as oil, iron and wood, different types of herbs and spices, jute, cotton etc. from which we can make finished good.Dhaka weavers also have been using raw materials. Table (4.11) shows the distribution of the market of raw material.

**Table 4.11. Distribution of Population to the Market of Raw Materials**

| <b>Market</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|---------------|-------------------------------|-------------------|
| Domestic      | 137                           | 91.9              |
| Foreign       | 12                            | 8.1               |
| <b>Total</b>  | <b>149</b>                    | <b>100.0</b>      |

Source: Field Survey 2018

Table 4.11 most of the respondents bring their raw materials from domestic market by 91.9 percent and the remaining 8.1 percent import fromtheforeign market because they are the big investors among the population.

#### 4.2.4.1. Availability of Raw Materials

Industries’ growth depends upontheavailability of raw materials. Table (4.12) shows the availability of raw materials:

**Table 4.12. Distribution of Availability of Raw Materials**

| <b>Availability of raw materials</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|--------------------------------------|-------------------------------|-------------------|
| Available easily                     | 116                           | 77.9              |
| Not available easily                 | 33                            | 22.1              |
| <b>Total</b>                         | <b>149</b>                    | <b>100.0</b>      |

Source: Field Survey 2018

Table 4.12 depicts that nearly four-fifths of the industries (77.9 percent) get raw materials easily and remaining one fifth (22.1 percent) are facing problem for raw materials. It means there is potentiality of the market of raw materials.

#### 4.2.5. The Market for Selling Product

After processing the raw materials industry's objective is to sell goods and services from the local or foreign market. Nepal's trade with other countries is beginning from post liberalization. Most of the raw materials are exported to the foreign market instead of finished goods. The product-related textiles and fabrics are exported as finished goods. Table (4.13) shows the distribution of the market of sale.

**Table 4.13. Table Distribution of Sales Market**

| Market of sale | Numbers of Respondents | Percentage   |
|----------------|------------------------|--------------|
| Domestic       | 141                    | 94.6         |
| Foreign        | 8                      | 5.4          |
| <b>Total</b>   | <b>149</b>             | <b>100.0</b> |

Source: Field Survey 2018

Table (4.13) shows that most of the respondents are using the domestic market by 94.6 percent and remaining used foreign market by 5.4 percent. It means the demand for Dhaka product is high in the Domestic market.

#### 4.2.6. Facility of the Sales Market

For the competition of sales, the producer should go either domestic or foreign market. Here the government is not kept priority to Dhaka production as given other industry like Pashmina, jute, cotton industry. The respondents have been selling their product which is shown through a table (4.14) as below:

**Table 4.14. Facility of Sales Market to the Population**

| Facility of sales Market | Number of Respondents | Percentage   |
|--------------------------|-----------------------|--------------|
| Sold easily              | 29                    | 19.5         |
| Not sold easily          | 120                   | 80.5         |
| <b>Total</b>             | <b>149</b>            | <b>100.0</b> |

Source: Field Survey 2018

Table 4.14 shows that nearly four-fifth of the population (80.5 percent) has difficulty to sell their product easily and others one fifth (19.5) sell their product easily. It means selling market is in difficulty due to different types of problems like appropriate price and small size of the market, the role of middleman to the small entrepreneurs, and so on.

#### 4.2.7. Grant of Government

Grants are non-repayable funds or products disbursed or gifted by one party to another. In case of cottage industry government grant plays a significant role. All the people of a country have no money to run a business. In my study area, respondents have been received grant by government. The government had given a frame for the convenience of entrepreneurs to run a business. Table 4.15. Shows the Distribution of population received a grant from government as below:

