CHAPTER X

PATTERNS OF PROCESSING AND EMPLOYMENT

Outline

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The conditions of processing activities and the
nature of employment in the decentralised industries
like khadi and village industries differ greatly from
those of small-scale and organised industries. The
entire gamut of production processes and employment status in khadi and village industries is exposed to an uncontrolled situation. All sophisticated services, facilities and conditions available to new and modern industries are at present beyond the reach of these traditional industries. Even the minimum outward requirements like the services of technicians are not available to them. Under the circumstances, the K.V.I. units are obliged to follow and adopt the familiar and known practices depending upon local conditions. Some of the external and internal practices, with or without any advantage being taken by the K.V.I.coops and members in course of their working, are discussed hereafter.

(A) External Operational Methods

Purchase: The first among the arrangements the K.V.I. coops were required to make was that of the securing of raw materials from certain sources. The bamboo workers coops purchased their entire bamboo requirements from the forest coops. The societies were, however, not granted any concession by the State Government unlike the Maharashtra Government where forest authorities are required to give raw bamboos at concessional rates to the bamboo workers' coops.1 Your neera coops secured palm trees from individuals,

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while the remaining 2 neera coops procured their raw material from the neera producers' coops. All the ghani coops, like bamboo workers coops, made purchases of the oil-seeds from the coops. The khadi gramodyog societies generally purchased their requirements from certified institutions and the coops.

In the process of purchasing, specific practices were followed by some coops. Nanchal Vans once appointed a purchase committee for getting raw materials. This was a solitary instance among all the K.V.I.coops throughout the period of their working. The same society, too, did not appoint such committee for a second time. The usual practice with most of the societies was to authorise the chairman and the secretary together to purchase raw materials. The Valod Neera made an exception by authorising its secretary for making purchases. The standing arrangement in the case of Choryasi Neera was for its secretary to make purchases in the absence of any authorised person. Usually, all societies made purchases from the open market with or without obtaining any commission. The Songadh Vans entered into a specific contract through and in partnership with Surat Jilla Jungle Kamdar Sahakari Sangh, Madhi, for the assured supply of bamboo from the forest. The rest of the 4 vans societies got the raw materials from the open market.
Distance for the purchase of raw material was another factor the coops were facing. Forests were at a distance of 37 to 80 kilometers from the headquarters of the societies, while neera societies and ghani oil societies did not go beyond 16 kilometers for procuring the raw materials. Choryasi Neera had to cover a distance of 24 kilometers for collecting neera. Mandavi Suthar got the raw materials from places at a distance of 37 and 80 kilometers. The Poona Khadigram purchased raw materials from places falling within 8 kilometers-radius from its headquarters, while the Borisavar Khadigram and Vyara Khadigram purchased materials from places beyond 80 kilometers. Except 4 coops, which obtained their raw material from surrounding villages falling within a radius of 4 kilometers, all moved from 10 to 300 kilometers. The 3 neera coops and 2 vans coops had their purchasing centres over 25 kilometers away. Such variations of distance involved in purchases were due to fixed sources of supply.

Store: Storing was another important facility required by the K.V.I.coops. Since they were dealing in traditional industries, they were not in need of controlled store houses; but, they certainly required a place or building to store the materials and products. Two of the 5 vans societies possessed the facilities for storing raw materials. Nanchal vans rented an open
space of two acres of land and required it during the peak storing period. Vyara Vans owned a pucca building with approximately 2,400 sq. feet of built up area and about 2 lakhs bamboo required for the year could be stored therein. Three vans coops did not have the storing facilities at all. Except Choryasi Neera, which had a pucca store house taken on rent for the season, none of the neera societies possessed any storing facility. All the 3 ghani coops took on rent pucca store houses and the storing capacity of the 2 of them was to preserve 500 to 6,000 Kgs. of oilseeds. The Gijaram Ghani needed the store for the season and the other two required it for the whole of the year. From among the three carpentry and blacksmithy societies, Mandavi Suthar rented for one year a pucca store place. The nature of work of the remaining two carpentry and blacksmithy coops did not require storing facility, they being service societies. Except Borisewar Khadigram, 2 Khadigrama societies took on rent pucca stores. All the K.V.I. coops used the storing places for stocking only the raw materials, while Vyara Khadigrama utilised the place for stocking finished goods as well. The need and adequacy of storing facility varied from society to society depending upon the commodities, seasonal factors, and the nature of activities. However, it cannot be denied that such facilities do ensure better returns to coops.

Work-place: The requirement of work-place depended upon
the nature of production activities undertaken by the
coops. None of the 3 khadigramodyog, 6 neera and 2 of
the vans coops arranged for a working place. The neera
coops did not need work-places as they tapped Neera
from the trees under the open sky. The 3 khadigramodyog
coops were engaged in providing services and hence did
not require work places. Nanchal Vans, Vyara Vans and
Sonagadh Vans maintained their work places. The first
two coops possessed kutcha work-places covered with
tarpaulins and the third one occupied pucca building
with tin roofing. They could accommodate 30, 50 and 50
artisans on kutcha floor respectively. The 3 ghani oil
societies were having pucca work-places, 2 of them with
Mangalore tiles and the third one with cement-concrete
slab. Each of them tiled or cemented the floor. All the
three carpentry and blacksmithy societies occupied work-
places, two of which were pucca with cemented flooring
and the third one had an open ground floor. All of them
were tin roofed. The Khadakachikhali Suthar possessed
a kutcha building to accommodate 10 artisans. The work-
places of Mundavi Suthar and Saraiya Suthar were in a
position to accommodate 80 and 50 artisans respectively.
Observations: The conditions of purchases bring out
contrasting phenomena of the K.V.I.coops. The most
positive and unique behaviour is that all the coops are
purchasing their raw materials from other coops. The
K.V.I.coops are, thereby, contributing to enlarge and
or to the strength of members. Adequate work-place facilities may not always be the important facility to the village industries units. Electric or mechanical power was not used for any process by any of the societies under study. The conspicuous absence of power straightaway suggests the low potentiality for development and growth of these industries. As water is the key to development in the agricultural field, power is the key to development of industry. A four-member team of American experts had, therefore, rightly suggested the need for setting up of rural electrification coops in India to give a fillip to production and also to the industries by ensuring supply of power at a reasonable price. 2

