Chapter 2

LITERATURE SURVEY

Reports
Books
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Literature Survey

There are a number of books and articles on industrial co-operatives and handicrafts. The authors of these books and articles deal with the subjects on an all India basis. The literature relating to handicrafts and industrial co-operatives specific to Kerala is very few. Similarly the findings of the writers do not form part of a systematic research work. The study made by the researcher is the first attempt to evaluate the working of the Apex Society in handicrafts in Kerala and its role in developing primary societies. The information gathered by the researcher from the available literature in the field is mentioned in the following paragraphs.

Reports

Venkatappa (1977) in his study titled “Problems and Prospects of Weavers’ Co-operatives”¹ found inefficiency in the organisational set up in the form of defective management and poor administration among the weavers’ co-operatives in Karnataka.

R.B. Choubey (1978) conducted a study with the title “Problems and Prospects of Weavers Co-operatives in Bihar.”² Acute financial crisis

was observed to be the main problem faced by Weavers’ Co-operatives in Bihar. He proposed for the establishment of a separate wing in the Central Co-operative Bank for providing financial assistance to these societies.

G.S. Kamat (1984) in his paper “Sickness of industrial co-operatives” suggested the need for restructuring of Indian co-operatives. According to him the need for consolidation of co-operatives through amalgamation and mergers of co-operative units will have to be created through proper education among the members and to make it practicable by necessary legal support must be provided to them.

Chellappa (1989) in his study “Sickness in Industrial Co-operative Societies” found the reasons for dormancy of industrial co-operatives in Tamil Nadu as absence of feasibility report, inadequate supervision, finance, raw material supply, marketing problems, disloyalty of chief executives, inefficient management and conflict among Board of Directors.

M.M. Gandhi (1993) in his study titled “Future of Workers’ Co-operatives in India” found the solution for revitalisation of industrial co-

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operatives by formulating a new economic policy by the government which will strengthen the competitive power of industrial co-operatives.

Professionalisation of management in industrial co-operatives is stressed by Dr. Hassam Hadayath (1995) in the article “Professionalisation of Management in Co-operatives”.

The author points out that if co-operatives are to become profitable and successful, the managers of co-operatives must become proficient and adopt modern techniques of management.

Dr. A.P. Dash and Dr. Basanta Kumar (1996) in their article “Development of Industrial Co-operatives in Informal Sector-Need For Change” made an analysis of village industrial co-operatives in Orissa. They found that dormancy rate is very high in India. It is 20 per cent in Tamil Nadu and 74 per cent in Assam. The reason for this high rate of dormancy according to them can be traced to illiteracy, lack of leadership, weak financial base, inadequate credit, non-availability of raw materials and proper marketing support.

Rajagopalan (1996) in his article “Rediscovering Co-operatives” has stated that the trade unions took keen interest in the formation of co-

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operatives on the presumption that co-operatives can survive better than private factories.

Dr. P.V. Thomas (1997) in his study “Role of Industrial co-operatives in the Liberalized Economy”\(^9\) pointed out that if there is a definite policy to promote viable societies in terms of functions and operations, it is more feasible to withdraw share capital assistance by government in a phased manner. He stressed the need for re-structuring industrial co-operatives. He pointed out that there should be centralised system for purchases and sales and there should be a structural federation of societies.

Ray Sanjay (1997) conducted a study titled “Problems and Prospects of Weavers’ Co-operatives”\(^10\) on the growth and performance of primary and Apex Weavers’ Co-operatives in Tripura and found the main reasons for the poor performance of the societies as dependence on external market only, lack of proper marketing channel, absence of professional management, poor infrastructure and poor quality of raw materials.

The article “Professionalisation of Co-operative Management”\(^11\) by Bhandri. M.C (1998) stressed the essential traits required to manage people

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\(^9\) P.V. Thomas, *Role of Industrial Co-operatives in the Liberalized Economy*, Souvenir, 13\(^{th}\) Indian Co-operative Congress, National Co-operative Union of India, New Delhi, 21\(^{st}\) and 22\(^{nd}\) January, 1997.


in a business. Here the author highlighted the essence and need for professional management in industrial co-operatives because organisational development depends much upon professionalisation.

D.P. Neb (1998) stated in his report “Active Member participation - A Pre-Condition for success of Co-operative Organisation”\(^{12}\) that active participation of members is essential for the success of co-operative organisations especially in the case of industrial co-operatives.

The working group on evaluation of progress of handicrafts (1998) of the State Planning Board\(^{13}\) stated that Handicrafts have great importance. This is indicated by the volume and value of their production. Handicrafts embody cultural will and artistic traditions of the country. According to the Group, development of handicrafts is, therefore, not merely a matter of rehabilitating a few craftsmen in their ancestral trade but of keeping alive the traditional art and giving free scope to the creative facilities and inherited skill of craftsmen.

Dr. Seena (1999) in her paper “Social Development and Women”\(^{14}\) has the opinion that women industrial co-operatives will become profitable


\(^{13}\) *Evaluation of Progress of Handicrafts*, State Planning Board, Trivandrum, p.no.41, 1998.