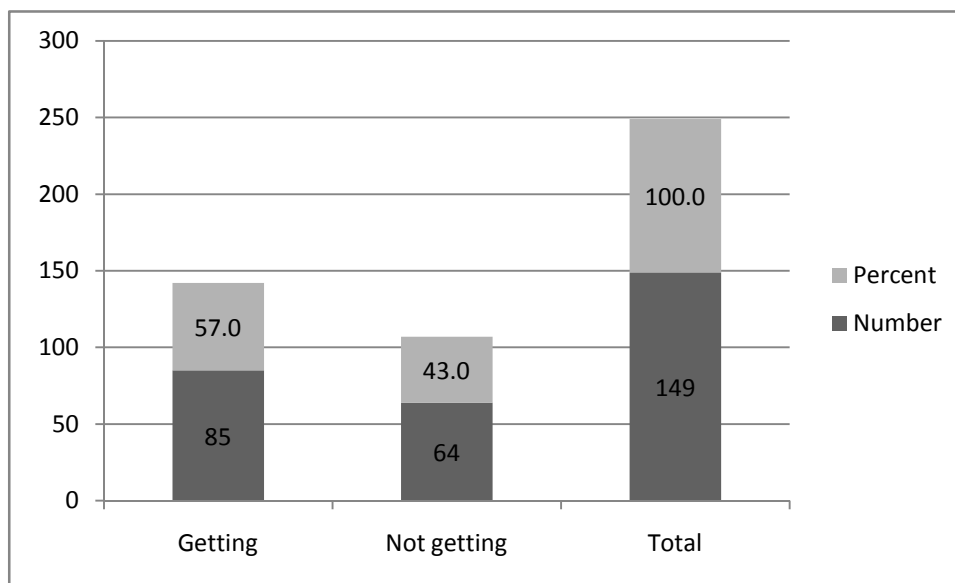
**Table 4.15. Distribution of Grant Received by Population**

| Grant from Government | Number | Percent |
|-----------------------|--------|---------|
| Getting               | 85     | 57.0    |
| Not getting           | 64     | 43.0    |
| Total                 | 149    | 100.0   |

Source: Field Survey 2018

Table 4.15 shows most of the respondents received grant by government by 57 percent and remaining are far from grant by 43 percent because Dhaka entrepreneurs are conscious about government subsidy. Figure 4.2.7.1. Shows the distribution of population receiving grant from government.

**Figure 4.2.7.1. Distribution of Population Receiving Grant from Government**



Source: Field Survey 20

In figure 4.2.7.1 There is grant from government in horizontal axis and number of respondents are in vertical axis where 57 percent of respondents are receiving grant and rests of them are not. It means those who registered their handloom get grant and others are far from grant from government.

#### **4.2.8. Training**

Training is the act of gaining proper knowledge about work or is the process of providing the required skills to the employee for doing the job effectively, skillfully and qualitatively. Training of employees is not continuous, but it is periodical and given in the specified time given by experts. As it is an invisible phenomenon, it makes employee smart and capable to run the industry in a proper way to compete to the other industry. Table (4.16) shows the distribution of training got by Population:



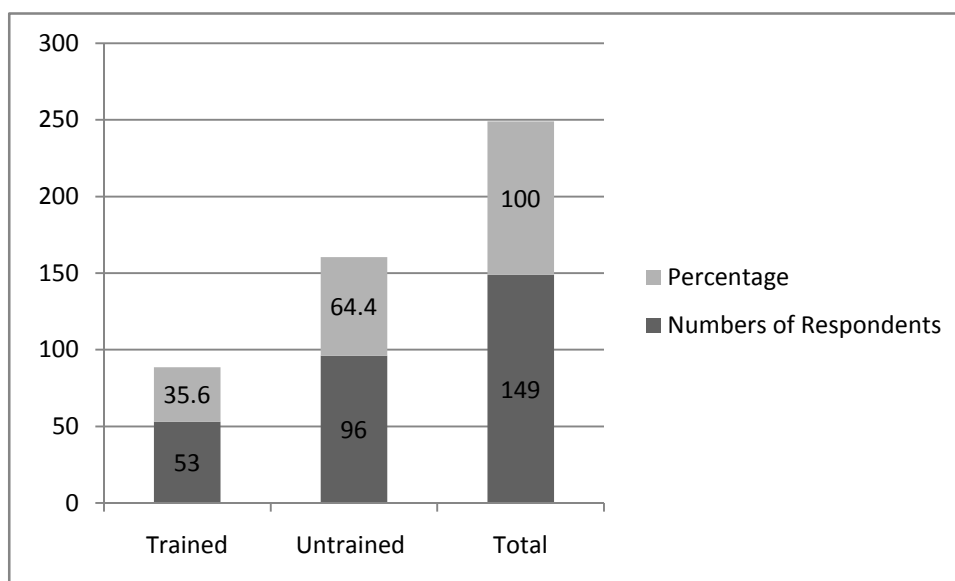
**Table 4.16. Distribution of Training Given by Government to the Population**

| Training     | Numbers of Respondents | Percentage   |
|--------------|------------------------|--------------|
| Trained      | 53                     | 35.6         |
| Untrained    | 96                     | 64.4         |
| <b>Total</b> | <b>149</b>             | <b>100.0</b> |

Source: Field Survey 2018

Table 4.16 shows that most of the respondents are untrained by 64.4 percent and rest of them are trained by 35.6 percent. There is majority of untrained entrepreneurs because untrained respondents learnt from their family members, senior and friends. Figure 4.2.8.1 shows the distribution of population got training provided by government.

