CHAPTER X

THE SPECIALISED AGENCIES
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Chambers of Commerce and Trade Associations are the specialised agencies which serve as audio visual aids to the money market. They not only keep a watch over the conditions of the money market as its eyes and ears but also serve as lungs which pour in and out of the body of the money market the air of information, knowledge, new techniques or in a word the available 'know-how'. These associations collect and compile relevant statistics concerning the problems of not only the country but also of foreign lands. These statistics are then disseminated for the guidance of trade, industry and commerce and for educating public opinion. As feelers in various moves of the State and Central Government and as true guides to them, these agencies play a significant role in advancing, promoting and safeguarding the interests of the members at all times. The members too feel confident and work fearlessly as they know that their interests are being watched and safeguarded by expert agencies at different fields. In brief, these agencies render not only help in promoting new business and protect the existing ones from inroads but also enable them to excel their compatriots.

The necessity for such agencies will be fully realised only after looking into the nature and working of each one of them.
I. Chambers of Commerce:

Chambers of Commerce are essentially associations for the representation of the vocational and sometimes of civic interests of the business community organised on a regional basis. They form the most important part of the modern machinery of commerce and are useful and necessary adjuncts to the commercial life. They undertake to render certain common services to the members for the benefit of their business. Further, they influence Governmental organs to consider favourably the claims and difficulties of their members in particular and business community in general. Their services can be grouped under two heads: (a) Services in relation to members, and (b) Services in relation to third parties.

a) Services in relation to members:

Under this category, the Chambers of Commerce provide various and manifold services as under:

i) administering and owning stock exchanges;

ii) providing employment services and maintaining warehouses, testing and weighing machines, commercial museums, etc.,

iii) running commercial schools, apprentice schemes and libraries, and

iv) issuing various certificates, preparing trade reports and functioning as accountants and commercial arbitrators.
b) Services in Relation to Third Parties:

In this sphere, Chambers of Commerce interpret and convey the views of the trading community to the Government through representations in different legislature bodies. They also send delegations to important Government bodies - National as well as Foreign - to espouse the cause of their members and for the general advancement of the trade, industry and commerce.

These activities are helpful in keeping the constituents of the money market in constant touch with the pulse of the general market of the place. By bringing the sellers and buyers of money together, these agencies can help a great deal in improving the organisational and operational efficiency in the specialised markets along with the money markets.

In Karnataka, at present there are 12 premier Chambers of Commerce out of which 3 are located at Bangalore. These are Asian Chamber of Commerce, the Bangalore Chamber of Commerce, and Karnataka Film Chamber of Commerce. The other nine are located at other places. They are:

1. Kamara Chamber of Commerce and Industry, Mangalore,
2. Chitradurga Merchants Chamber, Chitradurga,
3. The Hospet Chamber of Commerce and Industry, Hospet,
4. Udipi Chamber of Commerce and Industry, Udipi,
5. Chamber of Commerce and Industry, Mysore,
6. Hyderabad Chamber of Commerce and Industry, Gulbarga,
8. Belgaum Chamber of Commerce and Industry, Belgaum, and

All these Chambers of Commerce in the State have formed a federation called 'Federation of Karnataka Chambers of Commerce and Industry' at Bangalore.

Under the bye-laws and constitution of the organisation, a 'Governing Body' is constituted to manage the affairs of the Chamber of Commerce. This body is also termed as 'managing Committee', or 'executive committee' or 'board of directors'. The terms, duties and responsibilities of different elected office-bearers are prescribed by the bye-laws. The size of the managing committee varies from one organisation to another. The President, Vice-President and members of the managing Committee are elected by the members at the annual general meeting. The tenure of the managing committee is usually of one year.

Sometimes, to give representation to cross-sections of different interests, a provision is made of providing representation to large and small business units both in trade and Industry. In case the organisation has net work of branches or regional councils spread over the country, zonal or regional representation has to be provided for securing a regional balance on the managing committee.
The president exercises the general supervision over the working of the organisation and also performs the functions incidental to his office. In the absence of president, the vice-president is empowered to perform the functions of the president. The managing committee is the policy-making body which supervises the administration of the organisation. It is also responsible for the finances of the organisation. The bye-laws usually give wide powers to the managing committee for controlling and governing the entire management and administration of the organisation.