\(^{14}\) Dr. Seena, *Paper Presented on Social Development and Women*, 5\(^{th}\) Co-operative Congress.
only if they are freed themselves from the clutches of traditional methods and they adopt modern technology.

The Times of India (2000) conducted a study titled “An analysis of working of industrial co-operatives”\(^\text{15}\) and brought out the fact that 50 per cent of industrial co-operatives other than weavers’ co-operatives are dormant in the country. The reasons can be traced to non availability of timely credit facilities, lack of managerial expertise, inadequate marketing support and inefficient training to create committed workers.

Institute of Small Enterprises and Development (2001) in their study titled “Towards an Alternative Agenda for the Industrial Development of Kerala”\(^\text{16}\) pointed out that while sickness and death of industrial co-operatives is a major problem, bogus registration of societies is also a dismal feature of co-operative growth. The study found that since late 1970s, a large number of industrial co-operatives have been registered and majority are remaining sick or dormant. It also suggested that the revivable units need to be nursed and the assets of the remaining ones are to be recovered by the Government.

Dr. R.P. Nainta (2001) in the article “Co-operatives in the New millennium, Challenges and opportunities”\(^\text{17}\) expressed the view that there is


\(^{16}\) Institute of Small Enterprises and Development of Kerala, Towards an Alternative Agenda for the Industrial Development of Kerala, Trivandrum, June, 2001, p. no. 30.

\(^{17}\) R.P. Nainta, (Dr), Co-operatives in the New Millennium Challenges and Opportunities, Kurukshetra, Bombay, July, 2001, p.no.9.
a fear that co-operatives will not be able to face competition from the private sector.

Dr. Katarsingh (2002) stated in the article titled “Co-operatives as an Instrument of Rural Development”\(^{18}\) that the main challenges before the co-operatives are professionalisation of management, competition from the private sector, facing unnecessary government control and to find a balance between the conflicting social and economic objectives of co-operatives.

Dr. Vasantha Kumari (2002) in her Ph.D. thesis titled “Working of Women Industrial Co-operatives in Kerala”\(^{19}\) has found that glory of the public sector is becoming part of history and private and co-operative sectors alone can be relied upon for economic and social development in future.

Maureen Liebil and Tirthenker Roy (2003) in the article titled “Handmade in India”\(^{20}\) found that in the handicraft sector of India an average artisan has inadequate access to information about markets, buyers, tastes and technologies. He also faces problems like inadequate capital and less availability of raw materials like wood, cane, bamboo, horn and bone.

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The study titled “Study on handicrafts—Problems and prospects”\textsuperscript{21} conducted by the Centre for Management Development, (2004) Trivandrum found that the Government marketing agencies for handicrafts are charging extra for the crafts supplied by the artisans to an extent of 50 to 60 per cent to cover the overheads of the agencies. This will lead to an increase in the ultimate price of the crafts retarding sales and preventing the growth of handicraft sector. The export market for Kerala crafts is found to be meagre. The study revealed that the artisans are unaware of the social schemes provided by the Government. It stated that the absence of skill development training affected the product quality improvement, design change and product expansion.

H.S.K Tangirala (2005) in his article “New generation Co-operatives Vs. Traditional Co-operatives”\textsuperscript{22} makes clear his view that the industrial co-operatives should work and be managed like any other business enterprise without any assistance from the Central or State Governments. They should understand the success factors like needs of members, fulfilling choice, quality expectations, consistency in supply and giving money’s worth to customers.


Books

R.V. Rao (1979) in his book “Small Industries and the Developing Economy in India”\(^{23}\) states the peculiarities of handicraft industry as highly complicated involving numerous processes and each craft having its own tradition, ways of production and design. He proudly states that handicrafts are our precious legacy and a valuable part of our heritage.

S.P.Mathur (1979) stated in his book “Economics of Small Scale Industries”\(^{24}\) that the establishment of the British rule affected handicrafts because the rule indirectly weakened the power of the guilds which regulated the trade. He said, with the removal of regulatory bodies evils like adulteration of materials began to take place and qualitative workmanship disappeared and these led to a decline of artistic and commercial values of the handicraft products.

R.V. Rao (1982) in his book “the Role of Cottage and Small Industries”\(^{25}\) analysed the handicaps of the handicraft industry as insufficiency of raw materials, lack of finance, inadequate marketing and old techniques of manufacture. For the revival of handicraft sector, he suggested to organise


\(^{24}\) S.P. Mathur,  *Economics of Small Scale Industries*, Sundeep Prakashan, New Delhi, 1979, p.no.27.

separate industrial co-operative societies for persons engaged in different crafts.

R.C. Suneja (1982) in his book “Indian Rural Economics”\(^{26}\) has stated that handicrafts industry in India, besides helping to solve both social and economic problems of the village craftsmen and the vulnerable sections of the society, has to play an important role in earning valuable foreign exchange for the country.