Figure 4.2.8.1. Distribution of Population Training Provided by Government



Source: Field Survey 2018

In figure 4.2.8.1 there is training in horizontal axis and numbers of respondents in vertical axis which shows that high number of peoples are untrained by 64.4 percent and remaining are trained by government which is shown in upper part of column and lower part respectively.

#### **4.2.9. Wage Rate of Employees**

Wage is the amount of money paid to the labour by their employer. Wage rate is the minimum fixed amount of money which a worker is entitled to be paid by his employer. In my study area, there were 29 firms hiring employees for their work. By the table (4.17) shows the distribution of respondents' paid salary to their workers:

**Table 4.17. Distribution of Population Paid Salary to the Labor**

| <b>The wage of the employee (per month)</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|---|-------------------------------|-------------------|
| 5000-6000                                   | 5                             | 5.3               |
| 6000-7000                                   | 7                             | 7.4               |
| 7000-8000                                   | 10                            | 10.5              |
| 8000-9000                                   | 26                            | 27.4              |
| 9000-10000                                  | 20                            | 21.1              |
| 10000-11000                                 | 17                            | 17.9              |
| 11000-12000                                 | 10                            | 10.5              |
| <b>Total</b>                                | <b>95</b>                     | <b>100.0</b>      |

Source: Field Survey 2018

Table 4.17 reveals that majority of population paid salary to the labor by 27.4 percent belong to 8000-9000 salary of per month which is followed by 21.1 and 17.9 percent belong to 9000-10000 and 10000-11000 respectively. The others pay 10.5 percent, 7.4 percent and 5.3 percent belong to the wage rate of 7000-8000, 11000-12000, 6000-7000 and 5000-6000 respectively to the salary group. It means there is an opportunity for the employees for a better salary.

#### **4.2.10. Loan**

A loan is money, property or other material goods that is given to another party in exchange for future repayment of the loan value amount along with interest or other finance charges. It can be short term and long term. It is necessary if the business lacks the capital to run that is beneficial to those who have proper knowledge of how to run a business. Table (4.18) shows the distribution of respondents' loan.

**Table 4.18. Distribution of Population Taking Loan**

| <b>Loan</b>    | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|----------------|-------------------------------|-------------------|
| Taken Loan     | 15                            | 10.1              |
| Not Taken Loan | 134                           | 89.9              |
| <b>Total</b>   | <b>149</b>                    | <b>100.0</b>      |

Source: Field Survey 2018

Table 4.18 shows that population is not taking a loan to run firm by 89.9 percent and rest of them 10.1 percent is taking a loan. It means intrepeneurs who are small, not taken a loan to run their business.

#### **4.2.11 Distribution of Income Level of Respondents**

Most of the investors of cottage industries are middle-class people. They use their local products and get income from it. Dhaka producer of the study area has been earning the different level of income. Table 4.19.shows the distribution of the level of Profit of Population:

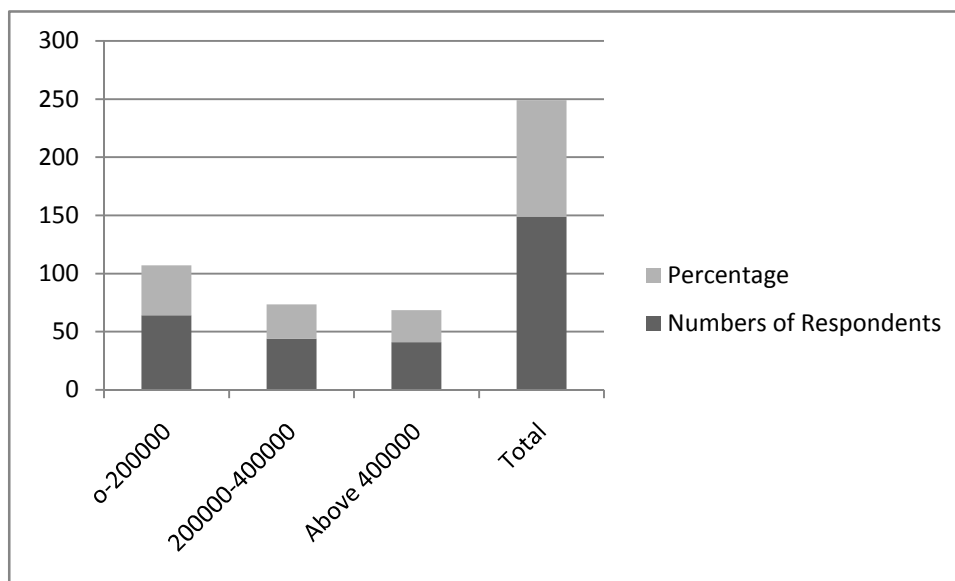
**Table 4.19. Distribution of Population by Level of Income**