(B) Internal Working System

There are many things from within that need to be taken care of by the societies. The various facets of working have to set out an order of internal system. The better it is brought about, the more satisfactory will be the results. The K.V.I.coops cannot be an exception to this general rule. The managements of the societies arranged their internal working in the manner they deemed fit. Some aspects of their internal working system are presented here.

Planning and budgeting: Nothing moves in an organisation without planning and budgeting. Howsoever the

2. D-62
planning and budgeting methods differ, their prime usefulness is a known historical fact. It was observed that the concept of planning and budgeting was not at all foreign to these K.V.I.coops. Each of the coops had one or more persons to do this work, though not in a scientific and systematic manner as the planning and budgeting methods would suggest. Valod Neera had a graduate to do this work single-handedly. The remaining societies had two or more persons to plan and budget in consultation with the managing committee. Sixteen societies wrote it down in the fashion familiar to them. Vedchhi Neera, Ghantoli Neera and Saraiya Suthar did it but had no fixed arrangement to place it on record. It is immaterial whether this work is done by one person or a group of persons. Who does it is more important since it is a specialised job.

The ages, qualifications and experiences possessed by each of the persons attending such important work are as exhibited in Table x.1. Of the lot, 3 persons were of the graduate level, 4 were S.S.Cs, 3 were non-matric and 12 were vernacular final passed. There were 9 persons who had studied secondary and 7 had primary education including 1 who was only a literate. Only 3 persons from Borakhadi Neera, Vaheval Neera and Vyara Khadigram were technically trained. None of them was duly qualified in planning and budgeting as such. The educational qualifications ran very much short of the functions assigned to each one of them. After all it is
the development of the mind which can assure progress;
as has been said, the real essence even of material
technology is in man's mind.\textsuperscript{3} The seminar on induscos
held in March 1973 at Poona in Maharashtra State also
stressed the importance of introducing the practice of
budgeting for all practical purposes. Some imprints of
the crude planning and budgeting practices followed are
visible on some of the subjects discussed hereafter.

Assessing raw-material requirement: The process of
counting raw-material requirement is, as a technique,
usually followed in the organised industries. Not so
by the K.V.I.coops. All Vans societies used to calculate
raw-material requirements on the basis of their financial
capacity to make purchases. Obviously, this delimited
the scope of adequate and timely procurement of raw
materials. Vedchhi Neera adopted the basis of available
number of trees, and Borkhadi Neera followed the number
of trees and the available capital. Vaheval Neera based
the calculation on its selling capacity. Ghantoli Neera
was unique in adopting membership, wage earners, capital
and sale together as a basis for measuring raw material
requirement. The 2 ghani oil, 2 carpentry and black-
smithy and 2 khadigramodyog coops considered the avail-
able capital for assessing their raw material require-
ments. One each from carpentry-blacksmithy and khadi-
gramodyog societies followed the basis of finance as
well as selling capacity for the purpose. Gijaram Ghani

\textsuperscript{3} E-9: p.212
maintained capital and membership as the basis. Thus, the basis varied from one group of industry to another and, in many cases, from one society to another. The items indicated above were the major considerations for fixing the quantum of raw material purchases.

Cash credit purchases: Gijaram Ghani and Khadakachikhal Suthar were the only 2 societies which purchased raw materials through cash payments and not on credit. Berisawar Khadigram purchased exclusively on credit. The remaining 17 societies followed both the methods — cash payment as well as deferred payments — depending upon the situations. The K.V.I. societies were, however, not an exception in the matter of encountering difficulties about the availability of raw materials because of seasonal factors, fluctuations in prices and inadequate funds.

Wage rates: The wage rate was a measure of payment made in exchange of service received by the K.V.I. coops. The production processes followed by the coops varied greatly in nature and time. Therefore, there was no possibility of adopting any uniform wage-rate for all the societies. The wage-rates reported to have been adopted by various coops are shown in Table x.2.