Dr. Vivek Renjan Bhattacharya (1982) in his book “New Strategy of Development in Village India”\(^{27}\) is of the opinion that Indian handicrafts are unanimously acknowledged as the very best and they are the true symbols of the spirit of the country. He also wrote that Indian artisans work for the finest, but they do not know anything about the world market and latest designs.

C.R. Madan (1983) in his book “India’s Developing Villages”\(^{28}\) stated that handicraft articles appeal to customers principally through their distinctive and artistic designs. He suggested that there should be a planned development to improve the handicraft industry by avoiding middlemen and by increasing the resources of production.


\(^{28}\) C.R. Madan, *India’s Developing Villages*, Print House (India), Lucknow, 1983, p.no.289.
Vasant Desai (1983) points out factors like organisation of society without conducting a proper feasibility study, lack of attention by management to planning and failure on the part of Government to give loans and subsidies as promised at the time of formation of society, responsible for the industrial co-operatives becoming defunct in his book ‘A study of Rural Economics’.

Brahmananda, Narayanan and Kallappa (1987) in their book “Dimensions of Rural Development of India” have found the defects of the handicraft sector especially the societies as traditional skills, inaccessibility to institutions and markets, inadequate information on market and marketing channels, resistance to change, inadequacies of credit, technology and lack of proper entrepreneurship training.

M. Gangadhar Rao and V. Surya Prakash Rao (1991) in their book “Rural Unemployment and Rural Industrialisation” pointed out that the growth of handicrafts has many benefits as they are labour intensive and offer employment to village artisans employing local resources. They laid stress on the necessity of giving special training in export oriented crafts of hand-knotted woolen carpets, art metal-ware, hand printed textiles and wood ware.

D.K. Kulshresta (1991) in his book “Problems of Rural Industrialisation”\textsuperscript{32} has written that the village artisans neither want to leave their traditional way of working nor the modern technological processes are being diverted towards rural segments. He also suggested that the rural worker would at least be provided with modern tools and equipments to make their work easier and quicker.

R.S. Jamuar (1992) in his article, “Establishment of Industrial Co-operatives”\textsuperscript{33} suggested that industrial co-operatives can render immense help to the development of small scale and cottage industries because most of the people engaged in these industries have to face many difficulties regarding production, marketing, credit and finance. He is of the opinion that these difficulties can be overcome by organizing industrial co-operatives by the artisans.

Dr. R.S. Jamuar (1992) in the book “Small-Scale and Cottage Industry in India”\textsuperscript{34} has expressed the view that an integrated development thrust must be provided to handicraft sector with a view to enlarging the production base and thus enhancing the opportunities for employment and

\begin{itemize}
\item \textsuperscript{32} Kurukshetra, \textit{Problems of Rural Industrialisation}, Manak Publications Pvt.Ltd, New Delhi, 1991, p.no.129.
\item \textsuperscript{33} R.S. Jamuar, (Dr.), \textit{Establishment of Industrial Co-operatives}, Deep and Deep Publications, New Delhi, 1992, p.no.137.
\item \textsuperscript{34} R.S. Jamuar, (Dr.), \textit{Small Scale and Cottage Industry India}, Deep and Deep Publications in India, New Delhi, 1992, p.no.58.
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income. He also emphasised the need for supply of raw materials, design and technical guidance, market support and training.

Devendra Thakkur and Shiv Shankar Prasad (1994) in their book “Small Scale Industries in India”\(^{35}\) have analysed the main problem facing the industrial co-operatives as the presence of acute politics which influences the behavior pattern of the members of co-operatives.

Baidyanath Misra (1997) in his book “Co-operative Movement in India”\(^{36}\) has given the suggestions to improve the industrial co-operatives as simplification of election procedure, repayment of Government’s share capital in co-operatives over a period of time, encouragement of rotation of directors, reduction of audit fees in co-operatives and conducting regular inspection by co-operative department.

P. Nayak (1997) in his book titled “Role of Handicraft Co-operatives in Rural Development, Problems and Policy Options”,\(^{37}\) found that the problems of handicraft co-operatives as lack of leadership, lack of general awareness among craftsmen, political interference, lack of financial


resources, lack of raw materials, mismanagement of funds and lack of technology upgradation

Solanki S.S (1998) in his book “Rural Industries of India”\(^{38}\) made an attempt to understand whether the rural artisans have shown signs of responding to the modern technology. He has seen that no worthwhile efforts have been made to involve the artisan in the evaluation process and make him a component of the newer linkages that have emerged in place of the age-old linkages that pervaded in the rural development. He also noticed that no linkages are established between the taker of the technology and its developer, once the technology is handed over to the user and as a result today most of India’s artisans are struggling for survival.

Myrdal.K (2000) in his study “Problems and Prospects of Cottage and Handicraft Industries”\(^{39}\) covered the adverse effect of modern mechanised industries on handicrafts. He has recommended for a strong organisational co-operative set up to ensure healthy competition.

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