CHAPTER-1

INTRODUCTION AND METHODOLOGY
1.1. INTRODUCTION

The greatness of Indian artisans finds ample evidence in the annals of the history of the world. The skill and ability of Indian artisan commanded commendation as well as demand right from laymen to the kings. Fascinating and tempting crafts made out of the material of sandalwood, weaving, dyeing and embroidery products echoed in many corners of the world. Well-organized craftsmen dedicated their lives in creating the goods with exceptional quality. Perhaps this may be the reason in the ancient period for the progress of the artisans to reach the peak level, besides the patronage of kings and countries of the bygone days.

The Indian artisans not only reached their excellency and proved their depth in their specialized branches, but even they had maintained the excellence in the width of many fields like jewellery, Goldsmithy, Ivory and silk. Their talents even stretched to cheap metals like bronze, copper and brass. Even the sandalwood and other wooden products were not lacking either charm for creativity at their hands. This may be the reason why articles of our Indian artisans amazed the entire world.

In India, the 17th and 18th centuries were the golden period for the artisans for their notable products of cotton, and other artistic articles. Easy availability of raw-material and whole-hearted encouragement of Moghul emperors inspired the artisans to manage their own specialization in producing goods of high quality. The decorative shawls of Kashmir, the glittering silks of Musheerabad and dazzling brasswares of Banaras were just the products of rural artisans. Both the rural and urban products possessed integrated organization and a well-balanced marketing that satisfied the needs of the people in the past.
As the artisans were primarily agriculturists, they devoted their time and strength to cultivation and gave only secondary importance to spinning and weaving. There is no field, which was not touched by the Indian rural artisans right from dress to shoes, from vessels to ornaments, and necessities of daily usage were made with a fine quality. Products like perfume, silver and gold jewels, garments of silk and golden thread were produced. They even emphasized their devotion in making goods like paper, pots, bricks and the articles with stone. Hence it is not wrong if we conclude that the 17th and 18th centuries were the golden era for the artisans of India. The capacity of the artisans, then, commanded prestige, demanded employment and played a vital role in the economic progress of the nation.

At the dawn of 19th century the artisans altered the nature of handicrafts with an urban orientation. However, they were with an alarming mind not to erase the Indian nature and taste in every product though there were many pressures around them. It is often mentioned with great excitement and appreciation that a “muslin saree, made by an Indian artisan was just adjusted in match box in package”. Such was the skill, pomp and power of the Indian artisans. Their contribution to the Indian Economy was very significant then.

The rural artisans of India faced an inescapable danger with the advent of Industrial Revolution. The modern goods of the machine virtually massacred the masterpiece of Indian artisans. The Industrial Revolution gave a deathblow to the confused artisans, who could neither go for machinery for production nor sacrifice their sacred professions. The Indian artisans became the pitiable victims of the Industrial Revolution.

Added to their plight the free trade policy of the Britishers added fuel to fire and made the artisan profession a tradition of the past. Severe unemployment and poverty forced them to beg or borrow a new employment,
leaving their own artistic livelihood. The self-sufficient Indian village, which was strongly supported both by agriculturists and artisans could no more remain self-sufficient in the absence of artisans. Thus the Industrial revolution pushed artisans into the darkness and the rural sector became backward.

1.2. WHO IS AN ARTISAN

In 1971-72, the All Indian Debt and Investment Survey and in 1984 the Reserve Bank of India declared certain ingredients to consider a person as an artisan depending upon his profession in which he is mainly engaged. The following occupations make it clear:

1. Weavers, Knitters etc.,
2. Shoe makers and other leather workers,
3. Dress-makers,
4. Blacksmiths, Goldsmiths and other metal workers,
5. Carpenters, Painters etc.,
6. Stone carvers, Brick layers, plasterers, cement finishers etc.
7. Printers, engravers, block-makers etc.,
8. Potters, glass and ceramic workers etc.,
9. Makers of musical instruments, toys, sports goods etc., and

Therefore, an artisan is a skilled worker in a traditional village craft who works on his own account.4

With the industrial revolution the urban artisans also received a rude shock when majority of the people began to prefer the machine made articles to the man made ones. When the helpless and miserable artisans turned to agriculture for the livelihood, the number of the dependents on agricultural sector increased from 65 percent to 75 percent. This is the cyclical change from 18th century to 1931.5 Pressure on agricultural sector with cutthroat competition reduced the
helpless artisans to miserable agricultural laborers. Thus the artisans have
became partial parasites on the farming community.

1.3 SALIENT FEATURES OF ARTISAN COMPLEXES

The original concept of the scheme of starting artisan complexes emerged out of the recommendations of the working group constituted during the conference of the Presidents of Panchayat Samithis held in 19-20 September, 1981. The scheme envisages providing a new deal to artisans in villages where there is concentration of artisans of 20 and above. Based on the recommendations, Government has issued guidelines, through G.O.Ms. No. 18, Industries and Commerce, dated 20-11-82 for the implementation of the scheme.

1.3.1 CONCEPT OF ARTISAN COMPLEX

An Artisan Complex is one which provides house-cum-workshed, improved tools and implements, training of artisans, working capital and common facilities etc., in 2 or 3 villages where there is concentration of artisans (i.e., more than 20 families).

Artisan complex also means the establishment of mini industrial estates at the district level for the benefit of 30 or more entrepreneurs based on the variations according to local conditions with a view to improve the skills and productivity of the artisans and prepare them for remunerative earnings thereby uplifting the weaker sections of the community who are living below the poverty line.

1.3.2 OBJECTIVES OF THE SCHEME

The scheme aims at:

1) Promoting industrial culture in rural areas,
2) Improving the skills of the artisans to increase employment opportunities to the millions of unemployed artisans in the country side,

3) Upgradation of existing infrastructure facilities, and

4) Augmenting the earning of artisans and thereby uplifting the weaker sections living below the poverty line.