Table x.2

<table>
<thead>
<tr>
<th>Coop</th>
<th>Process</th>
<th>Wage rate (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-1</td>
<td>Per 100 bamboo cutting</td>
<td>4.00</td>
</tr>
<tr>
<td>C-2</td>
<td>Per 100 bamboo cutting</td>
<td>4.00</td>
</tr>
<tr>
<td>Coop</td>
<td>Process</td>
<td>Wage rate (in Rs.)</td>
</tr>
<tr>
<td>------</td>
<td>----------------------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>C-3</td>
<td>Bamboo cutting per day</td>
<td>3.00</td>
</tr>
<tr>
<td></td>
<td>Topla and Pala making per piece</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Chabada per piece</td>
<td>0.75</td>
</tr>
<tr>
<td></td>
<td>Chatai and Sadari per piece</td>
<td>0.50</td>
</tr>
<tr>
<td>C-4</td>
<td>Bamboo cutting per day</td>
<td>3.00</td>
</tr>
<tr>
<td></td>
<td>Topla and Pala making per piece</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>Chabada per piece</td>
<td>0.75</td>
</tr>
<tr>
<td></td>
<td>Chatai and Sadari per piece</td>
<td>0.50</td>
</tr>
<tr>
<td>C-6</td>
<td>General supervision per month</td>
<td>50.00</td>
</tr>
<tr>
<td></td>
<td>Cleaners per month</td>
<td>55.00</td>
</tr>
<tr>
<td></td>
<td>Salesman per month</td>
<td>45.00</td>
</tr>
<tr>
<td></td>
<td>Tapping per month</td>
<td>65.00</td>
</tr>
<tr>
<td>C-7</td>
<td>Daily wage usually paid to labourer</td>
<td>2.00</td>
</tr>
<tr>
<td>C-8</td>
<td>Meera tapping per month</td>
<td>70.00</td>
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<tr>
<td></td>
<td>Meera supervision per month</td>
<td>120.00</td>
</tr>
<tr>
<td></td>
<td>Cleaners per month</td>
<td>50.00</td>
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<tr>
<td></td>
<td>Carriage per month</td>
<td>50.00</td>
</tr>
<tr>
<td></td>
<td>Selling at sales centre per month</td>
<td>30.00</td>
</tr>
<tr>
<td>C-9</td>
<td>Supervision over palm trees per day</td>
<td>4.00</td>
</tr>
<tr>
<td></td>
<td>Neera tapping per day</td>
<td>2.00</td>
</tr>
<tr>
<td></td>
<td>Cleaning per day</td>
<td>1.50</td>
</tr>
<tr>
<td></td>
<td>Carriage per day</td>
<td>1.50</td>
</tr>
<tr>
<td></td>
<td>Selling at sales centre per day</td>
<td>1.00</td>
</tr>
<tr>
<td>Coop</td>
<td>Process</td>
<td>Rate (Rs.)</td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
<td>------------</td>
</tr>
<tr>
<td>C-10</td>
<td>Supervision over palm trees per day</td>
<td>4.00</td>
</tr>
<tr>
<td></td>
<td>Neera tapping per day</td>
<td>2.00</td>
</tr>
<tr>
<td></td>
<td>Cleaning per day</td>
<td>1.50</td>
</tr>
<tr>
<td></td>
<td>Carriage per day</td>
<td>1.50</td>
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<tr>
<td></td>
<td>Selling at sales centre per day</td>
<td>1.00</td>
</tr>
<tr>
<td>C-12</td>
<td>Oilseeds pressing per 20 kgs.</td>
<td>2.50</td>
</tr>
<tr>
<td>C-13</td>
<td>Oilseeds pressing per 20 kgs.</td>
<td>2.50</td>
</tr>
<tr>
<td>C-14</td>
<td>Oilseeds pressing per 20 kgs.</td>
<td>2.00</td>
</tr>
<tr>
<td></td>
<td>Attending to oilseed-pressing work per day</td>
<td>1.75</td>
</tr>
<tr>
<td>C-15</td>
<td>Mistri per month</td>
<td>280.00</td>
</tr>
<tr>
<td></td>
<td>For cutting per month</td>
<td>26.00</td>
</tr>
<tr>
<td></td>
<td>Semi-skilled labour per day</td>
<td>2.00</td>
</tr>
<tr>
<td>C-16</td>
<td>Skilled labour for carpentry work per day</td>
<td>8 to 10</td>
</tr>
<tr>
<td>C-18</td>
<td>Meter weaving of 18 V.C.*</td>
<td>1.08</td>
</tr>
<tr>
<td></td>
<td>Meter weaving of 17 V.C.*</td>
<td>1.02</td>
</tr>
<tr>
<td></td>
<td>Meter weaving of 16 V.C.*</td>
<td>0.96</td>
</tr>
<tr>
<td></td>
<td>Meter weaving of 15 V.C.*</td>
<td>0.90</td>
</tr>
<tr>
<td>C-20</td>
<td>Per hank of hand spun yarn</td>
<td>0.15</td>
</tr>
</tbody>
</table>

* One V.C. contains 160 threads of yarn stretched for warping.

It is seen from the wage rates reported that the piece-rate was more prevalent than daily and/or monthly rate.
among the K.V.I.coops. Ambach Vans, Bhint Bhudrak Vans, vyara vans, Gijaram Ghani, Mangarol Ghani, Borisawar Khadigram, Poona Khadigram and vyara Khadigram were the 8 coops which exclusively followed piece-rate wages for different processes. The two coops—Borakhadi Neera and Ghantoli Neera — seem to have employed persons on monthly basis while Khadakachikhali Suthar engaged persons on daily as well as on monthly basis as per the requirement. The minimum daily wage was Re.1 and the maximum daily wage was Rs.4. The element of piece-rate wage was more prevalent among vans and ghani coops while daily wage-rate and monthly wage rate were more popular among the neera societies. The Khadakachikhali Suthar was a military instance which adopted the monthly wage range that varied from Rs.28 to Rs.280 whereas Mandavi Suthar chose for daily wage-rates. The piece-rates for weaving and spinning followed by Poona Khadigram and Vyara Khadigram were in accordance with those prescribed by the Khadi Certification Committee of the Commission. Vyara Vans followed the piece rates for cutting trees as prescribed by the State Government.

