CHAPTER II

DESIGN OF STUDY

INTRODUCTION

India is a country with abundant resources and uneven distribution. Most of her wealth is hidden in rural areas. In the post-independent era India progressed slowly but steadily. A study of the direction of India's export reveals that five major customers viz., U.S.A., U.K, Russia, Japan and Germany account for as much as 60% of India's exports. The focus of Indian exports continues to be on goods manufactured by urban industries like engineering goods, textiles, gems and jewellery etc. though the scope for export from small and medium scale industries is not fully exploited.

Handicrafts in this country form an important part of our rich cultural heritage. Handicrafts have now got partially submerged under the rising forces of modern industrialization with its higher mechanisation.
We are losing not only an ancient heritage, but also a most essential element in our social composition.

A clear-cut demarcation of the handicrafts sector seems to be a difficult task. Normally handicrafts may be considered to have two characteristics 1) that most of the work should be done by hand and 2) the resultant product should have some artistic or aesthetic value. However, it may be noted here that the first condition is not a must for Handicrafts i.e. mechanisation is not a taboo with All India Handicrafts Board. Handicrafts may be found either in the form of a cottage industry or in the form of a small scale industry. Thus a Handicraft industry is a cottage or small-scale industry, the products of which are artistic in character and require skill and craftsmanship in their manufacture.

REVIEW OF LITERATURE

“A Survey of Handicrafts in South Mysore” (1963) by B.D. Kale embodies the results of handicrafts establishments in certain selected centres from eleven districts in South Mysore. Besides making a study of the economics of handicrafts, a picture of the socio-economic conditions of the artisan’s households has been presented herein. Further,
the survey has also brought our certain problems and a few suggestions of the Handicrafts industry.

The Report of Shri. N. K. Vinayakam, Director of Handicrafts, who accompanied Mr. Nuitaro Fukuoka, the Japanese expert, to the various Handicrafts centres in this country in 1959, contains suggestions with regard to mechanisation of certain processes in order to improve the quality of the product as well as to improve the productivity of the worker. Reports of various surveys conducted by the All India Handicrafts Board, also mention use of machines in a number of cases and nowhere is mechanisation considered as a deviation from the handicrafts sector. The All India Handicrafts Board, in short, does not consider that use of machines disqualifies a craft from being called a handicraft. What is more important, therefore, is the beauty or the art contained in the product. Use of machines or otherwise is no consideration.

“The Glory of Indian Handicrafts” (1976) by Kamaladevi Chattopadhyay outlines handicrafts of this country as an important part of our rich cultural heritage. Now though this sentiment continues to be repeated, there is a pronounced change in the general
attitude towards crafts, which is completely unsetting our basic sense of life values. For though Handicrafts fulfilled a positive physical need in the daily requirements of the people, they also served to satisfy the aesthetic hunger in man and provided a vehicle for his urge for self expression which reveals a conscious aesthetic approach. The inspiration had come from the tender core of the substance of everyday life and nature’s own rich storehouse. These significant and meaningful facts are being rapidly forgotten. Today handicrafts are becoming just commodities for sale, not the essentials in life. Complicated and elaborate techniques evolved over the ages to produce imaginative effects are being lightly discarded and bland ones are wrought to speed up to gain time. There is no other motive here, except cash profit, Here, in this book, a small attempt is made to catch a glimpse of a mighty panorama which would not be exhausted even if one were to fill volumes. This small book serves to even lift a small corner of the veil of ignorance that is descending on this vast treasure.

“A challenge of transition” (1999) by Asoke Chatterji informs that building a future for Indian crafts demands a coherence of heritage and economics. An integrated understanding of this kind is missing, even after 50 years of effort at craft regeneration. The challenge
begins with references to the “craft sector” and the use of crafts and art as synonymous terms. Such generalisations compound the confusion which attends so much of the discourse on crafts. Handicrafts need to be understood as an activity too large and too diverse to fit into pigeonhole attitudes and planning. These confine our understanding of its past and present, suggesting the need to return to the vision of Tagore and Gandhi.