1.3.3 IMPLEMENTATION OF THE SCHEME

The secretary to Government (Small Scale Industries) of Andhra Pradesh on 20\textsuperscript{th} January, 1982 advised the District Collectors of Kurnool & Anantapur Districts, possibly other District Collectors in the state also, to undertake the construction of house-cum-workshed complexes in each Samithi in phased manner. He wanted the construction of housing complexes for 20 or more selected artisans, at least one in a village, in a Samithi where the artisans are concentrated, meeting the expenditure from out of an amount of RS. 1 crore sanctioned by the Government of Andhra Pradesh under NREP for housing programme during the financial year 1981-82. The proposed housing complex is linked up with the workshop-cum-stores scheme in the artisan workshop complexes being established by the District Industries Centres (DICs) in consultation with panchayat samithis. The locally elected body is given prominence to ensure better employment opportunities to the locally needy artisans of society.

1.3.4 LAND TO THE COMPLEX

The scheme is to be implemented with the resources available from the following agencies: -

1) Land is to be provided free of cost by the Panchayat, if the Government land is not available adjacent to the village.
2) Worksheds in the complexes are set up and necessary inputs like tools and implements, working capital are to be provided by mobilising the funds from different agencies like D.R.D.A., scheduled Caste Corporation, Backward Caste Corporation, KVI Board, District Industries Centre and commercial Banks.

The District Collectors of Kurnool & Anantapur are further advised to establish at least one mini-industrial estate during 1981-82. The District Collectors have to identify the sites; preferably Government land or land belonging to or vested in zilla parishad in consultation with General Managers of District Industrial Centres and the District Development Officers. Depending upon the availability of entrepreneurs such mini-industrial estates may be either multifunctional or uni-functional. The beneficiaries of these estates should be in the proportion of 50 percent Scheduled Castes, 30 percent Backward Castes, 10 percent Scheduled Tribes and 10 percent Economically Backward Castes.

An estimate of the financial implication of the scheme for a complex consisting of 20 artisans is as follows:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Item</th>
<th>For each Artisan Rs.</th>
<th>For 20 complexes of 20 artisans Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Cost of workshed-cum-stores (20X15=300 etc.)</td>
<td>6,000/-</td>
<td>1,20,000/-</td>
</tr>
<tr>
<td>2.</td>
<td>Tools and equipment</td>
<td>1,000/-</td>
<td>20,000/-</td>
</tr>
<tr>
<td>3.</td>
<td>Working capital</td>
<td>2,000/-</td>
<td>40,000/-</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>9,000/-</td>
<td>1,80,000/-</td>
</tr>
</tbody>
</table>
1.3.5 FUNDING PATTERN

Methods and sources of funding of the scheme are as follows:

1) Out of the estimated cost of the scheme, i.e., Rs. 9,000/- subsidy shall be provided to each beneficiary by DRDA, 33.33 percent limiting to Rs. 3,000/-. 

2) 20 percent of the cost of the scheme shall be provided as margin money loan either under special employment scheme or Scheduled Caste corporation or Backward Caste Corporation or K.V.I. Board and District Industries Centre according to beneficiaries identified as per the pattern of assistance of each organization.

3) The balance of amount will be provided as loan by nationalized banks under composite loan scheme.

The General managers of District Industries Centres are the co-ordinators for implementation of the scheme.

The scheme is included under 'PRAGATI PATHAM' and the progress is being reviewed constantly by Chief Minister.

The expenditure on providing infrastructure including common facilities in the complexes will be met fully by Andhara Pradesh Schedule Caste Cooperative Finance Corporation, if all the beneficiaries are from Schedule Castes. In respect of other complexes the above corporation would meet the expenditure on the infrastructure to the proportion of Scheduled Caste beneficiaries and balance will have to be provided by District Industries Centres by mobilising fund from different agencies like Andhara Pradesh Small Scale Industrial Development Corporation and Commercial Banks. Regarding other costs, there are three components like margin money, subsidy, loan which are borne by
Scheduled Castes Corporation, Backward Castes Corporation, D.R.D.A. and Commercial Banks like State Bank of India, Syndicate Bank, Union Bank, Canara Bank, Andhra Bank etc.

1.3.6 CATEGORIES OF ARTISAN COMPLEXES

According to District Industries Centre, Kurnool, there are 4 categories of artisan complexes among which three are common for the entire state of Andhara Pradesh include Anantapur District. The forth one was started in Kurnool District and has been functioning successfully on the initiative of District Industries Centre, well supported by the then District Collector (1982-84). Inspired by the success in Kurnool District, other Districts in the state also established this fourth category of artisan complexes. The categories of artisan complexes are mentioned below:

**Category -I**

In this artisan complex there would be common workshed where all artisans would be grouped together and the property belongs to all the artisans who have to work under one roof.

**Category - II**

It is an individual house-cum-workshed. Each workshed and house are the property of each individual who will carry out his own traditional artisan work.

**Category -III**

It is called lean to roof model. Here the artisan has already his existing shed and the financial agency will provide small workshed with inputs called tools and working capital, attached to the existing house.
Category IV

In this complex no additional infrastructure will be provided since the artisans will be having their own place of working. Only assistance for tools and working capital will be provided to avoid additional burden.

Since 1982-83, only I and III were in operation. The IV category was introduced subsequently in Kurnool district during 1983-84. Its success having been establishment at Kurnool, has encouraged others to take up this type all over the state in 1985-86.

In the implementation of the scheme, the following lines of manufacture have been covered:

1) Carpentry
2) Blacksmithy
3) Pottery
4) Cobblerly
5) Brass work
6) Tanning
7) Lime kilns
8) Handloom Weaving
9) Salt
10) Mat weaving
11) Safety matches
12) Silk Reeling
13) Rold Gold Ornaments
14) Wooden/lacquer toys
15) Garments
16) Cumbly Weaving
17) Rope making
18) Lambada Ornaments
19) Leather goods
20) Stone crushing
21) Slab polishing etc.,

Multi-trade complexes are also set up in some panchayat samithis.

Of the trades covered in the artisan complexes, the following are working well:-
Carpentry, Blacksmithy, Potters, Tanning, Slab-Polishing, Weaving, Silk Reeling, Basket Making, Toy manufacturing, Rold gold covering and Brasswares.