Costing methods: Costing as a method was another sophistication for K.V.I.coops. There were societies which followed certain methods for arriving at purchase cost mostly of raw materials and sale price for the finished products.

The position about the practices followed for
calculating cost of raw materials was as under:

Bamboo workers societies had no information to provide about costing. The remaining societies of other industries charged the price of raw material, transportation, labour charges, management expenses and certain percentage of profits. Besides, the societies used to charge some other expenses not common to all. Mangarol Ghani and Mandavi Suthar charged taxes, if any, and the former added to the cost the insurance charges also. Depreciation of buildings and equipments was charged only by five societies of which 2 were oil ghanis, 2 were khadi-gramodyog societies and one was a carpentry-blacksmithy society. Storing charges were added to the cost by 10 societies. Storing was not charged by 2 neera societies, 2 carpentry-blacksmithy societies and one khadigramodyog society. The two khadi gramodyog societies did add to the cost the storing and the depreciation of building and equipment charges.

When coops sold out raw materials or finished goods, they followed varying practices depending upon the nature of goods. All bamboo coops added to the price paid for bamboo, 50 per cent charges of custom taxes, transport, storing, wages, management and certain percentage of profit. All the neera societies counted raw material prices as fixed by the Government and added to them costs of transportation and storing, labour charges, management and
profit portion. Storing expenses were net charged by the 2 neera societies and one added the insurance charges. The ghani societies did not adopt any fixed method to arrive at the sale price. All the carpentry and blacksmithy coops added charges of transport, wages, depreciation of machineries and tools, management and 12 per cent profit. The khadi gramodyog societies charged customs transport, storing, wages, depreciation of buildings, management and profit; but, one of them charged only transport, wages, management and 10 per cent profit.

Observations: In the course of the inquiry, the first striking feature appeared to be that of non-adherence (a) to what was decided to be done and (b) to how much was to be done. In 8 K.V.I.coops the manner and quantum of work done showed a great departure from what was planned and budgeted for. In respect of 5 coops, the difference between the production targets and the financial allocation and the actual work done was small. There were 2 instances where the management of the coops shelved the decisions taken about earmarking funds for various purposes.

The managements of the 6 K.V.I.coops were found to be ignorant about the terminology of planning and budgetting. It was with great difficulty that they were made to understand the ideas behind the process. Consequently, the same managements confirmed that they had been following the process of budgetting and plan-
ning of their own. In respect of Vedchhi Neera, Ghantoli Neera, and Saraiya Suthar, the persons who were assigned this work were devising the process of planning and budgetting and acting accordingly without even verbally expressing their ideas to others. There were 5 instances of coops familiar with the terminology of planning and budgetting but were unaware of the major functions of the process. The person from Valod Neera was observed to be familiar with them but was not practising most of them for want of proper appreciation. Relatively, the persons looking after this work in each of the coops were better educated compared to artisan members, but they did not possess any technical qualifications prescribed for the job. The knowledge of planning and budgetting is acquirable without much investment but these persons preferred to get it from experience. Since planning and budgetting are important aspects of proper functioning of the societies, they must be fully understood and implemented by each of the K.V.I.coops.

It was understood that, while making actual purchases, the nature of raw materials to be purchased was generally kept in mind; but the quantum varied generally in most cases, and the required quality of the commodities was mostly not attended to by the authorised persons. The forces behind the purchase of sub-standard goods could be personal and/or beyond the control of persons making purchases.
This behaviour had subsequently caused concern to a few coops, and reduction in price and overstocking were the ultimate adverse consequences.

It was observed that 2 bamboo workers' societies, one ghani oil and one khadigramodyog coops were obliged to accept particular low quality of goods because they had been purchasing them on credit for over 6 months. On the other hand, the management of Khadakachikhali Suthar maintained that they were in a better position to exercise their choice over the purchase of quality goods. These 2 solitary instances however, cannot be considered as a guide. In these days of wider and competitive buyers' market, no coop can function without taking goods on credit and without selling products on credit. However, one thing is certain. Cash purchases have their own advantages and they are the more desirable in the case of traditional industries like K.V.Is.

By and large, the variation in the wage rates was not high among the K.V.I.coops. The different wage rates shown in Table X.2 are the rates adopted for major activities of the societies. Wage-rates for minor activities or for casual purposes depended upon the exigency of the work. An attempt to know the basis of arriving at various wage-rates did not meet with success but the inquiry revealed that factors like season and off-season agricultural wages and the variations in the supply of labour were the
major considerations in fixing the wage-rates offered by various coops. It was observed that the managements of all coops fixed the wage-rates without consulting the members of the societies concerned, while 3 societies showed complete disregard both to members and management and the office bearers fixed the wage-rates ex-parte. The managements of 3 coops brought the wage rate into force after arbitrarily deciding upon the matter.

