CHAPTER I

INTRODUCTION

1.0 Village and cottage industries offer employment opportunities to the rural masses. They provide an outlet for creative urge among individuals and promote their entrepreneurial and technical skills.

Village and cottage industry is defined to be an enterprise or series of operations carried on by a workman skilled in the craft in his own responsibility, works mainly in his own home using his own tools and materials and provides his own labour or atmost with the assistance of his family members.

The need for promotion and development of small and village industries in any country opens avenues for new vocations to enterprising persons as entrepreneurs and provides employment opportunities to the labour force of an expanding population which cannot be fully absorbed in large industry and agriculture.

1.1 Classification of Village Industries

Village industries are classified into traditional and modern. Traditional small industries include Khadi,
handloom, handicrafts and coir. Many of these industries require artistry and craftsmanship that are often handed down in a family from father to son. These industries neither need specially skilled personnel nor sophisticated machinery and are labour intensive in character. On the other hand, modern industries require machinery and more capital.

1.2 Handicrafts

A very promising area in the cottage and village industries is the handicrafts. Handicrafts are a valuable and indeed a proud heritage of India. For ages their exquisite beauty has fascinated people all over the world and has brought fame and respect for Indian skill and imagination. India was known to other countries on the trade route more by her handicrafts than by her art, religion and philosophy.

Indian handicrafts are as varied as the people of the country. Almost all the materials produced by nature, be it grass, reed, palmleaf, wood, horn, shells, cane or bamboo are fashioned into objects of beauty and utility by the skilled fingers of the craftsmen.

1 Kamaladevi Chattopathyay, The Glory of Indian Handicrafts, India Book Company, New Delhi, 1976 (Preface).
In handicrafts, the cost per unit of production is very low. Hence the best course of action for an underdeveloped country with sufficient raw materials and abundant man power but with scarce capital is to put the available capital into immediate production, instead of waiting for huge capital investment. Small productive units in handicrafts can be started and functioned in short periods. Simple crafts are easy to learn. There are crafts which are eminently suited to women and children. Handicrafts would provide suitable employment for the surplus population from agriculture and thereby contribute a lot to the sustained development of the country's rural economy. They can help in the regeneration of village by providing an eminently suited medium for decentralised production. They make every home a unit of production and every individual a producer. The handicraft industry accommodates easily the changes in consumer tastes with less cost implications.

1.3 Shell Craft Industry

Majority of the units in the shell craft industry are tiny units operating in rural areas and they absorb family labour. On the other hand big units are providing employment opportunities not only to family labour but also to hired labour. The peculiarity of this industry
lies in the provision of employment to rural women folk, whose potential may remain unutilised if otherwise.

Another feature of this industry is that, being traditional in character, it requires less investment and practically no capital. More discussion of the shell craft industry is presented in Chapter III.

1.4 Motivation for the Study

There are number of studies in India on village and cottage industries analysing production, cost structure, organisational problems and socio-economic conditions of workers in these industries in general. At the same time there are number of studies analysing various types of handicrafts by analysing various issues like production potential, cost structure, financial and organisational problems, investment structure and socio economic conditions of artisans. There are studies relating to handicrafts of Karnataka, Rajasthan and Andhra Pradesh. However, only a few have attempted to study the economic aspects of handicrafts industry in Tamil Nadu, on the basis of handicrafts artisans. However no study is made on Shell Craft Industry of Tamil Nadu in general and Kanyakumari in particular. It is highly labour intensive and offers scope for self employment in the rural areas, particularly for women. This has motivated the researcher to study the shell craft industry.
1.5 Statement of the Problem

Society in general and women in particular benefit only when women participate in economic activity. In rural societies handicrafts are the suitable source of employment for women, as they could as well perform their vital role in home. Explaining the approach and strategy for the development of village and small industries, the Eighth Five Year Plan clearly states that programmes of khadi, village industries, handlooms, sericulture and handicrafts have to integrate local area development programmes for selected villages for poverty alleviation through increase in employment.