In implementing the scheme for palm fibre potter, potters etc., it was felt desirable to have common facility centres instead of having individual work sheds; for pottery and lime industries one common klin was constructed for a group of artisans and was handed over to them. For a group of artisans one common workshed was constructed to store the fibre and finished goods.

During 1982-83 no complex was established either in Kurnool District or in Anantapur District though the proposal was received from the Government of Andhra Pradesh by January 20th, 1982. But since 1983-84 the progress of artisan complexes is praiseworthy both in coverage, quantity and quality.

1.4 SIGNIFICANCE OF THE STUDY

The 1991 census information reveals that there are about 10.4 million artisans engaged in cottage industries; majority of them being engaged in household industries mostly for hand-to-mouth existence.
The survey conducted in 1981-82 estimates that the share of non-institutional sources slumped to about 37 percent and the moneylenders accounted for 16 percent. The share of institutional credit for rural households had jumped to 63 percent – co-operatives contributing 30 percent and commercial banks about 29 percent.

The Reserve Bank of India report (1997) states that the public sector banks advances to Small Scale Industry sector including Cottage industries, Khadi & Village industries, Artisans, Tiny industries etc., constituted 16.6 percent of net bank credit in 1997 as compared with 16 percent in the year 1996.

This information clearly reveals that the Government and the Reserve Bank of India, are showing keen interest in strengthening and expanding co-operatives and commercial banks in meeting credit requirements of household industries.

Nearly three-fourths of rural artisan house-holds fall in the category of the poorer section of the population defined as house-holds with total assets below Rs.2500/- Further, the share of artisan households in the total assets of rural house-holds forms 0.5 percent which is far below to their proportion, in the total number of rural house-holds.

Since the early years of the 20th century, India began to locate large-scale industries, such as Iron and Steel, Jute, Cotton and Textiles etc., in different parts of the country, yet it could not provide enough employment opportunities for the growing population.

A gradual decline in gainful employment opportunities subsequently reduced their standard of living. This became inevitable because the changing world needed rapid industrialization. Hence India could not go back to the traditional village Industries of its olden days.
The rural artisans represent socially suppressed and financially backward sections of the village population. More than 73 percent of the artisans are leaving below the poverty line. The average value of the properties possessed by the artisan families amount to a petty Rs.2500/-. World reputed artisans of India are totally dis-illusioned because of their economic plight. Artisans who produced refined quality goods in the past, became partly bare, struggling to cover their body with rags. It is miserable but yet real to note that the poor artisans are not aware of the development process and programmes such as Integrated Rural Development Programmes, National Rural Employment Programme, Rural Labour Employment Guarantee Programme, Drought Prone Area Programme, Training of Rural Youth For Self-Employment etc., of the Government, undertaken for their upliftment. Though they work very hard throughout the day they earn a meagre daily income of Rs.15/- to Rs. 20/- which is totally inadequate to their basic needs, as per the records prior to the financial assistance extended by the Government.

All India Debt and Investment Survey (1971-72) reveals that the rural artisans accounted for 1.4 percent of aggregate debt of all rural households. 39 percent of the artisans were in debt with a debt asset ratio as high as 42.4 and less than 5 percent of their credit needs were met by the institutional agencies (2.7 percent by the Government, 1.7 percent by co-operatives and 0.3 percent from commercial banks). After independence, the traditional artisans, who were 25 percent of village population previously, declined in their strength and income, year after year. The bulk of the cash debt of artisans was from the non-institutional agencies (95 percent). Agricultural moneylenders and professional moneylenders together accounted for 50 percent of the total debt. Among the institutional agencies, 2.7 percent of the funds, were provided by the Government, followed by the co-operatives (1.7 percent) and commercial banks (0.3 percent).
As rapid industrialization could not meet the job requirements fully, it should be necessary to limit the scope to the rural and traditional industries for the present, to provide reasonable remunerative job opportunities to the growing population. Moreover the new set-up in agricultural sector resulted in surplus manpower. It is necessary to take them into consideration because they should also be given some job opportunities. The need of the hour reminds to provide employment opportunities for many a worker.

In order to achieve economic progress, the unemployed and the artisans must be encouraged and village and cottage industries must be supported with a balance of traditional arts both in rural and urban areas.

Finance is basically important for the progress of household industries as well as for the individual artisans to begin their own conventional occupations.

Hence the impact of institutional financial assistance on production, employment and income of the artisans, has been studied in this work.

The traditional village and cottage industries may be divided into the following categories.
1. Khadi and village industries,
2. Handlooms,
3. Handicrafts,
4. Goldsmithy,
5. Carpentry,
6. Blacksmithy,
7. Pottery
8. Other Rural Industries (silk, coir, leather Goods etc.)

In order to develop the above rural industries it is essential to probe into the following points.
1. Organization and State Policy,
2. Finance,
3. Supply of Raw-Material and equipment,
4. Marketing, and
5. Technical guidance and research.

Out of the above points finance is basically important for the progress of house-hold industries as well as for the individual artisans to begin their own conventional/traditional occupations.

1.5 REVIEW OF THE LITERATURE

The village and cottage industries have greater importance in Indian Economy. The reasons being that the Indian handicrafts have been commanding good demand both in National and International markets. But in the recent years, the villages and cottage industries have received a serious setback on account of severe competition from the sophisticated machine-made goods. Several studies have been conducted at various levels- Talukas, Districts and National to find out the ways and means as how to rebuild the village and cottage industries. On the basis of research findings, the state and central Governments have introduced several programmes for the reconstruction and regeneration of Rural Industries. One such scheme is "RACP Rural Artisan Complex Programme". There were no worth mentioning microlevel studies on the working of rural artisan complexes in Andhara Pradesh in the past. It is tried here; however, to present the important findings of the earlier studies in this connection as it would throw some light on the working conditions of the rural artisans.
1.5.1 STUDIES IN FOREIGN COUNTRIES

A study of UNIDO\(^7\) Based on the evidences from a number of developing countries, indicates that "small enterprises with a lower level of investment per worker trends to achieve a higher productivity of capital than to the longer more capital enterprises".

