CHAPTER I
DESIGN OF THE STUDY

1.1 Introduction

Coir enjoys its dignified status as a fine decorative material in the mansions of the rich and as an article of utility in the huts of the poor. It thus caters to the needs of all classes of the society. Coir industry is one of the traditional agro-based cottage industries concentrated in the coconut producing states in the country. Coir, the golden clean fibre extracted from the fibrous husk covering the inner shell of the coconut, is the raw material for coir industry. The industry is important for the country, as it provides direct employment to more than half a million people and indirect sustenance to an equal or more number. Moreover, it is mostly export-oriented and fetches foreign exchange worth Rs. 303 crores [1999-2000] annually. Coir industry continues to be a major cottage industry in the State of Kerala. For historical reasons coir industry has taken deep roots in the State. Natural facilities like lakes and lagoons are available in plenty all along the coast for retting coconut husk. Traditional expertise that abounds in the countryside helped to flourish this industry in the State. Coir industry is labour-intensive and provides direct employment to 3.80 lakhs people of the coastal belt. An equal number or more get indirect employment in this industry. The employees in this industry are largely drawn from the backward classes and weaker sections. The industry stood all the vicissitudes of time on account of the protective approach followed by the State and the facilities extended by the Central Government through Co-operativisation.
“Rescue through Co-operativisation” is a cry often heard in the case of traditional industry facing sickness. Consequently a plethora of Co-operative Societies came into existence. In India, 5,03,962 co-operatives (at all India level), with a membership of 209.127 Million [All level] existed during 1998-99. About 70 per cent of the members of these societies belong to the weaker sections of the society. In Kerala, during the past eight decades, the message of co-operatives has received wide acceptance from almost all classes of people. As a result 20,785 co-operatives were registered in this State upto 2000-2001.

Coir industry functioned in Kerala on the initiative, enterprise and financial strength of individuals. A long chain of middlemen are also engaged in providing different services at various stages of production and distribution. The workers and small producers fully engaged in this industry, neither have adequate capital, nor any organisation to support their common cause. So they were left to the mercy of capitalists and middlemen. The actual workers were denied regular work and a living wage. It was to solve the problems of the actual workers and small producers, Co-operativisation was recommended by the various High Level expert Committees appointed by governments. The Scheme for organising the Industry on Co-operative basis was evolved even before the formation of Kerala State. However, Co-operativisation Scheme for the development of Coir Industry at the national level was started by Central Government from 1982 onwards only.

1.2 Statement of the Problem

Coir industry, essentially a cottage industry, is located in the densely populated, poverty-stricken coastal areas of Kerala. Coir workers are usually underpaid and the coir industry is one of the lowest paid industries in India.
Since 1945, the governments [both central and state] have appointed several Committees and Task Forces to study the problems of the industry and they have recommended various measures to solve such problems. But the efforts of the government in solving these problems did not produce the expected results. In the year 1950, the government of Kerala launched a scheme to bring the coir sector under co-operative framework. As a result a number of coir co-operatives were established in the state. The basic objective of the Scheme was to solve the problems of actual coir workers and small producers engaged in coir industry and to ensure them regular work and a living wage. This was expected to be realised by eliminating the middlemen from the coir sector. The centrally sponsored Co-operativisation Scheme of 1980, gave an impetus to the Co-operativisaion Scheme of the state. Under this Scheme, an amount of Rs. 13.91 crores was spent by central government for the development of coir co-operatives in the country for the period from 1982-83 to 1999-2000, of which Kerala's share constitutes 85 per cent.\(^5\) A lot of protective measures were also implemented by the government to safeguard the interests of co-operatives and worker members in co-operatives. This included ensuring continuous supply of raw materials to the co-operatives in the state. Besides, on the basis of the recommendations of a High Power Committee [1993] under the chairmanship of Thachadi Prabhakaran, coir co-operatives were classified into three groups, viz; A, B, and C. This was done to reduce the disparity among societies and to channelise assistance on the basis of their working efficiency.

In spite of five decades of developmental measures implemented by the central and the state governments and with all positive factors such as immense production of coconut husk, (basic raw material), availability of cheap labour force with traditional expertise, domestic as well as overseas market for coir
products, the conditions of most of the coir co-operatives in the State remain to be extremely pathetic and some of them are even on the verge of liquidation. Vis-à-vis to the situation mentioned above it is a paradox that most of the societies are facing problems such as raw material shortage, labour shortage, working capital shortage and marketing. As a result, the coir co-operatives, cannot even offer 100 days of regular employment to their member workers. The wages paid to workers are far from the minimum wages fixed by the government and the working conditions are quite unsatisfactory. Even in this machine age, most of the coir co-operatives are working with labour intensive technology. The drudgery connected with this sector resulted in repulsing the youth from entering this sector. The above mentioned situations warrant a thorough study to chalk out clearcut programes for the development of coir industry in the State.