| <b>Income from Dhaka Production In NRs</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|--|-------------------------------|-------------------|
| o-200000                                   | 64                            | 43.0              |
| 200000-400000                              | 44                            | 29.5              |
| Above 400000                               | 41                            | 27.5              |
| <b>Total</b>                               | <b>149</b>                    | <b>100.0</b>      |

Source: Field Survey 2018

Table 4.19depicts that nearly two-fifth of the population43percent earn below NRS 200000 level of income from Dhaka industry per year which is followed by 29.5percent and 27.5 percent belong to 200000-400000 and above 400000 level of income respectively.In the study area there is the potentiality of income generation with small investment to fulfill the basic requirements.

**Figure 4.2.11.1. Distribution of Population by Level of Income**



Source: Field Survey 2018

In figure 4.2.11.1 level of income is in horizontal axis and numbers of respondents is in vertical axis. In figure numbers of respondents have below 200000 level of income by 43 percent and is followed by 29.5 and 27.5 percent by 200000-400000 and above 400000 level of income.

#### 4.2.12. Reinvestment of Profit

A financial benefit that is realized when the amount of revenue gained from the economic activity exceeds the expenses. Profit is gained by the owner of the industry. Table (4.20) shows the distribution of reinvestment of profit as below:

**Table 4.20. Distribution of Firm of Reinvestment From Profit**

| Reinvestment | Numbers of Respondents | Percentage |
|--------------|------------------------|------------|
| Reinvested   | 56                     | 37.6       |
| Not invested | 93                     | 62.4       |
| <b>Total</b> | <b>149</b>             | <b>100</b> |

Source: Field Survey 2018

Table (4.20) reveals that nearly two third of entrepreneurs (62.4percent) not invest their profit and other one third (37.6 percent)of entrepreneurs reinvest the profit. It

means majority of entrepreneurs spend their profit to fulfil their basic needs and continuing their occupation only for livelihood.

#### 4.2.13. Occupation Instead of the Dhaka Production

In developing countries, people are not engaging only one occupation. For their survival, they engage different types of occupation like agriculture, government job, foreign employment, shop, daily paid labour etc. In my study area, Dhaka weavers also have been engaging in different types of occupation. Table (4.21) shows the distribution of respondents' family occupation:

**Table 4.21. Distribution of Population's Family Occupation**

| <b>Occupation</b>  | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|--------------------|-------------------------------|-------------------|
| Agriculture        | 43                            | 28.9              |
| Government job     | 16                            | 10.7              |
| Foreign employment | 50                            | 33.6              |
| Others             | 40                            | 26.8              |
| <b>Total</b>       | <b>149</b>                    | <b>100.0</b>      |

Source: Field Survey 2018

Table 4.21 shows that most of the entrepreneurs' family members (33.6) have foreign employment that is followed by Agriculture (28.9), other job (26.8) and government job (10.7) percent. It means foreign employment becomes the major source of income in my study area instead of agriculture. Except of foreign employment there is no job opportunity to the active population.

#### 4.2.14. Household Spending Fulfilled by Different Income Source

Spending is said to be a final consumption made by households to meet their everyday needs. In developing countries, there is no specialization of a job for the survival of the family. Dhaka producer in my study area has been fulfilling their expenditure from different occupation. Table 4.22 shows the distribution of Population expenditure by their different occupations.

**Table 4.22. Distribution of Population Spending Fulfilled by Occupation**

| <b>Spending fulfil from income sources</b> | <b>Number of Respondents</b> | <b>Percentage</b> |
|--|------------------------------|-------------------|
| Dhaka                                      | 54                           | 36.2              |
| Agriculture                                | 43                           | 28.9              |
| Foreign Employment                         | 50                           | 33.6              |
| Other                                      | 2                            | 1.3               |
| <b>Total</b>                               | <b>149</b>                   | <b>100.0</b>      |

Source: Field Survey 2018

Table 4.22 depicts that the high numbers of respondents are fulfilling their spending through Dhaka industry by 36.2 percent which is followed by foreign employment and agriculture by 33.6 percent and 22.8 percent respectively. Rest of 1.3 percent is fulfilling the spending through other occupation. It shows that Dhaka production is becoming the major source of income of respondents.