Arrighi\(^8\), on the basis of his study of pattern of employment in tropical Africa has pointed out a significant advantage of labour-intensive techniques vis-à-vis capital intensive techniques. He has found that capital intensive techniques are characterized by a pattern of employment, in which semi-skilled labour and high level man power are predominant, whereas labour intensive techniques use skilled and unskilled labour.

The World Bank study has shown, that all-important requirements of more jobs and higher incomes are met by rural non-farm activities. The study suggests that, these, activities, which have capital-labour ratio of less than $ 50 at 1969 prices, deserve a high place in any employment oriented industrial strategy.\(^9\)

1.5.2 INDIAN STUDIES

In the last few years, a number of research studies have been conducted at National level for developing suitable strategies for the betterment of rural artisans. The Rural Electrification Corporation (REC) sponsored a series of studies on the impact of electrification on rural industrialization, which included in the transmission of technology, in rural Non-farm activities as one of the objectives. National Institute of small Industries Extension Training (NISIET), Hyderabad had taken up studies in Andhara Pradesh, Assam, Bihar, Orissa, Rajasthan, Utter Pradesh, and West Bengal. Another study, sponsored by REC, and conducted by NISIET was on prospects on modernizing Rural artisan trades
and decentralized small industries in the three districts of Nalgonda (Andhra Pradesh), Moradabad (Uttar Pradesh) and Tirunelveli (Tamil Nadu).\textsuperscript{10}

Vishwanath L.S,\textsuperscript{11} in the study rightly examined the socio-economic development of rural artisans in Gujarat State. The study mainly covered social-change aspect as it was presumed that efforts towards socio-economic development of artisans who belong to weaker sections would lead to social change. The study also depicts the organizations engaged in artisan development programmes for rural artisans i.e. Khadi and village industries Board, DIC, DRDA, Handicrafts Board etc.

Dr. Rayudu C.S\textsuperscript{12} Study, an industrial co-operatives examined the suitability of co-operative sector for undertaking collective production activities. The study concluded the importance of the Co-operative sections of rural artisans to promote their economic viability/interest.

Dak, T.M\textsuperscript{13} collected more than ten papers regarding rural artisans at various states in India. The work emphasizes the place of rural artisans in the Indian economy from 14\textsuperscript{th} century to 19\textsuperscript{th} century. The development of rural artisans during pre and post-plan periods in India, working status, production and income level of different artisan units also covered in this Work. Further the work focused on the problems of artisans and prospects for betterment of artisans.

Bharatham K\textsuperscript{14} who has given high attention on organizational aspects of the Handloom Industry, mentioned the problems of handloom weavers such as irregular payment of wages by Master Weavers, low wage rates, non-availability of raw material in-time. The author felt that the industry should be developed under co-operative fold. He suggests several measures for the development of handloom co-operatives.
Prof. Ranga, N.G\textsuperscript{15} conducted a survey of Handloom industry during 1925-26, over a period of six months in different parts of south India. The unique contribution of this study was that it gave a fairly good account of the important handloom centres of production and analyzed the nature of economic organizations, structure of the markets, pattern of production. The study was the first authentic account of the structure of the handloom industry in Andhra Pradesh.

The sponsored study of centre for Integrated Rural Development in Asia and pacific (CIRDAP)\textsuperscript{16} made by NIRD, Hyderabad, observed that the rural industry was the principal source of employment for all categories of workers irrespective of the land holdings and sex. Between October to May, this sector contributed more than 75 per cent of the total household employment among the worker families of worker. Even during the peak agriculture season i.e. between June to September; rural industry provided as much as 54 per cent of the household employment among the families of workers. The study also found that there was an urgent need for these industries to update themselves so as to functionally be useful to the rural entrepreneurs.

The study of Abdul Zahir\textsuperscript{17}, rightly emphasizes on the historical development of the Handloom industry in detail in Varanasi during the last so many centuries. It also throws light on the organization, structure and size of the industry, capital structure, raw material, process of production, employment, wages, output, marketing etc. The study reveals that the Handloom Industry of Varanasi not only on the ground that it absorbs a significant sections of the community that would otherwise remain unchanged and also because it produces a specialized and distinct type of handloom products, having wide internal and foreign markets. The author concludes by saying that any phased programme of development technological, structural or otherwise- as envisaged above is directly linked with the general upliftment of the weaver community.
Agarwal\textsuperscript{18}, in his study, analyzed the socio-economic conditions of rural artisans in Rajpur block of Punjab. He observed that rural artisans suffer from many sociological drawbacks that are inbuilt in the village setup. Despite their important role in the village economy, the socio-economic conditions are too deplorable. They are dominated by the caste feelings such as subject to prejudices of the higher caste. They lack horizontal as well as vertical mobility. The study also revealed that majority of the artisans were illiterate, had inadequate housing facility and low standard of living. To improve their lot, the author has suggested for a gigantic effort by the Government.

Madan G.R.\textsuperscript{19}, in his famous work on India's developing villages, examined the role of rural artisans in India and he emphasized the development of rural artisans during the five-year plan periods.

Bipin Chandra\textsuperscript{20}, in his study on Modern India revealed that the rural artisans had lost their income due to availability of cheaper machine-made goods and they switched over to other occupations. The study also shows that the development of rural artisans during pre and post-independence of India.

Rayudu, C.S.\textsuperscript{21}, in his work of Management of Rural Development examined in detail, the special Rural Development Programmes, which have been formulated and implemented by the Government of Andhra Pradesh. The work also makes an evaluation of working of rural artisan complexes, work-sheds, co-operative efforts, State support and marketing aspects.

The study of Chauhan and Kumar\textsuperscript{22}, focussed mainly on economic conditions of rural artisans. It covers the main aspects like liability position, repayment position and income levels of the rural artisans.

Papola T.S. T.S\textsuperscript{23}, in his study on "Rural Industrialization- approaches and potential", has revealed the alternative approaches to rural industrialization
and offers a framework for the assessment of the role and potential of different industries in the development of rural areas. For this purpose, he has utilised the field-data collected from a sizable sample of rural industrial units in some parts of Eastern Uttar Pradesh and makes a fairly extensive use of the arguments in the past research studies. The study examines various aspects of rural industrial products, that is to the relationship of capital-employment, output, factors of production etc., and analyzed with similar conclusions.