Apart from the matters observed above, the most striking one was the reflection of the split personality of the Commission. The Khadi Certification Committee of the Commission has prescribed a long range of wage rates for spinning and weaving of various specifications and that too, has been done without any mutual consultation with the artisans concerned. This has been done by it in the capacity of a custodian to protect the interests and to avoid the exploitation of the poor artisans. On the other hand, the Commission has not made arrangement to prescribe wage-rates for any of the village industries, the artisans of which are equally poor, helpless and unorganised. The Commission — wedded as it is to high social ideals — should have maintained consistency in its policy and approach. The situation of prescribed wage-rates for khadi and open wage rates for village industries raises an important issue as to whether there is a need at all
for prescribing wage rates either for khadi or for village industries or for both. The production units are owned by independent registered organisations and are free to decide their operations based on the prevailing local conditions. Each unit has to face unfair competition from products of mechanised industries. The experience of open wage-rate policy for village industries has brought better results in terms of less stocking of finished products, relatively higher wages, saleable goods, faster rate of production and highest production as compared to Khadi production. One can understand if wage-rates are suggested for guidance only. But, there is absolutely no justification — in the present days of technology and mass poverty — to prescribe fixed or minimum wage-rates for both Khadi and village industries and superimpose them on independent organisations like K.V.I.coops which are designed as democratic in character.

The costing practices followed by K.V.I.coops did not take into account certain items of expenditure to be charged in fixing the prices of the products. Items like interest on capital, commission and depreciation of raw materials were not charged at all by any of the coops. Such a situation is capable of leading to unseen losses which may shatter the economy of an industry and the viability of the society in the long run. Secondly, the quantum of labour per unit of
of khadi and village industries product is reported to be higher compared to similar mechanised production. Under khadi, traditional spinning contains labour charges of 46 per cent and weaving contains 23.50 per cent. Similarly, many village industries products have larger labour content. Neera has 56.53 per cent, village oil has 15 per cent, Ambar Charkha has 17.80 per cent and Ghani has 10 per cent. Higher labour cost is the indicator of low level of economy. Hence, there is an urgent need for introducing improved techniques to reduce the costs and diversify the production. Unless this is done, the khadi and village industries with their present level of economy, will not be able to offer any guarantee of progress and attain reputation as a business proposition.

(C) Pattern of Employment and Income

Investment in productive assets creates business employment. The K.V.I. societies made an investment of Rs. 3,38,207 for production. Consequential employment was created at two levels. Firstly, the coops which undertook direct production employed persons against payment of wages. Such employment was not restricted exclusively to members of the coops. Hence, the level

4. A-7: p.42
5. A-8: pp.16,77 & 119
at which the coops provided full-time employment, part-time employment and casual employment is to be studied. Secondly, the employment position of the members which prevailed at their family level is required for the purpose of knowing the effectiveness of the direct or indirect services rendered by the coops to the members.

1. Employment and income provided by khadi and village industries cooperatives

Table x.3 reflects the employment potentiality of various K.V.I.coops selected for study. The employment provided by the vans societies ranked highest. The growth of employment was from 139 members and 11 non-members in 1962-63 to 374 and 245 respectively during 1966-67. Full employment to 216 and casual work to 146 in the vans societies was unparalleled in the year 1966-67. These societies provided work throughout the year, which again was a special feature. Employment under this industry constituted 79.3 per cent of the total force of 619 persons employed by 13 K.V.I.coops in 1966-67. The neera societies expanded part-time employment opportunities from 45 in 1962-63 to 98 members in 1966-67. During 1964-65, 116 members were provided with work; but this level scaled down to 98, which was 15.8 per cent of the total employment provided during 1966-67. One ghani society gave part-time work to 4 members only.
in 1966-67. The part-time work opportunity provided by 2 khadigramodyog societies progressively descended from 66 in 1962-63 to 26 members during 1966-67. The work given to members by neera, ghani and khadigramodyog societies was part time mainly because of seasonal factors and partly because of interrupted production. The efforts in the direction of changing the status of members from that of wage-earners to collective owners by forming federal-institutions remain to be strengthened.

Similar trends were maintained by each group of the societies in respect of payment of wages as shown in Table X.3. The growth of payment of total wages by vans societies was from Rs. 11,325 during 1962-63 to Rs. 2,01,655 in 1966-67. Though the number of members and non-members employed in 1966-67 was just equal, the non-members were paid excess wages amounting to Rs. 14,049. The wages paid by vans societies formed 86.4 per cent of the total wages paid during 1966-67. The 5 neera societies paid Rs. 12,707 in 1962-63 and raised the amount to Rs. 27,518 in 1966-67 thereby constituting 11.5 per cent of the total wages in 1966-67. Exceptionally, the 2 khadigramodyog societies showed progressively rising trend in payment of wages. It was from Rs. 6,454 in 1962-63 to Rs. 8,425 in 1966-67 as against the reverse trend of its employment. It is further observed that vans societies have offered the first highest average wage of Rs. 521.9 to the members.
providing part-time work. The second highest average of ₹324 was given by khadigramodyog societies for part-time work. The neera industry could provide an average wage of ₹280.7 to members employed part-time. The average wage of the artisans employed for part-time work in vans, neera, village oil and khadigram societies came to ₹432.7. The overall average wage earnings of full-time, part-time and casually employed workers came to ₹384.6. These trends support the observations made elsewhere in respect of vans industry that it provided employment for a longer period in the year and comparatively at a higher wage-rate.

Observations: The trends in respect of the number of persons employed and wages earned by them were improved during the period from 1962-63 to 1966-67. The total number of persons employed in 1962-63 was 150 which increased to 619 in 1966-67. The wages distributed increased from ₹30,487 in 1962-63 to ₹2,38,099 in 1966-67. The average earnings of a part-time employee went up from ₹170.4 in 1962-63 to ₹432.7 in 1966-67. Likewise the overall per capita average wage of ₹203.2 distributed in 1962-63 went up to ₹384.6 in 1966-67. Thus, there was an overall improvement in the bulk of employment and wages offered by the K.V.I. coops during the period between 1962-63 to 1966-67.