### **4.3. Problems of Dhaka Production**

#### **4.3.1. Problems of Dhaka Production**

In Dhaka industries there exist some constraints for the growth of the industry. In the prosperity of industries, all the factors should be run smoothly. The respondents have been facing different types of problems. There are different types of problems faced by Dhaka entrepreneurs as below:

##### **4.3.1.1. Transportation Problem**

In my study area there is the facility of road but sometimes it creates problems in rainy season. In my study area, respondents have been facing transportation problem due to monsoon.

**Table 4.23. Distribution of Transportation Problem Faced by Population**

| <b>Transportation Problem Due to Rainy Season</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|---|-------------------------------|-------------------|
| Yes   | 149                           | 100               |
| No  | 0                             | 0                 |
| <b>Total</b>                                      | <b>149</b>                    | <b>100</b>        |

Source : Field Survey 2018

Table 4.23 shows that all of the respondents are facing transportation problems in monsoon. It means there is no proper infrastructural development.

#### **4.3.1.2.Price of Raw Materials**

All producers want more profit during business. For that price of finished goods should be more than intermediate goods. In my study area respondents have been facing inappropriate price or increasing rate of raw materials. Table 4.24 shows distribution of increasing price of raw materials faced by population:

**Table 4.24. Distribution of Population Facing Inappropriate Price of Raw Materials**

| <b>Price of Raw Materials</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|-------------------------------|-------------------------------|-------------------|
| Appropriate                   | 0                             | 0                 |
| Inappropriate                 | 149                           | 100               |
| <b>Total</b>                  | <b>149</b>                    | <b>100</b>        |

Source: Field Survey 2018

Table 4.24 shows that all the respondents are facing increasing price of raw materials. It is because there are little numbers of shop of raw materials and transportation cost also high.

#### **4.3.1.3. Existence of Middleman**

Middleman is a person who transacts in between buyers and suppliers. Middleman buys large quantities of goods and resells to another party. From this he takes large profit. In my study area respondents have been facing the problems of middleman. Table 4.25 shows the Distribution of problem of middleman faced by population.

**Table 4.25. Distribution of Middleman Existence Faced by Population**

| <b>Existence of Middleman</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|-------------------------------|-------------------------------|-------------------|
| Existence                     | 120                           | 80.54             |
| Non-existence                 | 29                            | 19.46             |
| <b>Total</b>                  | <b>149</b>                    | <b>100.00</b>     |

Source: Field Survey 2018

Table 4.25 shows that one fourth of the respondents are facing problem of middleman in the market by 80.54 percent and rests of them are not facing such a problem by 19.46 percent. It means entrepreneurs are not entered in competitive market and their products are sold in chipper price.

#### **4.3.1.4. Linkage to the Association**

Linkage means connection or an act of linking to the organization. In my study area Dhaka entrepreneurs have been associating to the different association. Table 4.26 shows the Distribution of linkage to the association.



**Table 4.26. Distribution of linkage to the Fabric Association of Population**

| <b>Linkage to Fabric Association</b> | <b>Numbers of Respondents</b> | <b>Percentage</b> |
|--------------------------------------|-------------------------------|-------------------|
| Linkage                              | 15                            | 10.07             |
| No Linkage                           | 134                           | 89.93             |
| <b>Total</b>                         | <b>149</b>                    | <b>100</b>        |

Source:Field Survey 2018

Table 4.26 depicts that very low number of respondents are linked with different association like FNCS, MEDEP,SAWTEE, AAN and so on. Rests of them are not linked in any organization. It means majority of peoples are unaware about their right and in shadow of such organizations.

### **4.3.2 Prospects of Dhaka Production**

By the establishment of handloom industry, it is possible to give secure job for poor and women in the rural area which can be a medicine to eradicate poverty. There are the prospects of Dhaka production as given below:

#### **4.3.2.1. Increase in Export**

Handloom industry use local products available in local market. It has been famous in national and international market. If it is produced in large quantity it will also compete in global market.

#### **4.3.2.2. Preservation of Local Art and Culture**

Dhaka becomes the custom of indigenous people in Nepalese society. Dhaka production can play important role in preserving local arts, skills and culture of different part of the country.

#### **4.3.2.3. National Income**

Dhaka production can play a vital role in uplifting national productivity and national income. Such types of cottage industries can provide more employment opportunities which leads to increase per capita income and national income of the country.

