ABSTRACT

“A Study on the Impact of the Kerala State Handicraft Co-operative Society on the Working of Handicraft Co-operatives in Kerala” has been undertaken to analyse the role played by the Handicraft Apex Society in the development of handicraft primary societies. The reasons for the declining importance of the role played by Apex Society and limiting its services to procurement and marketing of the products of primary societies alone have been covered here. The study also exposes the factors affecting the growth of the Apex Society as a successful commercial organisation.

The study reveals that the Apex Society in the early years of inception used to help primary societies by providing raw materials, managerial and marketing support. It used to impart training to artisans for the upgradation of their skill taking into account their considerations like location and compensating loss of earnings. All such help began to be stopped one by one, and from 1999 onwards it is confined only to marketing of their products. The Apex Society sells most of its goods on credit and it experiences delay in collection of book debts causing delay in payment to primaries and landing them in a state of financial crisis. At present, it is acting only as an implementer of the schemes of the Central and State Governments. There are problems with top level management such as Directors lacking education and entrepreneurial competencies. The organisation structure for day to day management discloses weaknesses like shortage of staff, both at top level and lower level, lack of training for them and improper motivation due to delay in sanctioning pay hike etc. As regards profitability, the rate of Gross Profit is declining and for the entire period of survey, the net result of operations is loss. The accumulated loss has eroded the share capital and reserves completely, thus shattering the expectation of the founders of the Apex Society making it as a successful commercial organisation.