Mandal and kumar\textsuperscript{24} conducted a study on the role of Regional Rural Banks in developing the rural artisans. They have examined the flow of RRBs' finance to rural artisans, among different states. The study revealed that, though the RRBs' were supporting rural artisans to get employed themselves and earn their livelihood, there are various obstacles which come in the way of rural artisans in availing themselves of credit support. The credit provided by RRB's is not well supported by the consumption-loans on one hand and is not adequate on the other. The study, further, revealed that there was sharp increase in rural artisans borrowed accounts between 1971-79. They were widespread regional variations in the flow of RRBs, finances to rural artisans, ranging from 0.85 per cent in Tamil Nadu to 26.2 per cent in Himachal Pradesh in 1980. There was no regular and assured supply of raw materials and rural artisans were not in a position to make stock of goods for months. It is also noticed that the artisans have to compete with the producers producing fashionable goods of superior quality at low cost of production with the help of improved and modern technology.

Rajagopal\textsuperscript{25}, conducted a study on problems and prospects of rural artisans in the tribal district (Bastar) of Madhya Pradesh. His study contains only three categories of artisans viz., weavers, potters and Bell metal artisans. The author revealed that the rural artisans by and large have not been able to avail themselves of the opportunities thrown up by the recent rural developmental activities. The study found that the present economic position of
the rural artisans in this tribal district was very deplorable. The artisans suffered from heavy demographic pressures, illiteracy, declining demand for their products and consequently low income and low standard of living. Further, the study revealed that 67 per cent of the rural aspirants were afraid to take any financial assistance from the banks, despite the benefit of subsidy from DIC and DRDA departments.

Mr. Prasad Rao\textsuperscript{26}, in his study on the impact of DRI scheme on rural artisans in Cuttack District of Orissa, covered mainly the utilisation of the DRI loans by different types of artisans; mode of repayment of loans, generation of employment and income levels. However, the study has made no attempt to establish the existing relationship between employment, production and income levels of the rural artisans.

Ravi, K., and Deenadayalu\textsuperscript{27}, in their study, analyzed about development of rural artisans. The author has stated that truly integrated approach is capable of solution for the development of rural artisans. It can be said that the efforts have not been lacking in drawing elaborate plans for rejuvenation of rural industries. The thrust of the study however lies in the lack of results due to poor implementation, leakages and misuse of plan allocations and bank funds and a bureaucratic approach which lacks the commitment and application necessary for translating these goals into reality. It is, therefore, in the area of implementation and monitoring the productive use of funds and utmost attention needs to be focused. In this respect, banks with their wide network of branches spread over the country can play a more effective role to uplift the rural artisans. It is suggested that all the banks should finance only 'Nodal Agencies' which cater exclusively to the traditional industries.

Angadi V.B\textsuperscript{28} made an attempt to know economics of handloom and power-loom industries in Karnataka State in 1976. The study was restricted to a comparative analysis of cost in handloom and power loom sectors. He did not
examine the socio-economic conditions under which the weavers, both the handloom and power-loom were working.

Nanje Gowda\textsuperscript{29} conducted a study on socio-economic conditions of artisans in Chennapatna town of Bangalore district. About 60 artisan households were taken for the study belonging to 12 categories of trades. He found in the study that (i) the artisans of the Chennapatna were poor, both from social and economic point of view; (ii) The largest number of households (23) live in mud-built and country tiled-houses; (iii) all most all the crafts in selected area were traditional and low skilled jobs; (iv) The goods produced by Chennapatna artisans had only limited market and lack of national and international markets; (v) The artisans experienced difficulties in marketing their finished products; (vi) Most of the selected household families in the income range of Rs. 2000/- to Rs. 5000/ which clearly reveals that most of artisans are below poverty-line.

It was also observed that the artisans depend too much on friends and relatives and moneylenders for their financial requirements rather than on institutional income.

Rao, G.V.K.\textsuperscript{30}, in his study on socio-economic conditions of stone carving artisans in Tamilnadu, selected 70 sample units in four different areas for the study. The study covers the aspects of production levels, marketing and financial sources.

1.5.3 REGIONAL STUDIES

It is felt that only a few studies have been conducted so far, dealing with some aspects of the Rural industries in Andhra Pradesh. For the first time, a brochure from 'Handicrafts of Andhra Pradesh' was brought out by the Directorate of Industries and Commerce and Government of Andhra Pradesh, on the occasion of the Third All India Handicrafts Week, November, 1957.
The study entitled 'The Silver Filigree Industry at Karimnagar (Andhra Pradesh)' was conducted by southern region, Madras, with the technical guidance of the Planning and Research Division of the All India Handicrafts Board, New Delhi in 1967. The study covers the aspects of the structure and organization of the industry and the social conditions of the craftsmen of Karim Nagar.

In the sphere of exports, the Indian Institute of Foreign Trade, New Delhi conducted a survey entitled "Export Potential Survey of Andhra Pradesh", in 1968.

Rao, R.V., has thrown some light on the history of handicrafts of A.P., in nutshell Subramanyam.G. had conducted two studies on Handicrafts Industry in one is on the socio-economic conditions of craftsmen in Lacquer-ware Industry in Etikoppaka, Visakhapatnam District of Andhra Pradesh; and the second on the woollen carpet industry in Andhra Pradesh in order to know the socio-economic conditions of handicrafts in Andhra Pradesh State.

Rama Rao, A.V., in his book entitled 'Economic Development of Andhra Pradesh (1776-1957)' narrated how the handloom Industry had suffered under British rule and gave a detailed account of various handloom centres and products in the State of Andhra Pradesh.

Babu Rao has also made an attempt on the socio-economic conditions of artisans structure of organization, financial aspects and performance, evaluation of handicrafts, co-operative societies etc. However the study has not covered the consumer behavior towards the handicrafts.
The Strategy for developing rural artisans was the main theme of Nagaiya's study. He suggested building up of institutional network and environment, conducive to the growth of rural artisans trades.