Three more characteristics need to be stated.
Firstly, the K.V.I. coops had given employment in 1966-67 to 245 non-members which had constituted 39.5 per cent
of the total employment. Consequently, the wages amounting to Rs. 10,792 which came to 45.1 per cent of the total wages, went to persons other than the members of the K.V.I.coops. This functional behaviour of the coops has undermined the interests of the artisan members, and has defied the objectives of cooperatives and the ideals of cooperation at large.

Secondly, the average income of a full-time employee in 1966-67 was of Rs. 242.6 as against the average income of Rs.432.7 for a part-time employee. The earnings of the part-time employee were thus higher by 178.5 per cent than those of the full-time employee. Thus, the full-time work ensures employment while the part-time work ensures employment with better and higher earnings. This position hits hard at the basic values attached to full-time and part-time employment. The earnings, incidental to employment, have assumed greater importance in the life of artisans.

Thirdly, the average wage of Rs.384.6 or even the highest average wage of Rs.432.7 earned by the persons as seen earlier, is itself of a low level as compared to the cost of index which prevailed in 1966-67. The low level of wages earned is the consequence of traditional technology adhered to by the artisans. In other words, there is complete absence of improved techniques followed in production processes of khadi and village
industries. This position has kept the doors closed for providing economic incentives — i.e., the rate of remuneration proportional to the efficiency of service rendered by the artisans — and personal income maximisation to the artisans. Thus, the decentralised production organised at the coop level and further extended at the grass-root level of the artisans with technical stagnation has retarded development at large. The possible way to increase the return to the artisans is to assist them with improved means like cheap power, small machines and tools to face the growing competition advantageously. However, these decentralised K.V.I.coops production units have a very long way to reach a stage claimed by an eminent industrialist for his unit viz., that "for every person that is employed in their medium-type factory, four more are employed in an allied way".  

2. Employment and income at the level of member artisans

The measurement of employment in terms of hours and days is possible in small scale and organised industries where labour is employed on wage or contract basis under controlled situations. In rural areas where a traditional artisan is provided work at home and that too on self-employment basis, it is rather difficult — and, sometimes impossible — to get an accurate picture of employment because of limitations imposed

6.D-17: p.11
by local conditions. Any such attempt to know the extent of employment of artisans in villages can at the most indicate broad directions. Efforts are made in the following paragraphs to know the nature and the fluctuations in employment of the artisan members selected for each group of industries covered under the study.

Firstly, the position of employment of artisans falling under bamboo industry is depicted in Table X.4 for the year 1966-67.

The member artisans of bamboo industry had work for 1,374 days and earned Rs.4,852 under self-employment as against 225 days for which the wage earners worked and got wages amounting to Rs.250. The average earning per day came to Rs.3.53. Though the work was spread over all the 12 months of the year, its concentration was in the period from November to February and in the month of May when they make their best earnings. This period exactly fits in the seasonal requirements of the agriculturists and releases the vans workers to attend to other work, if available, in the remaining parts of the year.

Secondly, the nature of employment provided by neera industry was just in the reverse. As exhibited in Table X.5, the industry gave employment for 1,573 mandays distributing wages of Rs.8,315 under wage or contract basis, leaving the least opportunity for members to work on their own at home. Employment was spread over the period from September to June. The peak
season was from October to February, during which artisans were engaged for 1,573 days constituting 83.9 per cent of the total employment in the industry. Compared to bamboo industry, it had assured higher per capita average earning of Rs.5.16 a day and provided option to work elsewhere for nearly 7 months from March to September. It had greater potential to provide seasonal employment.

Thirdly, the extent of employment and wages under oil ghani, as presented in Table X.6, was limited to 157 mandays with earnings of Rs.619. However, the average income of Rs.3.94 per working day was lower than that of neera workers but higher than that of bamboo workers. This limited work opportunity was availed of by self-employed workers during the months from July to February and by wage earners during the period from March to June. These artisans set an uncommon pattern in that, during the period of self-employment, they had never gone out to earn wages.

Fourthly, from among the 10 carpentry-blacksmithy artisans interviewed, only 2 had worked for their own for 262 days evenly spread over 12 months bringing an income of Rs.3,220 during 1966-67 as exhibited in Table X.7. The 2 members got outside work for 140 days in 5 months getting Rs.1,308 as wages. Both put together suggest an average working-day earning of Rs.11.26, the highest among all the artisans under study. This was
because of their skilled labour which distinguished them from other artisans.

Finally, the employment position of khadi gramodyog artisans as exhibited in Table X.8, ranked third among all the artisans who responded to the survey. Nearly one-third of the interviewed worked for their own for 1,050 days throughout the year which brought them Rs.3,520 while they got work for 182 days for 6 months outside, earning wages of Rs.529. They earned Rs.2.82 per day per capita on an average for all the working days. This was the lowest rate of average among khadi gramodyog artisans.

The overall view of the nature of employment in all the industries discussed earlier is worked out in Table X.9.