1.3 Objectives of the Study

The objectives of this study are:

♦ to evaluate the performance of coir Vyavasaya co-operative societies in Kerala with reference to the objectives of Co-operativisation.

♦ to analyse the socio-economic background of the worker members of the coir vyavasaya co-operative societies in the State.

♦ to examine the extent of member’s participation in coir vyavasaya co-operative Societies, and

♦ to identify the major problems of coir vyavaya co-operatives and to ascertain the coir workers attitude towards mechanization and rationalization of production process in the state.
1.4 Methodology

Primary as well as secondary data are used for the study. Primary data were collected through a sample survey. The sample design and coverage are mentioned below.

1.4.1 Sampling Design

Enquiry revealed that there were 829 coir societies in Kerala. Of these only 481 (excluding COIRFED) were functioning during the period of 1998-1999. Among these functioning societies, 434 [90 %] fall under the category of coir vyavasaya co-operative Societies [CVCs]. The CVCs were categorised into A, B and C. The number of working coir vyavasaya co-operatives comprised in the respective categories were assessed as A-165, B-156 and C-113. They remained scattered over the 10 project areas namely, Chirayinkeezhu, Kollam, Kayamkulam, Alapuzha, Vaikom, North Parur, Thrissur, Ponnani, Kozhikode North, Kozhikode South and Kannur in Kerala. The societies located in Ponnani and Kannur were excluded from the survey because of their poor performance. For the survey, out of 434 CVCs, 45 societies [A-17, B-16, and C-12] were selected for the study by the application of Simple Random method.

In order to check their socio-economic status, 275 coir worker member households, [100 each from A, B and 75 from C classes of societies] were also selected for the study. The details regarding the selection of societies and coir worker member households on projectwise and categorywise are appended [Appendix I and II ].

Consultation with officials of COIRFED, Coir Board, Project Officers and Marketing Managers of Coconut Development Board, and National Co-operative
Development Corporation enabled the researcher to delimit the scope of the study. Information relating to mechanisation was collected from trade union leaders having many decades of association with coir industry.

1.4.2 Collection of Data

Pre-tested structured schedules were used to collect data from 45 coir societies and 275 coir worker households. Information regarding collection of raw husk, processing methods, wages paid, number of mandays employed, demand for husk, availability of husk, problems of coir production and operations were collected from coir co-operatives. Data relating to the socio-economic variables of coir worker households were also collected. Discussions with various officials were also made use of for collecting data on specific issues. Primary data for a period ranging from 1994-95 to 1998-99 were also collected from 45 coir vyavasaya societies.

1.4.3 Analysis of the Data

The collected data were analysed with appropriate statistical tools like Averages and Indices. Ratio analysis is applied to assess the financial performance and operational efficiency. Trend value technique was applied in order to assess the trend of export of coir goods during the past 50 years and production of fibre during the past 20 years.
1.5 Scope of the Study

The study has covered the entire state of Kerala except two project areas viz; Ponnani and Kannur. They were left out as number of societies were insignificant and their performance was so poor. The working of coir vyavasaya co-operatives [CVCs] were divided into 10 project areas for administrative convenience. The project areas have no relation with the geographical limit of any revenue district. Data relating to the functioning of CVCs were collected for the period from 1994-95 to 1998-99 for the study. The study covered coir households of member workers of CVCs in order to examine their socio-economic background. The linkage of CVCs to various institutions like Coir Board, COIRFED, Coir Directorate, Coir Corporation were also analysed. The study is pertinent in the sense that it will help to offer plausible suggestions for the improvement of the working of the societies, to pay fair wages to coir workers and to utilise maximum working days. This will also be of immense help to planners and policy makers and other agencies for framing the developmental strategies and policies in coir industrial sector and specifically of CVCs.

1.6 Limitations of the Study

Major limitations of the study are noted below.

- The CVCs have a poor system of account-keeping and data-storage. So data prior to 1994-95 couldn't be traced out. This forced the researcher to fix the period of the study from 1994-95 to 1998-99.

- The CVCs are not maintaining records with respect to sales to private parties. So figures given by the secretary could only be taken into account.
As some of the selected societies were not up to date in auditing their accounts the researcher had to depend on the unaudited statements of these societies.

Since systematic inventory recording is not followed by societies, the researcher had to depend on the value of above items for analysis.

1.7 Scheme of the Study

The study is organised under seven Chapters as follows.

The first chapter presents the significance of the study. Statement of the problem, objectives, methodology, scope, limitations and the scheme of the study also form part of this chapter. The second chapter forms the review of literature related to the study. The profile of Coir Industry in India with special reference to Kerala is the subject matter of the third chapter. While the fourth chapter analyses co-operativisation of coir sector, performance of coir vyavasaya co-operative societies and the socio-economic conditions of coir workers are presented in chapter five. The problems of CVCs, the level of participation of member coir workers in the affairs of their coir societies are the contents of the sixth chapter. Opinions about mechanisation of various target groups are also included in this chapter. The last chapter highlights the summary of findings, conclusions and suggestions emerging from the study.
References