#### 4.3.2.4. Quality and Design

Though Dhaka production has been starting in traditional way, nowadays it has been used in different patterns and designs to compete the global market. There is the prospect of Dhaka production using different types of pattern and qualitative products which will attract the choice of global market as well.

#### 4.4 Regression Result

Regression model is used to check the impact of different variables on income of Dhaka producer. In regression model income is dependent variable and years of work experiences, types of residence, grant from government, and training are independent variables. The regression result is shown in following table.

**Table 4.27. Regression Result**

| Model                 | Unstandardized Coefficients |            | t      | Sig. |
|-----------------------|-----------------------------|------------|--------|------|
|                       | B                           | Std. Error |        |      |
| 1 (Constant)          | 185889.034                  | 189745.407 | .980   | .329 |
| Years of Experience   | 6476.272                    | 4226.644   | 1.532  | .128 |
| Type of Residence     | -73450.995                  | 62451.205  | -1.176 | .241 |
| Grant from Government | 68570.355                   | 62861.407  | 1.091  | .277 |
| Traning               | 105256.260                  | 61445.861  | 1.713  | .089 |

Dependent Variable: Income

No of observation : 149

The regression result of table 4.27 shows that only training is significantly impact on income of the Dhaka producer. All others independent variables expect training such as years of experience, types of residence, and grant from government have not significantly impact to producers income. Though, significantly not impacted, if years of work experiences increases by one year income of Dhaka producer increases by NRs.6476.27 in on average. Similarly, if a producer firm is rented, his/her income is decreased by NRs. 73450.995in on average. And if producer receive grant from government, his income is positively increased by NRs. 68570.355. In the same way, if Dhaka producer receive training, his/her income is positively influenced by NRs. 105256.260 in on average, and since its p-value is 0.089 which is less than 10 percent, hence it is significant at 10 percent level of significance.

## CHAPTER V

### CONCLUSION SUMMARY AND RECOMMENDATIONS

#### 5.1 Summary of Major Findings

The entire study has focused upon the income and employment generation of Dhaka production, working in industries of Myanglung Municipality, and the study is concentrated to answer the questions like- Does Dhaka production creates income and employment generation? , and what are the problems of Dhaka Production. The general objectives were to find out the economic condition of Dhaka producers and the specific objectives were find out income and employment generation of Dhaka production and to find out the problems of Dhaka production.

The present study has been carried out on the basis of descriptive research design and the analysis has been based on data. Basically this study describes age group, caste,land ownership, residential status, types of house, road access to the house, electricity Drinking water, means of communication by family members etc. are identified and describe to light on the economic condition of Dhaka weavers of the Dhaka industries. The major findings of the study are as below:

In Myanglung, there were practising Dhaka long time ago to promote art, culture, small scale industries (especially handloom industries). Most of the industries are centralized in this area. There is running 149 industries altogether and total 560 workers work in them. 54 industries are hiring workers and remained 95 were continuing their business themselves.

The present study has been based on the primary source of data in order to meet the stated objectives of the study. The primary source of data has been obtained through fill up of questionnaires. The producers of the industries were given to fill up the set of questions. Beside it, observation was carried out to better understand their working condition in the study area and observation method has been applied to compare the different aspects such as physical condition, working condition made of employment etc. in different industries and to get their relevant information to the need of the research objectives. The percentage of the necessary information has also been worked out.

As no study can be free from limitation and also from shortcomings, this is not also the exceptional one. Being first research on employment and income generation of handloom industries of Myanglung, the study is fully dependent upon the primary data, collected by questionnaire method from the respondents of the study area. This study covers Dhaka industries of Myanglung only so, it can't be generalized in another area. This study doesn't show the production of the study area due to heterogeneity of products. And it's conclusion does not resemble other categories of textiles.

Producers from different age groups are engaged in Dhaka industries, the highest percent of producers are 93.29 percent which belongs to 15-59 age group and remaining 6.71 percent are from above 60 years. There is no involvement of 0-14 age group in this occupation. Producers from different castes are involved in these industries. But the majority of them belong to Limbu 41.6 percent as Dhaka cloths are the custom and traditional work of Limbu people in Terhathum District.

For residence, 53.7 percent of producers have own house and remained 46.3 percent are rented. Similarly, 57.7 percent of respondents have land ownership and remained 42.3 percent are rented. 16.8 percent are staying in RCC roofed and remaining 83.2 are staying in 83.2 percent.

Access of road to the industries of respondents by 61.7 percent of black topped. 26.8 percent have a gravel road and 25.3 percent have off-road.

In my study area, there is a facility of Electricity, drinking water, means of communication used by family members, health status to all the respondents.

