

Chapter I

Introduction

The present study is an attempt to trace the relevance of Traditional Sector in the context of modern Indian economy.¹ The study specifically examines the Rural Artisan sector in terms of its present position vis-a-vis the state policy towards strengthening and developing this sector. An attempt is made to locate artisan type of production as an economic necessity in the changing economic policy framework of the country

The study maintains that traditional sector elements such as rural artisans have a continued role to play even in the modern industrial economies and that there is enough economic justification for strengthening this sector in a country like India. In fact, development has often been interpreted as a process of modernisation with due emphasis on bringing the traditional elements to the mainstream. There is no contention to the fact that one should not displace the traditional sector and let it die in the process of industrialisation, modernisation and economic development. Countries like Japan stand out to be the ideal examples to know as to how the traditional sector elements can find a rightful place even amidst large scale industrialisation.

¹ For the purpose of this study 'Traditional Sector' is taken to mean the rural non-farm sector. Accordingly, rural artisans producing the various requirements of rural economy, craftsmen in the traditional service areas, distribution channels such as 'Village Fairs' etc., constitute the traditional sector. Obviously, rural artisans form the most important segment of this sector.

Indian development policies seem to have missed this important point. Hence, the traditional sector which accounted for major source of non-agricultural employment and which used to ensure a comfortable livelihood for the dependant families, has now become synonymous with non-viability and poverty. We may find enough evidences to prove that the present state of affairs of the traditional sector in general and that of rural artisans in particular, is primarily the result of a wrong ideology and developmental policy pursued in independent India. This has resulted in the very developmental policies working detrimentally to the interest of artisans and bringing about their downfall. Further, there seems to be a wrong diagnosis of the core problems of the artisan sector, based on which the support policies are designed. For instance the general assumption is that there is a dwindling demand for artisan products. However, what has actually happened is a shift in demand and not dwindling demand. The thesis also considers this issue as central to its analysis and builds a developmental policy proposal on alternative considerations.

Objectives of the Study:

The study, in general, aims at the assessment of the socio-economic conditions of the rural artisans and identifying the problems confronted by this weaker section of our society. For this purpose the state policies and state of

affairs of the artisans are evaluated. Such an evaluation, it is hoped, will shed light not only on the perception and thinking concerning this problem, but also on the re-orientation of programmes and institutions and on the range of policy instruments utilised and their efficacy. Further, it may also provide some clues regarding the future course of action in this area. The study then proceeds to empirically test the relevance of state policies vis-a-vis the problems confronted by the selected group of artisans in the study area.

The specific objects of the study are as follows:

1. To locate the relevance of traditional sector in general, and rural artisans in particular in the Indian context.
2. To evaluate the state policy towards traditional sector with a special emphasis on artisan development policies.
3. To study the socio-economic status of rural artisans in the selected region of study.
4. To identify the core problems faced by the rural artisans and to locate them in terms of policy implications.
5. To suggest alternative courses of action so as to ensure recognition to the traditional sector as a mainstream area in the economy.

The Hypothesis:

After a careful review of the relevant secondary literature including the empirical studies on the traditional sector and those on rural artisans, this study has formed the following hypotheses for analysis in the course of study:

- a) The state policies designed and implemented for the development of rural artisans have not only been inefficient and ineffective but also counter productive.
- b) The programmes of artisan development in post independent India are more on humanitarian/political considerations than on grounds of economic justification.
- c) The artisan sector has not been able to get its due share in the development process since this sector has been clubbed with the broader category of Village and Small Scale Industries.
- d) The central issue to be tackled to put the artisan sector in its right place and direction is to equip the artisans to grow with the market.
- e) Finance as a development input finds its worth only when it is injected after equipping the artisans to absorb credit.
- f) Simultaneous up-gradation of technology and product line can ensure economic viability of artisan sector.

Scope of the Study:

The term artisan as used in this study restricts itself to the rural traditional skill based activities relying on indigenous resources, mostly and not necessarily catering to the local requirements.

Geographically, the study restricts itself to the artisans of Dakshina Kannada District of Karnataka State. The District has around 16,000 artisan families spread over its eight taluks. These artisans belong to a wide variety of trades like potters, carpenters, blacksmiths, cobblers, sculptors, basket makers, goldsmiths, coir workers, metal workers, weavers etc. Of these, the study covers three trades viz (i) Basket making and bamboo works, (ii) Pottery and (iii) Coir works.