Narayana, K.V. analyzed the problems of rural artisans in Warangal district. The Study was based on primary data collected from the weavers. The study revealed that the weavers in the region have been weaving coarse cloth for many generations and there is very little change in the quality of cloth they weave. Due to increased use of mill-made cloth, most of the weavers were found to have engaged in various occupations and the socio-economic condition of them is depressing.

Reddy and Reddy observed in their study that the credit institutions were playing an important role in supply of credit to the artisans in the villages compared to their role at national level.

Malayadar in his study, analyzed the social-economic condition of rural artisans in Menakur village of Naidupet taluk in Nellore district. The study covered mainly socio-economic conditions of rural artisans and problems and prospects of rural artisans in Nellore district.

The study of economics of Handicrafts Industry made by Upadhyay, M.N., focused the economical claims of the handicrafts sector and is based on case studies of five important crafts viz. Government Nirmal industry, Hyderabad, Bidriware, Himroo, Silver Filigree, Kondapally Toys; handicrafts sector pleading for a dynamic policy with regard to marketing across the national boundaries. The study took note that the Handicraft sector with relatively low investment could generate more employment opportunities to many artisans in the country. It is, therefore, he suggested, to strengthen and support the skilled artisans and ensures them suitable and regular employment.
Rayudu, C.S.⁴⁰, in his special study on "Economics of Textile co-operatives" analyzed the structure and types of Handloom Weavers with reference to the state of Andhara Pradesh. The study found that nearly 75 percent of the handloom sector is in Co-operative fold. The highlighting future in the study was the emphasis on common work-shed facility and rural marketing-cum-servicing centers.

Chinnapa Reddy. M., ⁴¹ in his study analyzed the socio-economic conditions of the rural artisans in Kalakada Mandal of Chittoor district. The chief objectives of this study were to assist the socio-economic conditions of the rural artisans, and to offer suggestions for overall development of rural artisans. The study revealed that the artisans have average household income of Rs. 5375/-. Among the three selected categories of rural artisans, weavers had high level of income (Rs. 6546/-). Followed by washer-men with an average household income of Rs. 4123/-. Basket makers ranked last in terms of average household net income. Regarding source wise income about 65 percent of income was earned from the rural artisan activity, while agriculture contributed 31.37 percent of the total household income and only 3.72 percent from wage income. The study also covers poverty line among selected rural artisans in Chittoor District. About 67.86 percent of the rural artisans were below poverty line. It is very painful to note that about 90 percent of the Basket Makers and the Washer-men were below the poverty line. Inspite of the implementation of various programmes, specially meant for upliftment of rural artisans, about 48.75 percent of the total sample weavers, were below the poverty line. The reasons for this are the traditional mode of production, high price of raw materials, selling products in local markets at the low prices, wide fluctuation in price level; all contributing to their low incomes. The author suggested that Government should provide better training facility, financial assistance, market-yard, improved tools and equipment should be arranged by institutional agencies like KVIC and provides attractive incentives and wide publicity about developmental programmes for artisans.
Nayarana, N.V. 42 in his work mainly focussed on the socio-economic profile of sample Silk Weavers, their vocational practices, general problems confronted by them and their entrepreneurial potentiality. For the purpose of the study, 51 Silk Weaver households were selected. The study highlighted that the literacy rate among the silk weavers was low. 50 percent of the weavers own less than 5 acres of land, majority of the silk weavers earned less than Rs. 600/- per month and per capita income of a Silk Weaver is about Rs. 88.70/- per month, more than 81 percent of the Silk Weavers under the study were burdened with debts. It is observed from the study that the majority of the weavers (83 per cent) are labour weavers, and there were no co-operative societies in the selected two villages. Thus, they were deprived of the benefit of obtaining the institutional credit.

Surya Prakash, A., 43 in his study analyzed the performance of Rural Artisan Complexes in Anantapur district of Andhra Pradesh. The study mainly focused on the development of rural artisan complexes in Andhra Pradesh in general and Anantapur district in particular. The study revealed that the establishment of rural artisan complexes in the state was the product of democratic process, involving the DIC, Panchayat Samithi and Banks. The identifications of real beneficiaries were quite satisfactory which contributed mostly to the success of units in the complexes. The promotion of units and complexes were based on local skills, raw materials and local markets or demand for goods. As they were run well with the assistance of SC/BC corporations, S.F.C, District Rural Development Agency and Banks, the recovery of loans has become easy. The progress of the scheme of the rural artisans complexes in Anantapur district has been quite satisfactory and holds good promise for the future an effective strategy to improve the skills and productivity levels of the rural artisans which inturn raises their standard of living.
Munirathnam Naidu, K., in his work on Rural Artisan Complexes in Kurnool district states that the rural artisan complexes are four types for the setting up of suitable infrastructure facilities in the concentrated artisan villages. These complexes provide house-cum-workshed, improved tools and equipments, working capital and other infrastructural facilities in order to provide better employment opportunities and income generation. The study also shows that more than 95 percent of the targeted complexes were achieved since inception of the programme and the district occupies first place in the highest number of rural artisan complexes grounded in the State as a whole.

Vera Raghavulu, M., has also made a study on Artisan Complexes, with the following objectives 1) Size and structure of rural artisan complexes in Andhra Pradesh and Cuddapah district 2) Socioeconomic conditions of selected artisans who were working in the complexes 3) The impact of artisan complexes on employment, production and income and 4) Problems and prospects of rural artisans. The major findings of the study are: 1) The average size of each household is five 2) About 60.8 percent of the population of the total household were illiterate. 3) The liability position of the sample artisans did not exceed Rs. 3000/- each. 4) Regarding repayment position, about 40 percent of respondents repaid completely, 37 percent repaid partly and 23 not repaid any single amount.

Another study of Bhaskar Reddy, N., and Samba Murthy, C., on "Rural Artisan Complexes - A case Study of Visakhapatnam District" covered seventy artisan households in three artisan complexes. From the study it can be learnt that about 77 percent of the beneficiaries had houses of their own and the rest 23 percent used to stay in relative's houses before they shifted to the artisans complexes. Two important points emerged from the study: First, the rural artisans complexes have not catered to the housing needs of those artisans who have no houses of their own, and secondly, even those who have shifted to artisan complexes expecting facilities of all kinds under one roof are not satisfied. The study also shows that the income of the artisans have not
changed significantly with the introduction of artisans complexes scheme. Further it is concluded that the rural artisan complexes have served merely as housing colonies without the provision of liberal finances and the necessary raw material.

