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INTRODUCTION

India is a land of villages where 74.3 per cent of its total population lives. Agriculture is the main occupation of people in rural areas and 65.0 per cent of rural masses in India are dependent on it for their livelihood. Income from agriculture is hardly sufficient for their hand to mouth existence. In order to supplement the meager agricultural income of rural people, there is need for development of non-farm sector which comprises weaving, making of pots and pans, manufacture of shoes, carpentry, blacksmithy etc.

Indian villages flourished with thriving non-farm occupations in the past. There was mutual dependence between agricultural community and craftsman for each other’s basic requirements. This resulted in self sufficiency of villages and ensured the prosperity of the whole rural community.

Establishment of British rule and their lack of patronage for rural crafts, mechanization, development of various means of transport and communication, consumer’s desire for machine made goods etc, during the 18th century led to the ruin of village crafts. National leaders under the guidance of Mahatma Gandhi strived hard for their survival, but the progress was limited.
The situation of Kerala, a State situated on its south western tip is also not different from the rest of the country during this period. Cottage crafts such as handloom, coir, handicrafts, brick making, and tile manufacture have been the sources of earnings for a large number of Keralites. The fate that happened to village crafts in other parts of the country occurred to them in Kerala also.

On attainment of independence in 1947, the National Government came into existence and it recognized the importance of village crafts and small industries to generate large scale employment and alleviate the poverty of the people in rural and semi urban areas. It began taking measures like formation of Boards to study their problems and suggest remedies, arranging concessional finance, supplying raw materials, imparting training to artisans for skill improvement, helping them organize marketing outlets etc. In order to provide organizational support the Union Government started setting up separate Boards for separate cottage industries. In respect of Khadi and Village Industries, it formed All India Khadi and Village Industries Board in the Year 1953. On finding this organization incapable of functioning well for lack of financial powers, the Central Government set up another organization by the name Khadi and Village Industries Commission in the year 1956.

The functions of Khadi and Village Commission comprise planning, organizing and implementing programmes for the development of Khadi
Khadi and Village Industries like training personnel, supplying raw materials and implements at economic rates, providing marketing facilities, undertaking research, encouraging co-operative effort etc. Khadi and Village Industries Commission recommended the formation of an agency at the State level to implement its programmes of development for Khadi and Village Industries units. This suggestion led to the formation of State Khadi and Village Industries Boards in various States of India.

### 1.1 Statement of the Problem

Khadi and Village Industries belonging to Micro, Small and Medium Scale Industries have been receiving attention from the Governmental authorities right from Independence because of their vast employment potential. Their development is highly significant for Kerala since the State has greater unemployment than other States of India. Khadi and Village Industries have the merit of creating more employment with lesser capital than the other small-scale industries.

The Government of Kerala established Kerala Khadi and Village Industries Board (KKVIB) in the year 1957 as the State level agency for the implementation of the schemes formulated by Khadi and Village Industries Commission (Dagli, Vadilal, 1969). The Board is entrusted with issuing license to units, helping them acquire tools and equipment, ensuring availability of raw materials, upgrading the skill of artisans through training, offering managerial advice, providing marketing support, and
conducting proper follow up. An examination of its duties indicates that the Board has to play a very significant role for the promotion of Khadi and Village Industries in Kerala as well as placing them on a strong footing.

The Board in its Annual report presents conflicting information about the performance of Khadi and Village Industries in Kerala. It boasts of having set up a large number of units in this sector and extended financial, technological and other support to these units. The Board through its Reports indicates yearly increase in production, sales and employment in this sector. At the same time details about units financed furnish the information that only half of them are working and rest are dormant and facing revenue recovery. To be exact, out of 20,410 units financed by the Board only 10,587 are working i.e., mere fifty per cent. (Records of the Board as on 31st March, 2011). Thus, the percentage of defunct units is very high almost near to fifty per cent.

The high rate of dormancy in the village industries sector creates suspicion regarding the efficacy of the role played by the Board. The preliminary survey of the units conducted by the researcher indicates that they are still faced with a host of problems like lack of raw materials, inadequate working capital, and scarcity of labour, accumulation of stock and so on. The units also express difficulties in negotiating with the Board for various types of assistance. In this context it has been proposed to evaluate the working of the Board as well as examine its role for the development of village industries units in the State. The problems faced by
the units have also been brought under the ambit of the study. The study is titled “Role of Kerala Khadi and Village Industries Board in the Development of Khadi and Village Industries in Kerala”.