Thus, the total earnings came to Rs.22,765 for 5,018 mandays. These were shared by 37 members only, which formed 37.6 per cent of the total respondents. Among them, the balance of self-employment was more weighty in terms of frequency of persons (195), mandays (2,826) and wages (Rs.12,118), as against the balance of wage-earners in terms of frequency of 129 persons, 2,202 mandays and Rs.10,647 as wages. The proportion between the frequency of self-employed persons to the frequency of wage-earners came to 60:40. The position broadly confirms the view that 71 per cent of the total labour force in India was self-employed.7 Besides, each of the self-employed artisan was able to earn an

7.D-16: p.23
average annual wage of Rs. 615.28 which was higher than Rs. 384.6 provided by the coops (Vide: Table x.3). Thus, in both the set-ups — coop and family — the artisans' earnings were favourable in comparison with the average per capita income reported between Rs. 350 to Rs. 400 in Gujarat as a whole. 8

The other aspect of the overall position of employment of artisans at home was about the length and fluctuations. The position about the period of concentration of employment is worked out in Table x.10.

The employment situation was aggravated primarily because many of the employed members could get work only for 7 months in the year. This situation did not permit them to leave the work to augment income to meet the barest needs, nor was it sufficient to induce them to increase the earnings for the lack of support. The maximum of 37 artisans worked in January and February while in September, there were only 14 artisans who could get the work. September was the leanest period for employment. None of them had work for less than 3 months while 8 of the artisans remained occupied for 12 months. In all, 67.5 per cent of the artisans got employment for more than 8 months in the year.

Observations: The foregoing discussion has brought out the levels of earnings and employment resulting from the activities of khadi and village industries. This situation reveals some important aspects having certain bearings on the economic life of the artisans.

8.D-40: p. 874
### Table x.10

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Month</th>
<th>No. of artisans</th>
<th>No. of months in which employment was availed</th>
<th>No. of artisans</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>July</td>
<td>22</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>August</td>
<td>21</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>September</td>
<td>14</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>October</td>
<td>25</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>November</td>
<td>35</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>December</td>
<td>34</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>7</td>
<td>January</td>
<td>37</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>February</td>
<td>37</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>9</td>
<td>March</td>
<td>31</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>10</td>
<td>April</td>
<td>24</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>11</td>
<td>May</td>
<td>26</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>12</td>
<td>June</td>
<td>20</td>
<td>12</td>
<td>8</td>
</tr>
</tbody>
</table>

**Total** 37*

* Exclusive of 6 artisans whose monthwise employment position was N.A.
Firstly, the average income of an artisan per month came to Rs. 51.27. This was higher than that of Rs. 37.48 earned by an individual gainfully employed in an organised industry in the rural sector. This places the respondent artisans above the poverty line.

Secondly, each of the artisans, who got work was enabled to earn the average seasonal or annual wage or Rs. 615.28 which was higher than the average wage of Rs. 521.9 provided by vans societies. Thirty-seven persons had worked for 5,018 days in the year. It meant 45.2 per cent employment in a year of 300 working days. The average daily wage came to Rs. 4.53. The pattern of employment among these artisans was neither deflationary nor fractional.

Thirdly, the foregoing wage-rates offered under various Vs place the traditional artisans in a better position as compared to the agricultural labourers. The peak-season agricultural wage rate of the District was Rs. 2.50 for a man and Rs. 2 for a woman for any agricultural operation and the off-season agricultural wage rate was Rs. 1.75 and Rs. 1.50 respectively during 1966-67. None of the artisans engaged in the production of K.V.Is received a daily wage below Rs. 2.82. It is said for induscos that fair remuneration is the crying need for their labour. The wage-rate position of the K.V.I. artisans could, thus, be said to be encouraging. However,

9.:E-3: p.141
10.:A-3
11.:E-18: p.318
if this is measured in terms of real income it will mean a scanty addition to their income. This was because the prices rose by 58 per cent between 1960-61 and 1966-67 and thereby reduced the real value of money incomes by 37 per cent.\textsuperscript{12} This had definitely eroded the increase in the real income of the artisans.

Fourthly, bamboo industry provided self-employment to a larger number of persons and the neera industry provided larger employment to wage-earners.

Fifthly, the self-employment provided by bamboo, carpentry and blacksmithy and khadi gramodyog coops was spread over the whole of the year but the employment on wage or contract basis was sporadic. Again, the societies provided work to members on a selective basis which was contrary to the cooperative principle of equality.

Finally, the position brings out that the earnings were available to only 37.6 per cent of the artisans. This highlights the incapacity of the concerned cooperative societies to provide work to all the members throughout the year.

Moreover, the artisans do not seem to have better alternative opportunities available in rural areas mainly because of limitations of educational and social values. The older artisans have continued to work for their professions. On the other hand, the younger generation does not like any industrial activities to be carried on in their homes. It is more so among educated...
This trend is giving rise to the importance of wage-employment along with the rise in general development. In spite of this, self-employment is still the predominant form of economic activity persisting in the rural areas. This position ensures a guarantee of maintaining K.V.I.coops as democratic institutions. Under the circumstances, the status of the artisans will not be changed from the owner of the means of production to a wage earner. But this is not enough for the betterment of artisans in the long run. Efforts are required to marry the economic development to labour-intensive methods.