The respondents are engaging for many years in the study area and the highest numbers of people are beginning their industry by 28.2 percent belonging to 0-5 years. Above 20 years of experience is the lowest participation in the occupation by 7.4 percent.

In 149 industries, there are working 560 workers. The respondent who continuing the industry self is 63.8 percent and remaining 36.2 are hiring employees. But there is no bonus to the workers by industry.

Among 149 industries 35.6 percent are audited from government and non-governmental organizations and remaining 64.4 percent are not audited.

Most of the respondents bring raw materials from domestic market by 91.9 percent and remaining to bring from the foreign market. And the availability of raw materials is 77.9 percent and remaining 22.1 percent are not getting easily. But 94.6 percent are selling their products in the domestic market and remaining 5.4 percent of the respondents export to the foreign market.

Government grant received by respondents is 59.1 percent and remaining of them 40.9 percent are not received. Among 149, 62 firms are registered and 87 are not registered.

Majority of respondents have not taken a loan by 89.9 percent and remaining of them 10.1 percent have a loan to run the industry.

Respondents reinvest from profit are 37.6 percent and remained is 62.4 percent from profit to grow up their industry.

The respondents are engaged in other occupation instead of Dhaka production. 33.6 percent are engaging in foreign employment, another job like daily paid labour, private job in a different institution is 36.2 percent, third 19.5 percent are engaging in agriculture and 10.7 percent are engaging in a government job.

Trained respondents in my study area are 35.5 percent and rests of them are 42.3 learnt from their senior and friends.

Most of the producers are paying 8000-9000 salary to their employees by 27.4 percent, 21.1 percent belong to 9000-10000 and 5000-6000 salary to their employees by 5.3 percent.

All the producers are facing transportation problem during monsoon and inappropriate price of raw materials.

Most of the industries are facing the problem of existence of middleman by 80.53 percent and 19.4 are free from middleman.

80.53 percent entrepreneurs have no linkage to related organizations and rests of them have linkage to some organizations by 19.47 percent.

Spending of the household is fulfilled by Dhaka industry to the majority of respondents in my study area is 36.2 percent, foreign employment is 28.9 percent, agriculture is 28.9 percent and another job is 1.3 percent. It shows that Dhaka production also is the major source of income in my study area.

The regression shows that only training is significantly impact on income of the Dhaka producer. All others independent variables expect training such as years of experience, types of residence, and grant from government have not significantly impact to producer's income.

## **5.2. Conclusion**

In the eastern part of Nepal, there is practising Dhaka production using the traditional method. Especially in Myanglung, it has been just starting in different fashion, patterns etc. Dhaka industries generate income and employment in this area. It also can help to the growth of a country if it commercialized. Though, investment of a Dhaka is in low price, is continued by very few people. Investment of Dhaka production is mostly continued by Limbu people in Myanglung due to that it is the custom of them.

Dhaka has become the major source of income. It has its unique identification in the Nepalese market. The government has not put this sector as the competitive product of Nepal. Only local peoples are engaging in this occupation with no any incentives. Dhaka weavers are usually women from the remote area. Because of their isolation from Nepal's major markets, the weavers are often susceptible to exploitation from middlemen. The market is only domestic due to government negligence to the people in the study area.

Most of the producers earn 100000-200000 annually to fulfil their spending by 34.9 percent. And there are 560 workers hired by 29 industries among 149. If it is not fulfilled their spending through Dhaka they have other occupation instead of this. Being a developing country, most of the family members are engaging in foreign

employment, agriculture and daily paid labour, a job in the private and government sector etc to fulfil their daily needs.

Most of the producers have not taken a loan for investment because there is an insufficient mortgage to get finance. The constraints of the industry are infrastructure, input and output market, technology, finance, subsidiaries and facility of the government etc. Most of the workers have no facility of shelter and their bonus from related industries. Among independent variables of years of experience, types of residence, grant from government and training only training is significantly impact on income of the Dhaka producer.

### **5.3 Recommendation**

True development is when all the factors of production have employment. Generating employment makes people fresh and capable. For the development and promotion of handloom industry, it is needed for the economy to make a study on the topic. Further, it is suggested, more studies are required for identification of the problems facing by the handloom industry related to production, finance and marketing and to suggest the suitable measures for the development and advancement of the industry.

It should be given training to the people about the skill that creates proper knowledge of the textiles and it should be given a bonus to the employee to make them responsible towards industry and its growth.

There should be infrastructure (Road, drinking water, Electricity, communication etc.) development for the market expansion in local as well as foreign market.