“Craft in contemporary design” (1999) by Geetha Doctor explains that contemporary Indian craft has an inexpressible vitality. Like the many heads of Ravana you cannot keep the Indian craft tradition down. No matter how battered the crafts may get, due to poor quality, lack of material, greedy middlemen, unimaginative governmental patronage, the hands and eyes and hearts and minds of the Indian craftsmen and women continue to create small marvels, almost defying reason. The fashion for a revival of the craft tradition comes in cycles. The craze for “ethnic” is something that adds an artificial rural touch to our mundane, mechanical lives. Just like Granny’s secret receipe for cold, or indigestion, the “chatti-chattai charpoy” formula of mud pots, grass mats and string beds, are added liberally whenever there is a need to make a statement about tradition being an important part of the way we
present ourselves. No hotel lobby, no airport arrival lounge, no MD’s
grandiose granite-lined waiting room, modern villa masquerading as a
farmhouse, or designer wedding, could possibly survive without some
reference being made to the craft tradition. There are so many craft fairs,
melas, bazaars, festivals and neo-craft villages that are being organised
all over the country; so many seminars and workshops where craftspeople
are exhibited like live performers in a circus, while scholars enthuse about
the glories of a 2000 year old tradition, that it is not difficult to imagine that
crafts are in a period of unlimited popularity. It would not be wrong to say
that what we see today is a period of Gothic craft revival.

“A way of life” (1998) by Sabita Radhakrishna mentions
that craftspersons form the second largest employment sector, second
only to agriculture. According to statistics from craft NGOs, there are about
23 million craftspersons in India today. In the old days, craft was the the
only industry known to mankind.

“Temples of Kerala” (1997) by S. Jayashanker narrates that
temples have fostered and preserved art, architecture and sculpture apart
from serving as the cradles for nourishing various fine art forms. This
study of the temples would serve as an extended study of the various facets of the culture and civilization of the community and present a vivid and eloquent description of the contemporary society’s attainments. The present volume contains a wealth of data on various aspects of the temples of Kerala and reflects the diligent and dedicated work put in by the author who has undertaken it as a worthy mission with the help and assistance of all those who have been acknowledged in the preface. The narration is embellished by many pictograms, diagrams and illustrations.

The working group for Ninth Five-Year plan (1997-2001) on KVIs has framed the following terms and reference.

i) Evolving strategies for improving the quality of KVI products and reduction in manufacturing costs,

ii) a system of market intelligence for comprehensive product development and larger consumer acceptance on par with organised industries since village industries operate in rural areas in highly scattered way,
iii) developing effective marketing system for KVI products; and

iv) estimating the requirement for working capital and term loans and suggesting measures to improve the working efficiency and utilisation of finance and other resources in the sector.

Meenakshisundaram (1991) in his work on “Khadi and Village Industries Institutions in Tamil Nadu - A Study of Financial Performance”, examined the financial performance of selected institutions of Khadi and village industries in Tamil Nadu. Arumukham and Meenakshisundaram have recommended the introduction of production planning, inventory, control and collection drive for rejuvenating the management of working capital, and improving them close to the norms of working capital.

RESEARCH GAP

Several studies had been conducted in the area of rural industrialisation in India. However it is understood from the data and reports examined that very little work had been done in area of Export
Problems and Prospects of Handicrafts from Kerala. Some of the places visited include:

A. School of Management, Cochin University of Science and Technology Library, Cochin.

B. Cochin University of Science and Technology Library.

C. Center For Management Studies, Trivandrum.

D. Handicrafts Development Corporation, Trivandrum.

E. Kerala Artisans Development Corporation, Trivandrum.

F. Office of Development Commissioner Handicrafts, Trichur.

G. Handicrafts Marketing and Service Extension Centre, Trivandrum.

H. Institute of Management in Government, Trivandrum / Ernakulam.

I. Kerala University, Trivandrum.

J. District Industries Center, Trivandrum, Ernakulam, Calicut.
STATEMENT OF THE PROBLEM

The shift in economic policy of the country has its advantages and disadvantages. The opening up of the market and removal of subsidies and incentives for exports suddenly caught the rural manufacturing units napping. The urban units were prepared for this eventuality and also their own in-built flexibility enabled them to cope up with the situation. Though Indian Handicraft exports increased considerably in the last decade, Kerala State which was once upon a time the cradle of Handicrafts in India, accounted for less than 1% of the total exports. Hence
the study on Handicrafts of Kerala is made to find out the problems and prospects of exports.

OBJECTIVES OF THE STUDY

1. The major objective of the study is to understand the export problems faced by the Handicraft units of Kerala and to gauge the prospects of exports from these industries.

2. To ascertain the size, structure and organisation of selected handicraft industrial units of Kerala that have export potential.

3. To assess the problems of the industry, with particular reference to capital, raw materials, employment, production, marketing, designs, training and cost structure.

4. To suggest measures to improve the production and marketing of the handicraft industry in Kerala.

5. To identify the Crafts of Kerala that have export potential.

6. To identify the non-traditional markets for exports of handicrafts from Kerala.
7. To identify the export development organisations in India and abroad which can support Indian handicraft exports and to identify methods of effective utilisation of these facilities.

