Handicraft industry has been in existence in India from time immemorial. It was enjoying a period of prosperity till the arrival of British. The abolition of Nawabs and Durbars during the British rule, encouragement given to machines for production of utilitarian articles and development of transport landed all the traditional occupations including handicrafts in a state of crisis. On attaining independence, the National Government began to view the problems of traditional industries seriously and started taking measures for their revival. The Government of India in the First Five Year Plan constituted the Handicraft Development Board to study the problems of artisans in handicraft industry and suggest remedial measures. The Board encouraged artisans to form and function under co-operatives instead of working on cottage basis. The encouragement of the Board and the promise of the financial assistance by the Central and Stage Governments resulted in the formation of a number of handicraft co-operatives all over the country.

Handicraft is a prominent traditional occupation in the state of Kerala giving employment to about 98,000 artisans. Co-operatives in the handicraft sector in Kerala also began to be formed at the same time as in other parts of the country. The Government of Kerala set up Kerala State Handicraft Apex Society in the year 1964 to provide support on raw materials, finance, upgradation of skill, modernisation of production methods, management and marketing to primary societies and to ensure their viable working.

According to the reports of the officials of the Apex society out of 103 affiliated societies only 30 are working as on 31-3-2005 and the rest are defunct. This is an indication of the ineffectiveness of the working of the Apex Society. Officials of the primary societies report that the Apex Society used to help them on various fronts in the early years of inception, but from 1999 onwards the services are confined only to marketing. The present study has been undertaken to find out the problems of handicraft co-operatives and to examine the role played by the Apex Society in their day to day working. The reasons for the declining importance in the role played by Apex Society in recent years have been brought under purview of the study.
The study makes use of both primary and secondary data. The primary data are collected both from 30 working handicraft societies and the Handicraft Apex Society using two separate structured interview schedules. Primary data are collected for a period of six years i.e. from 1999-00 to 2004-05. Collection of Secondary data is done from Annual Reports of the Apex Society, Primary handicraft societies, various issues of Economic Review of the State Planning Board, Five Year Plan documents of Central and State governments, News paper reports and the Government publications.

The study is divided into 7 chapters. Chapter 1 deals with introduction, statement of the problem, objectives, hypothesis and methodology. In chapter 2, a review of available literature on industrial co-operatives and handicrafts is made. The 3rd chapter is devoted for the development of handicrafts in India. In chapter 4, an evaluation and growth of industrial co-operatives with reference to handicrafts is made. Analysis of the working of handicraft co-operatives and identification of their problems form the subject matter of 5th chapter. The 6th chapter is concerned with the evolution of Apex Society, an analysis of its role in the development of co-operatives and reasons for its declining effectiveness. In the last chapter summary of findings, recommendations and scope for further study in the area are included.

It is expected that the findings and the recommendations of the study will be an eye-opener for the Handicraft Apex Society and the State Government in strengthening the operations of the handicraft primary societies to fulfill their social and economic objectives to the artisan community fully observing the principles and philosophy of co-operation.

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