3. Sources of income and occupation of artisan families

The levels of employment and income obtainable by the coops and the artisans have been shown earlier. The individual artisan is seen at the centre in both the situations. The same artisan is a part and parcel of his family. The artisan is indebted to his family for all matters—social, political and economic. In such a situation the economic activities carried out by the artisan family cast the fortune of the member artisan. Hence, an attempt is made here to know the various sources of income, the amount of income derived from each of the sources and the number of families engaged

13. D-52: p.17
in different activities for earnings.

Firstly, Table x,11 sets out the amount and sources of income during 1966-67 available to selected artisan families. The artisan families earned a total income of Rs. 2,08,778 as per details provided in the Table. The major share of income was from agriculture and services each contributing Rs. 63,650 and Rs. 57,310 respectively. The income of Rs. 25,855 (Rs. 22,765 as per Table x,9 plus Rs. 510 of 3 artisans whose month-wise details of income were not available as stated in Table x,11) from K.V. IIs was the third source of income to them. It formed 12.40 per cent of the total income. Next ranked the sources of trade and implements which earned an income of Rs. 19,775 and Rs. 18,862 respectively. An amount of Rs. 13,965 was brought in by way of casual labour. Animal husbandry and poultry registered small amounts of Rs. 611 and Rs. 500 as income to the artisan families. None of them earned income from house-rent. No bamboo workers' families maintained any milch cattle or poultry. The carpenters and blacksmiths got income from land, implements, services and casual work. The average income per artisan family came to Rs. 2,130.39. However, the average income of Rs. 3,614.50 earned by Teli families was the highest and the average income of Rs. 1,324.38 earned by Kotawalia families was the lowest of all.

The artisan families were not engaged in one or all the activities generating income. Depending upon the need and opportunity, each of the artisan families made
The frequency of artisan families occupied in various economic activities is exhibited in Table x.12. It can be seen therefrom that 58 families adopted agriculture as their activity. This was the highest number of families amongst those who remained themselves in such activities. There were 53 families, the second highest, which worked as casual labourers. Service and other activities took in 31 and 30 families respectively and stood third in ranking. Khadi and village industries put together kept 30 families engaged. The frequency of families which were occupied in the remaining activities was relatively low. Higher coverage of agriculture and casual labour was visible among the artisan families of bamboo, neera and khadi gramodyog.

The foregoing two situations of sources of income and frequency of families occupied by them are presented in an abstract form in Table x.13 for the purpose of drawing inferences.

The position as worked out in Table x.13 roughly suggests the inter-relatedness of the level of income and the frequency of number of families. Except casual labour, poultry and others, the remaining activities have generated income in relation to the number of families involved, though not in a direct proportion.

Observations: It is observed from the sources of income that the artisan families earned the greater part of their income from the primary industries. Their
<table>
<thead>
<tr>
<th>Particulars</th>
<th>% of income</th>
<th>Frequency of families</th>
<th>% of frequency of families</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>30.35</td>
<td>58</td>
<td>22.7</td>
</tr>
<tr>
<td>Services</td>
<td>27.45</td>
<td>31</td>
<td>13.6</td>
</tr>
<tr>
<td>K.V.Is</td>
<td>12.40</td>
<td>30</td>
<td>11.8</td>
</tr>
<tr>
<td>Trade</td>
<td>9.50</td>
<td>14</td>
<td>5.5</td>
</tr>
<tr>
<td>Implements</td>
<td>9.03</td>
<td>21</td>
<td>8.2</td>
</tr>
<tr>
<td>Casual labour</td>
<td>6.70</td>
<td>53</td>
<td>20.7</td>
</tr>
<tr>
<td>Animal husbandry</td>
<td>0.32</td>
<td>6</td>
<td>2.2</td>
</tr>
<tr>
<td>Poultry</td>
<td>0.25</td>
<td>9</td>
<td>3.5</td>
</tr>
<tr>
<td>Others</td>
<td>4.00</td>
<td>30</td>
<td>11.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.00</strong></td>
<td><strong>-</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
income from the tertiary industries stood next in order and that from the secondary industries was the least when measured in terms of percentages. This position about the order of income from various sources has thoroughly disregarded the usual order of the average level of real income, which is that the highest income is from the tertiary industries, higher income is from the secondary industries and the lowest income is from the primary industry.\textsuperscript{14}

This situation brings to the limelight the fact that the artisan families adopted the secondary industries as a supplementary source of income. Thus, the cultivator-cum-artisan is helped to remain occupied for as much larger period of the year as possible.

Thus, firstly, the possibility of prosperity of these artisans would remain dependent upon the rate at which their additional incomes from agriculture and services flowed to meet their occupational needs.

Secondly, the position of incomes and sources indicates that the artisans have not yet adopted diversification as a method of development, from which normally the economic benefits accrue. The potential demands are required to be converted into effective demands. This is a bit difficult task for these traditional industries because they are incapable of standardising either their products or their living conditions.

\textsuperscript{14} E-5: p.189
conditions.

Thirdly, the artisan families appeared to be immobile. It was observed that the artisans or their families had not moved out to other places in search of work. They continued to do the same jobs as they were doing since years. There was no case of an artisan who had changed his occupation for one reason or the other. Thus, there was absence of mobility at both the ends.

Fourthly, the set-up of the coops and of the member artisans lagged very much behind in basic resources like energy, skill and character, which are considered essential to economic advancement. In other words, these K.V.I.coops assume so to speak, all the negative sides of the private enterprise without enjoying any of its advantages and they have to strive for constant expansion and managerial improvement in a competitive economy. The road to viability is very difficult for the producers' coops like K.V.I.societies.

Fifthly, it is a matter of a long process that will take its own time to bring about a revolution in the traditional industries like the K.V.Is. But, the picture of employment and earnings provided to the artisans as wage-earners and self-employed artisans suggests that they were not denied the social advantage of the cooperative law as against the company law. The lasting progress of K.V.Is through the coops will
depend upon local solidarity, efficiency and economy of service, measured in terms of rising levels of per capita productivity, income and employment.

Finally, it must be observed that if the question of the cost of labour in K.V.Is against that of factory labour is properly assessed, it might turn out to be near zero in the former.