HYPOTHESES

1. The availability of capital, raw materials, manpower, credit and infrastructure facilities play an important role in exports of handicrafts from Kerala.

2. Profit earning and employment potential generated by handicraft industry is associated strongly with amount of capital invested.

3. The lack of competitive strength of the local entrepreneurs and lack of imaginative use of government policies and incentives by the handicraft industry, act as bottlenecks for the development of handicraft industry.
4. There is good scope and potential for export of Handicraft products from Kerala, especially to non-traditional markets with sufficient motivation and incentives to the industry.

LOCATION OF THE STUDY

The present study confines to Handicrafts of Kerala state, with special focus on Trivandrum, Quilon, Pathanamthitta, Alleppey, Ernakulam and Trichur districts where majority of the Handicraft industrial units of Kerala are located. The study focused on the main segments of the Handicraft industry especially Woodcrafts, Bell metal, Coconut Shell, Horn Carvings, Hand Embroidery, Straw Pictures, Screw Pine, Fiber Craft, Cane Craft Bamboo, Kora Mat, Papier Machie, Imitation Diamond, etc.

SAMPLE SIZE

The population of artisans in Kerala State is quite dispersed. In the absence of any scientific data available about the artisan population and pattern of their settlement, the sample for the present study has been devised on the basis of available secondary data from the Office of the Development Commissioner (Handicrafts), Government of India,
Handicrafts Marketing and Service Extension Center, Trichur, Kerala. It is decided to cover the entire Handicraft units within the location of the study, which are registered with the Office of the Development Commissioner (Handicrafts). The sample covered around 75% of the total population of registered units in Kerala. The composition of the total of 180 units covered is as follows:


DATA BASE

The database for the study comprises of data collected from Primary and Secondary sources. The Primary data were collected through administering a structured interview schedule, pretested with the owners/managers of handicraft industrial units in the area selected for the study (see Appendix I). Apart from this, Observation method was used to gather data pertaining to various individual industries.
The secondary data were collected from Planning Commission Reports, the plan documents of various Five Year Plans, various Seminar Reports, Joint Director General of Foreign Trade, Export Promotion Council Reports, Export Import Policy, Agents and Importers Directories, Shipping Data, Banks and Export Credit Guarantee Corporation.

METHODS AND TOOLS OF ANALYSIS

The present study is an interdisciplinary exercise employing tools of analysis available in the disciplines of economics, commerce and management. Tools used for processing data included multi variable tables, simple statistical method like percentages, and averages. For comparison purposes, Pie charts and Bar Charts for classification, growth and comparison, Correlation analysis to express relationships between variables.

PERIOD OF STUDY

The present study covers the performance of Handicraft industries of Kerala for a period of five years from 1997 to 2002.
IMPORTANCE OF THE STUDY

The name of Kerala has become synonymous with some of its handicrafts like bronze sculpture, woodcarvings, cane and bamboo products, mat weavings, etc. (Rural industrial products like handicrafts from Kerala were not given great importance though there were several skilled artisans in the State.) Traders and exporters located within and outside the state exported to foreign countries.

In order to assess the present status and the problems faced by the handicraft industries of Kerala, more specifically with regard to export, a systematic and in-depth analysis is needed and hence carried out.

Exports of goods/commodities produced by the rural markets were routed through the urban markets. The rural units never got good prices for their produce nor their marketing capabilities improved. The big export houses dictated the prices and terms of trade thereby leaving the rural units very little or no profits. Handicrafts also suffered the same setback due to lack of focus in developing exports
SCOPE AND LIMITATIONS OF THE STUDY

The shift in economic policy of the country has its advantages and disadvantages. The opening up of the market and removal subsidies and incentives for exports caught the rural units napping. The urban units were prepared for this eventuality and also had inbuilt flexibility to cope up with the situation. The study helps to identify the problems faced by the Handicrafts industry and suggests steps to alleviate them. This study also helps to find ways and means of developing Handicrafts export in the present context.

The study is made with reference to twelve Crafts dominated in Kerala. This need not be true for the entire Country as such. Exports from Kerala constitute less than 1% of the total exports of Handicrafts from India (i.e. 1 % of Rs 8343 crores in 2002-03). It was difficult to gather some data from private enterprises. Accurate secondary data on Production and Exports of Handicrafts of Kerala is not available.
CHAPTERISATION

Chapter I introduces the History of Handicrafts and Handicrafts of Kerala.

Chapter II embodies the Design of the Study including review of literature.

Chapter III deals with Analysis and Interpretation of Data. The analysis of the problems faced by the handicraft industries of Kerala and the prospects of exports of Handicraft in Kerala is elaborated here.

Chapter IV deals with the Findings of the study, Recommendations and Conclusion.