With this philosophy, the Eighth plan allocated Rs.6334 crores, that is, 1.5 per cent of the total outlay for the development of village and small industries. Among the traditional industries, handicrafts production is targeted for Rs.29,620 crores by 1996-97, that is, 10 per cent of the total output of the traditional industries.

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During the Eighth Plan, employment in village and small scale industries is to expand from 443 lakhs in 1991-92 to 533 lakhs in 1996-97 an increase of 110 lakhs. Major contribution to additional employment of the order of 76 lakhs is likely to come from 3 sub-sectors; from handicrafts 29.4 lakhs, from modern small scale industry 24.5 lakhs and power loom cloth 22 lakhs.

In Kanyakumari district, shell craft industry plays an important role. Among the 25 different handicrafts industries in terms of number of units enrolled, persons employed and annual production, shell craft industry stands in the first place. The number of shell crafts units constitutes 22.77 per cent of the total handicraft units existing in the district. Its employment share is 27.11 per cent and output share is 34.11 per cent during 1996.

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According to the study conducted by Ramakrishna Moorthy (1996) on 'Women Craft Workers' of 11 women labour intensive handicraft industries, out of a total of 11,799 women craft workers, 3,972 (33.66 per cent) are engaged in shell craft industry alone.

Under this background, the present work attempts to study some of the economic aspects, namely, production and cost structure, employment potential, marketing channels and profit earned in the shell craft industry in Kanyakumari district, during the period 1995-96.

1.6 Objectives

Generally a study on industries of this nature requires analysis on production, cost structure and the factors determining output. Hence the first objective is directed towards analysing production and cost structure of shell craft industry.

Economic significance of an industry also lies on the industry's potential in employment generation and its nature. The level of living of workers depends upon

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their earnings. Accordingly, the second objective is directed towards the analysis on employment pattern and wages.

The survival of an industry depends upon the profit earned, which in turn, depends upon marketing of its products. Hence an objective is included to study marketing channels and profit earned.

The specific objectives are:

1. To analyse production and cost structure of shell craft industry.

2. To analyse employment pattern and wages.

3. To analyse marketing and profit earned in shell craft industry.

1.7 The Significance of the Study

Shell craft industry occupies an important place in the resource utilisation, both material and human, in the rural areas. According to 1991 Census, there are 2,24,274 males and 2,25,548 females in the Agasteeswaram block (where shell craft units are concentrated) of Kanyakumari district, which clearly indicates that the females outnumber the males. In fact, employment potential of this area, to a considerable extent, lies on the female
population. Hence, economic development in the study area depends upon the proper utilisation of women work force of this area. From the study, the scope for employment generation, especially for women workers, in the shell craft industry could be inferred.

Besides, the possibility for sustainable employment of the owners of the shell craft units could be inferred.

Existence of child labour is a common feature in handicraft industries. The study could help to find out the prevalence and extent of child labour.

Further, the study could indicate whether there is any sickness in the industry or not.

The study will throw light on these different aspects.

1.8 Limitations

The present study is subject to the following limitations.

The study takes in to account only sea-shell crafts and not shells of other types, such as coconut shell and tortoise shell. Output is measured in value terms and not in physical units.
Computation of annual data relating to output, raw material and cost of production is not attempted since entrepreneurs could not supply data as they do not maintain accounts either monthly or annually. Hence per day (i) production, (ii) cost of production and (iii) profit are taken as crucial variables.

The data utilised in the study are subject to recall bias and memory of the respondents.

1.9 Chapter Scheme

The study is arranged into nine chapters.

Chapter I is the present chapter, which gives the introduction for study.

Chapter II gives a profile of the study area.

Chapter III presents a profile of the shell craft industry.

Chapter IV presents review of literature in two parts. Part I reviews the studies related to different handicraft industries. Part II reviews the studies on handicraft artisans.
Chapter V is the methodology chapter. It presents the methods of data collection, definition and measurement of crucial variables used in the study, methods of the analysis and tools used.

Chapter VI analyses production and cost structure in shell craft industry.

Chapter VII discusses employment pattern.

Analysis of marketing and profit is given by Chapter VIII.

Chapter IX presents the summary of findings and conclusions.