1.2 Objectives of the Study

The present study is undertaken with a view to evaluating the role of Kerala Khadi and Village Industries Board in the promotion of Village Industries in Kerala. The specific objectives are:

1. to trace the organizational structure of Kerala Khadi and Village Industries Board and the origin and growth of KVI sector in Kerala,
2. to examine the problems faced by the village industries in respect of raw materials, finance, labour and marketing strategies,
3. to analyze the socio-economic conditions of the artisans in the village industries and finally,
4. to evaluate the role played by Kerala Khadi and Village Industries Board in promotion of village industries units as well as their successful functioning.

1.3 Hypotheses

The following hypotheses have been formulated on the basis of the objectives of the study.
1. Village industries units are still faced with the constraints such as raw material shortage, lack of technological upgradation, insufficient labour and inadequate finance.

2. Strategies adopted for marketing the village industries products are defective.

3. Village industries have not contributed to the socio-economic progress of the artisans.

4. Various schemes implemented by the Kerala Khadi and Village Industries Board do not reach the beneficiaries and the efforts to tackle the constraints of the units by the Board are not successful.

1.4 Research Methodology

The present study is a descriptive one. It makes use of both primary and secondary data. The primary data was collected through separate structured interview schedules (Appendix I and II) from selected village industries units and artisans. The schedules have been revised on the basis of the pilot study conducted to check the adequacy of questions included.

Secondary data were collected from Annual Reports and other publications of the Khadi and Village Industries Commission and Kerala Khadi and Village Industries Board, various issues of Economic Review of the State Planning Board, Five Year Plan Documents of Central and State
Governments, RBI Hand Book on All India Statistics, newspaper reports, books, websites and periodicals.

1.5 Sampling Design

Khadi and Village Industries Commission has categorized the industries under its purview into seven major groups under three forms of organization namely co-operative societies, voluntary organizations (registered units) and individual units. Kerala Khadi and Village Industries Board is engaged in promoting all the three forms of organization and based on number of units registered under the Board, seventy per cent of the units come under Mineral, Forest and Agro based Food industries (Records of KKVIB). Moreover, 55.0 percent of these units are in the districts of Kollam, Ernakulam and Kozhikode. For intensive study, these three districts were selected purposively. Likewise, village pottery from mineral based industry, cottage match from forest based industry and bee keeping from agro based food industry are the sample industries chosen based on the criterion of number of units registered. Further, units were selected from individual and society form of organization by convenient sampling procedure. Co-operative societies and registered institutions are collectively considered as society form of organization for the purpose of study. Thus, multistage systematic sampling has been used to select the sample.

According to the publications of the Board in the above selected three districts there are 917 village pottery, 91 cottage match, and 1,159 bee
keeping units out of which 89 village pottery, 16 cottage match and 111 bee keeping units were selected conveniently for detailed study. Thus, the total number of units forming the sample is 216. The units selected were engaged both in production and marketing of products. Besides a total of 258 artisans consisting of 103 from village pottery, 61 from cottage match and 94 from bee keeping industries were selected conveniently and interviewed to ascertain their socio-economic conditions. Thus, the total number respondents come to 474 (216 units and 258 artisans). A detailed presentation of sample design is made below:-