Basket making and bamboo works is selected for the study on the ground that, this is one of the oldest, but fast disappearing artisanal activity of the district. This trade seems to have received considerable state support, measured in quantitative terms. However, it is popularly held that this trade is facing the threat of extinction due to the non-availability of required quantity and quality of raw materials, dwindling local demand and lack of interest in the trade among the younger generation.

Pottery, another popular and traditional artisanal activity of the district is a case in point for the changing demand pattern for artisan products. This trade faces a situation where the typical rural market does not accept the traditional pots but the elite urban market is opening up new horizons for the skill by creating demand for artistic pottery. Given the right kind of infra-structural facilities and policy support, this trade would prove to be a worthy economic activity inspite of the numerous other problems confronted by the potters.

Coir works, the third artisanal activity chosen for study represents a more cosmopolitan feature. This trade is not caste, religion and region specific like pottery and basket making. Coir works have an assured supply of raw material (coconut fibre) in the region and the demand for coir products seems to be ever on the increase. It is generally felt that coir works is a very flourishing trade with an untapped potential of providing gainful employment to many in the district.

Sample Design:

The study is an empirical work at the micro level, based extensively on the primary data relating to the problems and prospects of rural artisans in the district. The study

considers a sample of 438 artisan households selected from all the eight taluks of the district. The sample is rationalised and made representative by drawing the households living in clusters as well as in isolated (scattered) places, those availing themselves of the state and institutional assistance and those deprived of that, those working at artisan complexes and those working at their own houses and those residing in coastal areas and non coastal areas etc. Since the villages within the taluk do not exhibit any wide variation in terms of agro-climatic, social and economic conditions, a taluk is considered to be a homogenous unit. The sample represents approximately 5 percent of the total households of the selected trades. The information on artisan population in the district is availed from the census report prepared by the District Industries Centre (DIC) during 1982-83.

The details of sample design may be had from the data presented in Table 1.1.

Table 1.1
The Sample Design

Taluk	Potters		Basket Makers		Coir Workers		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Mangalore	19	13.18	24	11.16	06	7.69	49	11.19
Bantwal	11	7.59	23	10.70	00	0.00	34	7.76
Belthangady	27	18.62	18	8.37	00	0.00	45	10.27
Puttur	26	17.93	24	11.16	00	0.00	50	11.42
Karkala	17	11.72	28	13.02	16	20.51	61	13.93
Udupi	09	6.21	34	15.81	31	39.74	74	16.89
Kundapur	31	21.38	48	22.33	25	32.05	104	23.74
Sullia	05	3.45	16	7.44	00	0.00	21	4.79
Total	145	100.00	215	100.00	78	100.00	438	100.00

Since the sample size is proportional to the number of artisan households in each taluk, it includes highest number of basket makers from Kundapur taluk, potters from Puttur taluk and coir workers from Udupi taluk.

Materials and Methodology:

The study makes use of both primary and secondary data in its analysis. However, a large part of the analysis exclusively depends on the primary data. Since the study is basically of empirical in nature, a sample of 502 rural artisan households from the eight taluks of the district are surveyed through a structured questionnaire. However, for ultimate analysis, the study considered only 438 households, since the questionnaires from 64 households were incomplete. The survey was conducted over a period of 11 months during the year 1993 - 1994. In addition to the artisans, representatives of voluntary agencies engaged in artisan development, officials of District Industries Centre (DIC), Zilla Parishath, Khadi and Village Industries Commission (KVIC), Coir Board, Handicrafts Board, Silk Board, Handloom Boards etc. were interviewed for collecting relevant data.

To facilitate the macro level analysis and wherever additional information was needed to strengthen the arguments, secondary data is used. The sources of secondary data include Five Year Plan Documents, reports of the various committees, District level Plan Documents, Reserve Bank of India(RBI) and National Bank for Agriculture and Rural Development (NABARD) publications, Reports, Circulars and other publications of KVIC, Coir, Sericulture, Handloom and Handicraft Boards and a host of Books, academic journals and Periodicals. All the

sources of secondary data have been listed in the bibliography.

Secondary data sources form the basis for analysing the state policy towards artisans during the pre and post independent period. An attempt is made to evaluate the policy impetus by using the data gathered from the official documents such as the Plan Documents and scores of independent studies done at the individual and institutional levels.

The analysis is both conceptual and descriptive. Even though no specific attempt is made to theorise the question of traditional sector, the study fully appreciates the theoretical and ideological frames of reference.

The empirical details are tabulated and projected mainly in terms of averages and percentages. Since the study tries to assess the functional issues related to artisan type of trade, this is considered adequate.