The pertinent literature reviewed here above clearly indicate the fact that there are some studies on rural artisan complexes; but all these studies largely have dealt on analyzing the socio-economic condition of rural artisans. This is due to the fact that the problem has been approached with sociological facts adopted by the social science researchers. The objectives and methodologies that have been adopted in these studies differ from the present study, which has embarked on the examination of the impact of financial assistance by the Government through different schemes, on employment, production and the income of the artisans of Kurnool and Anantapur Districts Rayalaseema region of A.P. The study takes into consideration of all these important economic factors, which contribute, to the sound functioning of the rural artisan complexes in the study area. And here, it may be mentioned that the present study approaches with such objectives and methodology as those that have not been covered in detail in the studies reviewed.

1.6 OBJECTIVES OF THE STUDY

The main objectives of the study is to throw light on the present status of artisans and financial and other types of assistance, provided by the Government to improve their status and welfare.

The main objectives are as follows:

1. To study the socio-economic characteristics of various beneficiaries.
2. To study the financial requirements of the beneficiaries.
3. To analyze the government programme of establishing artisan complexes in assisting the beneficiaries.
4. To analyze whether the finance provided by the Government is adequate to meet the needs of the beneficiaries.
5. To study the effect of the financial assistance, on the creation of additional employment opportunities to the artisans, and
6. To evaluate the effect of additional employment and output on the generation of additional income

1.7 HYPOTHESES

The empirical research work attempts to study the impact of the establishment of artisan complexes on the development of the artisans. Hence the following hypotheses are framed for the present study.

1. “The larger the financial assistance, the higher the employment and output opportunities” and
2. “The greater the remunerative employment opportunities the higher the income generated”.

1.8 METHODOLOGY

The main focus of the thesis concentrates upon the impact of institutional finances extended to the artisans, while using the financial assistance as being of apt importance to study and analyze the production, employment and income generation by the artisans. For this, relevant information from the respondent artisans belonging to different section of the society is collected by using a pre-tested schedule to highlight whether the financial and other types of assistance provided by the Government during 1983-84 to 1993-94 (ie. for a period of 10 years), is really helping the needy artisans to improve their economic status in the form of increased employment opportunities and income. This detailed study
has been carried out by using a schedule prepared on scientific lines in a systematic manner. Many of the respondents of the study are illiterates. Hence, field survey was undertaken during 1994-95.

1.9 AREA OF THE STUDY

Kurnool and Anantapur Districts of Rayalaseema in A.P. have been selected for a detailed study of the problem.

Kurnool District is one of the biggest districts in Andhara Pradesh State and is the gateway of Rayalaseema region of Andhara Pradesh. It is part of Rayalaseema which is located between 14° - 54 and 16°-11 of the Northern latitude and 76°-58 and 78°-25 of the eastern longitude. The district is bounded on the north by Mahaboob Nagar district and on the South by Anantapur and Cuddapah districts, on the west by Karnataka State and on the east by Prakasam district. At present Kurnool district comprises 3 revenue divisions, 54 revenue mandals, 53 mandal parishads, 821 Gram panchayats and 918 revenue villages.

The area of the District is 17,658sqm covered by 29,73,024 population as per 1991 census with a density of 168 persons per sq.km.

In Kurnool District there are 81 artisan complexes as on March 1993 and the total beneficiaries are 2221.

To probe into the different artisan complexes in the district, 8 villages belonging to 6 mandals have been selected for the study.
They are:-.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Mandal</th>
<th>Name of the Artisan Complex</th>
<th>Village where Situated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Yemmiganur</td>
<td>Silk Saree Wearing</td>
<td>Nagaladinne</td>
</tr>
<tr>
<td>2.</td>
<td>Kurnool</td>
<td>Cumbli Wearing</td>
<td>Salkpuram</td>
</tr>
<tr>
<td>3.</td>
<td>Koilakuntla</td>
<td>Slab Polishing</td>
<td>Kanakadri Palle</td>
</tr>
<tr>
<td>4.</td>
<td>Adoni</td>
<td>Handloom</td>
<td>Peddakadubur</td>
</tr>
<tr>
<td>5.</td>
<td>Atmakur</td>
<td>Bamboo and Basket Making</td>
<td>Atmakur</td>
</tr>
<tr>
<td>6.</td>
<td>Koilakuntla</td>
<td>Leather goods</td>
<td>Koilakuntla</td>
</tr>
<tr>
<td>7.</td>
<td>Kodumur</td>
<td>Pottery</td>
<td>Chanugondla</td>
</tr>
<tr>
<td>8.</td>
<td>Adoni</td>
<td>Leather Tanning</td>
<td>Adoni</td>
</tr>
</tbody>
</table>

The other District chosen is Anantapur, which lies between 13°-40 and 15°-15 northern latitude and 76°-50 and 78°-30 Eastern longitude. It is bounded by Bellary, Kurnool district on the North, Cuddapah and Kolar district of Karnataka on South East and North respectively.

The Anantapur District comprises 3 revenue divisions and 63 mandals and 63 mandal. Parishads, 865 Gram panchayats and 964 Revenue Villages.

The area of the District is 18,465 Sq.km. covered by 31.81 lakhs population as per 1991 census with a density of 175 per Sq.km.

In Anantapur District there are 44 complexes as on March 1993 and the total beneficiaries are 1174.