<table>
<thead>
<tr>
<th>Industry</th>
<th>Region</th>
<th>Units Population</th>
<th>Sample</th>
<th>Artisans Population*</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village Pottery</td>
<td>Kollam</td>
<td>191</td>
<td>18</td>
<td>250</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Ernakulam</td>
<td>253</td>
<td>24</td>
<td>321</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Kozhikode</td>
<td>473</td>
<td>47</td>
<td>460</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>917</td>
<td>89</td>
<td>1031</td>
<td>103</td>
</tr>
<tr>
<td>Cottage Match</td>
<td>Kollam</td>
<td>39</td>
<td>9</td>
<td>306</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Ernakulam</td>
<td>24</td>
<td>3</td>
<td>172</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Kozhikode</td>
<td>28</td>
<td>4</td>
<td>139</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>91</td>
<td>16</td>
<td>617</td>
<td>61</td>
</tr>
<tr>
<td>Bee keeping</td>
<td>Kollam</td>
<td>321</td>
<td>31</td>
<td>237</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Ernakulam</td>
<td>333</td>
<td>32</td>
<td>358</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Kozhikode</td>
<td>498</td>
<td>48</td>
<td>342</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1152</td>
<td>111</td>
<td>937</td>
<td>94</td>
</tr>
<tr>
<td>Total no. of respondents</td>
<td>2160</td>
<td>216</td>
<td>2585</td>
<td>258</td>
<td></td>
</tr>
<tr>
<td>Total Respondents of the study</td>
<td></td>
<td></td>
<td></td>
<td>474</td>
<td></td>
</tr>
</tbody>
</table>

* Average of artisans for the past five years from 2006-2011.
1.6 Tools of Analysis

For data analysis, Statistical Package for Social Sciences (SPSS) has been used. The analyzed data were interpreted with the help of arithmetic and statistical tools such as average, percentage, chi-square test and analysis of variance (ANOVA). The mean was applied to determine the relative order of preference of the respondents. The lowest mean value was assigned highest rank. The chi-square test was applied to examine the significant variation in the opinion among respondents. ANOVA test was used to test the significance of variance of responses of the respondents. The proportion to utilization of schemes is given in percentage with 95.0 per cent confidence level for the true value (population value).

1.7 Scope of the Study

The present study has been undertaken to evaluate the role of the Kerala Khadi and Village Industries Board in the development of village industries in Kerala. The study focuses on identification of problems faced by the village industries units and socio-economic conditions of artisans. It enquires into the schemes being implemented by the Board for the development of village industries units and their utilization by them. Village pottery, cottage match and bee keeping units have been selected for collection of primary data in the light of their prominence in the State. The study has been held based on the perception of village industrialists and artisans of these units.
1.8 **Period of Study**

The study covers a period of five years 2006-07 to 2010-11. It was during this period that many revival packages were introduced with adequate budget support from the Central and State Governments.

1.9 **Limitations of the Study**

The study is intended to analyze the problems faced by the units under the Kerala Khadi and Village Industries Board.

1. The study concentrates only on three types of village industries which are prominent in Kerala.

2. The units selected at random were found to be defunct and substitutions were required.

3. The preliminary study showed that there are no variations between the different forms of organizations of units and regions in matters such as finance, labour, raw materials, marketing, socio-economic conditions of artisans and level of utilization of various schemes. Hence analysis of data based on forms of organization and region has been avoided.

1.10 **Chapter Scheme**

The study is divided into seven chapters:-

Chapter I deals with introduction of the topic, statement of the problem, objectives, hypotheses, research methodology, sample design,
tools of analysis, scope of the study, period of study, limitations and chapterization.

Chapter II contains review of available literature on Khadi and Village Industries.

Chapter III is concerned with the Evolution and Growth of Khadi and Village Industries in India and in Kerala. The importance of rural industries, industrial revolution and decline of traditional industries, revival steps taken during pre-independence and post-independence period and planning measures form the subject matter of this chapter.

Chapter IV deals with the Profile of Khadi and Village Industries Commission and Kerala Khadi and Village Industries Board. It enquires in detail about their formation, constitution, functions, administrative structure, decentralization and specialized services offered by both the Commission and the Board.

Chapter V brings out an analysis on Constraints in raw material, finance, production, labour and marketing of village industries’ products. This chapter also includes trends in cost of input, trends in output, average number of days of work provided, sufficiency and repayment of loan amount, marketing strategy etc. An attempt is made to assess the socio-economic conditions of the artisans working in village industries.
Chapter VI evaluates the Role of Kerala State Khadi and Village Industries Board in the promotion and development of village industries in the State. Various schemes of the Board, amounts of subsidy, progress of utilization and constraints in utilization of various schemes are dealt with in this chapter.

Chapter VII is the last chapter and it presents the summary of findings, conclusions arrived at and suggestions based on the findings of the study.
Reference

Annual Reports, (2006-11), Published by Kerala Khadi and Village Industries Board.