Limitations of the Study:

The present study had to be worked out amidst certain limitations, which are peculiar to any empirical work. The important among them are discussed here.

The rural artisans of Dakshina Kannada District are spread over the nook and corners of 635 villages of the eight taluks of the district. As per the district statistical Hand book 1992-93 there are 15,353 artisan households in the district. There are more than 5000 artisan households among the trades selected for this study.² It is almost impossible to contact and cover this vast number, without any loopholes, inspite of all the intellectual and financial strengths. Therefore, the study has resorted to a stratified sampling technique. Needless to say that the limitations of this technique will have some bearing on the reliability of primary data.

Majority of the rural artisans are illiterate and shy of being interviewed. Moreover, they never keep account of their sales, details of borrowings, assets etc. In the absence of an authentic source of data, the researcher had to use his own observations and judgements in eliciting required information. Even though it is generally considered adequate to carry out the present type of analysis, it is apt to mention here that the data gathered could at best be near to truth.

Yet another major handicap is the enormous gap in the secondary data. First, the data regarding number of artisans, their overall position in the economy, specific infra-struc-

² District Statistical Office, Statistical Profile of Dakshina Kannada, 1992-93, Mangalore: District Statistical Office, 1994, pp.63-64.

tural support accorded to them etc., are not made available on time and in the desired format, since the definition of the term 'rural artisans' itself is not uniform throughout the country. It differs with time, purpose and the organisation in question. Secondly, there is multiplicity of development agencies and developmental schemes aiming at the welfare of rural artisans. But, there is no comprehensive data made available exclusively on rural artisans. Generally, the data is made available under the head small scale, village and cottage industries. However even this information is not available on time and to the extent required.

It is also necessary to mention here that the study has considered all these limitations and an earnest attempt is made to keep the effect of these limitations at the minimum. All care has been taken to make the study fall within the framework of scientific research, ensuring purposive end use.

Lay-out of the Study Report:

The study report has been presented under seven broad chapter classifications. The details of the lay-out are as follows:

Chapter I - INTRODUCTION - deals with the technical details of the thesis. While explaining the frame of refe-

rence, this chapter gives a brief overview of the analysis to follow.

Chapter II is titled as RURAL ARTISANS AND STATE POLICY. It examines the relevance of traditional sector in the context of present economic situation in India vis-a-vis state policy towards the development of this sector. This chapter also gives a detailed review of the literature related to rural industrialisation and traditional sector in general and that of rural artisans in particular.

The socio-economic background of the study area and that of the sample households form the focal issue of Chapter III. Titled as PROFILE OF THE STUDY REGION AND SAMPLE HOUSEHOLDS, this chapter gives a detailed background of the economy of Dakshina Kannada district during the colonial and post-independent period and situates rural artisans in this frame of reference. A detailed analysis of the socio-economic status of the sample artisan households is also carried out in this chapter.

In chapter IV, an attempt is made to examine the economic viability of the rural artisan activities, from the point of view of their marketing potential. This chapter, CHANGING MARKETING SCENARIO: THE CHALLENGE, analyses the demand pattern, effect of competition and income levels of the artisans producing traditional and modern products. The market poten-

tial of artisanal products and the need for producing market friendly products have been highlighted in this chapter.

Chapter V, MATERIALS AND TECHNOLOGY: THE INPUT FACTORS, examines the problems of rural artisans relating to the availability of adequate raw materials and access to appropriate technology. Issues such as the proximity to the sources of raw materials, availability of raw materials, difficulties in getting the raw materials and the remedial actions suggested by the sample artisans are discussed in this chapter. In the technology front an attempt is made to analyse the trend towards up-gradation of technology among the rural artisans, the hindrances thereto and the relationship between technological up-gradation and trade prospects.

Chapter VI, FINANCE: THE CATALYST, analyses the role of finance as a dynamic input in the development of rural artisans. The analysis in this chapter has put to test the hypothesis that the financial assistance on humanitarian grounds can not improve the economic prospects of the rural artisans. This chapter analyses the sources of finance, the knowledge of the beneficiaries about the terms of finance, repayment pattern, extent of diversion, default tendencies and the relationship between the availability of financial assistance and the income levels.

The last chapter, CONCLUSIONS AND SUGGESTIONS, provides a brief summary of the major findings of the study. Based on these findings a plan of action for the development of the artisans is suggested in this chapter. Though this plan of action is very specific to the study region, the framework is designed to accommodate macro level policy implications. //