The government should give different types of incentive to the producer to attract people to the occupation. And provide raw materials at low cost and it should be given fix rate of salary to the employees to fulfil their basic needs.

The government should audit from time to time to know the real condition of the industry from which they can solve existing problem.

Owner of the industry should give different types of bonus to make them responsible to the industry.

There should be applied labour policy to the industry that fights to the favour of marginalized one and don't let intervention over the small industries by big industries.

There should be linked to different types of association for the creation of the market and should prioritize by the government to the industry as other categories of textiles.

As only training is significantly impacted to the Dhaka producer income, the government or I/NGOs should focus on providing training to them in order to raise their income level. The analysis of regression result suggests grants does not have significant impact on Dhaka producer's income hence it is just waste of money.



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## APPENDIX

Dhaka Production

Questionnaire for Dhaka weavers

a. Municipality/ V.D.C. .... District.....

b. Ward no. .... Tole/ Village.....

c. Respondent's details:

Name:..... Age .....Occupation.....

1. Description of family members:

No. of family members: .....

Male No:..... Female No:.....

2. Dwelling Status

2.1. Type of residence

a. Own house                      Rented

2.2. Landownership

a. Own land                      Rented

2.3. Type of house

a. RCC Roofed

b. Metal/ Zinc Roofed

c. Thatched Roofed

2.4. Road access to the house

Black Tapped                      Graveled/Mud Road

Off-Road

2.5. Electricity service

a. Yes                      No

2.6. Drinking Water Facility

a. Private Tap) Community Tap

2.7. Means of communication used by family members

a. Yes                      No

### 3. Health Status

3.1. When did you seek medical advice if member is sick?

Yes                                  No

- a. Medical Shop
- b. Health post
- c. Hospital
- d. Traditional Medicine/ healer

4.1. Use of light in the house

Yes                                  No

- a. Electricity
- b. Kerosene Lamp
- c. Solar

5. Description of firm

a) Since how long have you been engaging in this occupation?  
Since.....Years.

b) Does your firm register?                  Yes                          No

c) How many employees are engaging in this firm?.....

d) Do they get bonus from this industry? Yes                          No

e) How many rupees do you pay for the employee? .....

f) Is it audited from anywhere?      Yes                          No

g) From where do you bring raw materials?  
From Nepal (.....)                  From India (.....)

h) Where do you sale these products?

- 1. ....
- 2. ....
- 3. ....

i) What are the raw materials?

- 1. ....
- 2. ....
- 3. ....
- 4. ....
- 5. ....

j) Do you get these raw materials easily?  
Yes.....                  No.....

- k) If No what are the problems behind that?
  - 1) .....
  - 2) .....
  - 3) .....
  - 4) .....
- l) Have you got any grant from Government?
 

Yes (.....) No (.....)
- m) Can you Sale all your product easily?
 

Yes (.....) No (.....)
- n) If No what are the constraints?
  - a) .....
  - b) .....
  - c) .....
  - d) .....
- o) How much do you earn per year from this skill? Rs.....
- p) Have you taken loan for this?
 

Yes ..... No.....
- q). If Yes, how many rupees do you pay for interest? Rs.  
.....
- r)How many rupees do you pay for rent? Rs.....
- s)How much did you sale last year? .....
- t) How much did you earn profit? .....
- u) Do you reinvest from profit? .....
- v) Other occupation instead of Dhaka production:
 

|             |                |
|-------------|----------------|
| Agriculture | Government job |
|-------------|----------------|

Foreign employment

## 7. Description of Economic Condition

### 7.1 What are the major sources of income of the family?

- a) Agricultural products
- b) Daily paid labor
- c) Government Services
- d) Foreign Employment
- e) Employment in the Private sector
- f) Trade and Business

7.2. What are the sources of family income to meet above expenses?

| Income Heading                  | Income in Rs. |
|---------------------------------|---------------|
| a) Occupation Business          |               |
| b) Agricultural Product selling |               |
| c) Daily paid labor             |               |
| d) Government service           |               |
| e) Foreign Employment           |               |
| f) Previous saving              |               |
| g) Loan                         |               |
| h) Other                        |               |
| Total                           |               |

8. Problems of Dhaka Production

- a. Do you sell all your product in market when it is finished?  
Yes..... No.....
- b. If no What are the problems
  1. ....
  2. ....
  3. ....
- c. Do you get raw materials in appropriate price?  
Yes..... No.....
- d. Is there existence of middleman?  
Yes..... No.....
- e. Have you associated with any organization related your occupation?  
Yes..... No.....