To probe into the different artisan complexes in the district, 8 villages belonging to 5 mandals have been selected for the study.
They are:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Mandal</th>
<th>Name of the Artisan Complex</th>
<th>Village where Situated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Dharmavaram</td>
<td>Silk Saree Wearing</td>
<td>Sivampalle</td>
</tr>
<tr>
<td>2.</td>
<td>Atmakur</td>
<td>Cumbli Wearing</td>
<td>Atmakur</td>
</tr>
<tr>
<td>3.</td>
<td>Tadipatri</td>
<td>Slab Polishing</td>
<td>Chinnapola mada</td>
</tr>
<tr>
<td>4.</td>
<td>Tadipatri</td>
<td>Handloom</td>
<td>Chinnapola mada</td>
</tr>
<tr>
<td>5.</td>
<td>Battala Palli</td>
<td>Bamboo and Basket Making</td>
<td>Anantha Sagaram</td>
</tr>
<tr>
<td>6.</td>
<td>Dharmavaram</td>
<td>Leather goods</td>
<td>Nimmalakunta</td>
</tr>
<tr>
<td>7.</td>
<td>Vajrakarur</td>
<td>Pottery</td>
<td>Vajrakarur</td>
</tr>
<tr>
<td>8.</td>
<td>Dharmavaram</td>
<td>Leather Tanning</td>
<td>Chigicherla</td>
</tr>
</tbody>
</table>

To evaluate the development of artisan complexes in both the districts same variety of complexes found in both the districts have been selected for the study.

Thus the 8 different complexes selected are (1) silk weaving (2) cumbli weaving (3) slab polishing (4) Handloom (5) Bamboo and basket making (6) Leather goods (7) Pottery and (8) Leather tanning. Then artisans are enumerated and identified as per the records of the District Industries centers of Kurnool and Anantapur.

1.10 SAMPLE DESIGN

On the basis of the purposive random sampling method, about 220 artisan beneficiaries (130 from Kurnool and 90 from Anantapur) have been selected covering 8 selected units of both Kurnool and Anantapur Districts for the present study. In doing so the necessary care has been exercised to draw 50 percent of the total beneficiaries from all the selected units. The break up
figure on the units-wise is as follows. In Kurnool district 14 artisan beneficiaries from Silk Weaving, 14 Cumbli Weaving, 10 Slab Polishing, 14 Handloom, 28 Bamboo and Basket Making, 15 Leather Goods, 15 Pottery, and 20 from Leather Tanning unit.

In Anantapur District 10 artisan beneficiaries from Silk Weaving, 10 Cumbli Weaving, 15 Slab Polishing, 24 Handloom, 10 Bamboo and Basket Making, 6 Leather Goods, 5 Pottery, and 10 from Leather Tanning unit.

The data was also collected through secondary source like Government records in the two districts where the study was undertaken as well as reports, journals, books by visiting different libraries of Sri Venkateswara University, Tirupati, Sri Krishnadevaraya University, Anantapur, Sri Krishnadevaraya Post-Graduate Centre, Kurnool, Osmania University, Hyderabad; University of Hyderabad, Hyderabad; National Institute of Rural Development, Hyderabad; Center for Economic and Social Studies, Hyderabad; V.S. Krishna Memorial Library of Andhra University, Visakhapatnam, National Institute of Small Industry Extension Training, Hyderabad, District Chief Planning Office, Kurnool, District Chief Planning Office Anantapur, District Industries Centre, Kurnool, District Industries Center, Anantapur, and Bureau of Economics and Statistics, Hyderabad.

1.11 STATISTICAL TOOLS FOR ANALYSIS

Keeping in view the objectives of the study, the appropriate statistical tools are used to classify and tabulate the collected data so as to bring out a systematic analysis.
1.11.1 PAIRED 't' TEST

The test can be used to check for any significant difference in the means of two independent samples in which the reading in one sample is not related to or dependent upon the reading in the other sample. However, in certain situations the two observations are related to each other. In such situation, difference between the pair of related observations is important than the value of individual observations. The distribution of these paired difference is assumed to be normal for which the population standard deviation is not known.

Then t-statistic is \( t = \frac{d}{(S_d/\sqrt{n})} \) where

\( d \) = average of distribution of differences.

\( S_d \) = standard deviation of the distribution of the difference between paired observations.

\( n \) = number of paired observation.

The calculated value of t is compared with the critical value of t from the table for a given value of significance \( \alpha \), and \( df = (n-1) \) and the hypothesis is checked.

To test the significance, the following hypotheses are formed.

\( H_0 \) -- There is no significance impact of financial assistance on production, employment and income of artisans.

\( H_1 \) -- There is significant impact of financial assistance on production, employment and income artisans.

1.11.2 MULTIPLE REGRESSION

Multiple regression involves two or more independent variables forming the basis for estimating the values of a dependent variable. This regression model assumes that the relationship between the independent variable and the dependent variables is linear in nature.
The multiple regression equation involving two independent variables (production and employment) and one dependent variable (income) takes the following form

\[ Y = a + b_1 x_1 + b_2 x_2 \]

Where \( Y \) = estimated value of the dependent variable (income)
\( a \) = the point of intercept on y-axis
\( x_1, x_2 \) = The independent variables (production and employment)
\( b_1, b_2 \) = corresponding change in \( Y \) for each unit change in \( x_1 \), while \( x_2 \) is held constant
\( b_2 \) = corresponding change in \( y \) for each unit change in \( x_2 \), while \( x_1 \) is held constant.

1.11.3 F – TEST

The F-Test or analysis of variance is useful to test the overall significance of the regression process. It is assumed that there is no relationship between the dependent variable (income) and the independent variables (employment and production), taken collectively. Thus the hypotheses are

\( H_0 \): The regression is not significant
\( H_1 \): The regression is significant.

The F value is given by

\[ \frac{(\text{Explained variation})/\text{its degrees of freedom}}{(\text{Unexplained variation})/\text{its degrees of free from}} \]

\[ \frac{\sum (Y - Y_c)^2}{K-1} \]
\[ \frac{\sum (Y - Y_c)^2}{n-k} \]

Where \( k \) = number of constants in the regression equation.
n = number of observations or the sample size.
Y = observed value of Y.
\( \bar{Y} \) = Average value of Y.
\( Y_c \) = Estimated value of y from regression equation.

The null hypothesis is tested on the basis of the calculated value of F and the critical value of F from the table.
REFERENCES


16. *Evaluation of Rural Industry Schemes (DIC, RACP, ISB, KVI & TRYSEM)*, Study of Rural Non Farm Economy, Compendium of Researchers, Faculty of Rural Industries & Employment, NIRD, Hyderabad.