Our study of the services of these Chambers of Commerce reveals that these institutions have contributed in some spheres but they have failed in many other spheres on account of inadequate membership and scanty business and they do not provide specialised services. As they compete among themselves for membership, management and control, each one of them has suffered grievously in its growth and development. It must be remembered that these associations can take up necessary steps for educating the public with regard to economic matters. To the money market, the role of Chambers of Commerce is particularly important because it is there that the demand of a particular industry is known. Again these Chambers can further guide the constituents on the financial standing of the businessmen engaged in the industry. They can also help in the flotations of bills and in acting as guarantors and buffers in between lenders and borrowers. It is this aspect which is very much
lacking in the services of these Chambers of Commerce in the State.

II. Trade Associations:

What a Chamber of Commerce does for the business community in general, a trade association does for a particular trade, vocation or profession. In fact, these trade associations represent organised opinion and perform signal service to the money market by organising different trade interests and by deliberating other common problems, especially in the field of taxation, legislative measures, transportation difficulties and other allied matters.

The activities of such associations vary according to their nature. They range from representing to the Government various difficulties of the trade to the gathering of trade information, indexing of statistical facts, imparting commercial education, spreading of timely information, improving the trade efficiency and bringing the purchasers and sellers together.

Trade Associations are in existence in nearly all types of trade at Bangalore and other places of the State. Appendix-D gives the names of such Associations.

A study of their working and resources reveals that with limited financial resources, unorganised character and ineffective working due to multiplicity and lack of understanding, goodwill
and right approach, these associations have not been able to organise their own trade on sound and competitive lines. Further, they have not inspired confidence in their members.

The Trade Associations, if rightly organised, can effectively advance and safeguard the interests of their own trade and provide an effective link between the Chambers of Commerce and businessmen. They can serve as efficient agencies not only for enlisting and expressing public opinion on matters of importance but also be educative to the members in the modern know-how. To the money market the role of the trade association is particularly important because it is through them that the demand of a particular trade is known. Again these associations can further guide the constituents of the money market on the financial standing of the traders. They can also help in the flotations of bills and acting as guarantors and buffers between lenders and borrowers of money. The trade associations, in fact, represent the first plank of the organisation, the Chambers follow next, and ultimately in co-ordination they help in the organisation and development of markets—general as well as specialised.

In the resurgent India, the role of Chambers of Commerce and Trade Associations should be recast into a different mould. Alongwith the traditional functions towards the money market, these non-profit organisations must continuously act as catalytic
agents of change, not merely in the socio-economic structure but also in the attitudes and motivations of the business community.

To serve these ends the following suggestions are made:

1. **First**, in years to come these organisations will have to adopt public relations practices on an adequate scale. There is still inadequate knowledge of the role that these organisations can play in the economic development of the country. It is only through a continuous programme of public relations that it may be possible to create a better climate wherein business and industry may grow and prosper. It is also necessary to educate the public by undertaking programmes for securing the economic understanding of the country's private sector and to convince the public that they would be endeavouring to put the welfare before the members' interest.

2. **Secondly**, such a public relations activities would not prove to be effective unless these organisations strengthen ethical and moral fibre of the business and trade practices. In fact, social responsibility should be underlined in all these activities and practices. When the ideal of welfare state has been accepted by the country, it is all the more necessary for all these organisations to accept voluntary corrective measures and voluntary self-discipline which are the only alternatives to Government regulation of industry.
and trade. Self-help and self-discipline alone would provide
the necessary foundation upon which it would be possible to build
a successful future.

3. Thirdly, with the expansion of trade industry, it is also
necessary to bring the unorganised sector of trade and business
within the membership fold. Small businessmen in the urban and
rural areas comprise the largest group of individuals. Considerable
effort would be, therefore, needed to encourage them to take advan-
tages and benefits of these organisations. With the dispersal of
small-scale industries in the underdeveloped areas and with the
growth of new trading centres in the rural areas, a new trading
class is emerging and it is left to those organisations to take
the initiative of making their programme available to these small
businessmen.

4. Fourthly, with the advent of planning, these organisations
are now being called upon to make their contribution to the planning
process which is a tremendous task. These organisations have already
accepted the concept of planning and anxious to make their contribution
to the efforts which are now being made by the Government. It is
equally necessary that the Government appreciates the role of these
organisations in the state's economic development. If such an
appreciation comes forth, these organisations will be able to play
more useful role in the long-run objective of the Government.
5. Lastly, these Chambers of Commerce and Trade Associations can help to give shape to new concepts of industrial development. They could get their members involved in the evolution of the district industries centres, help provide necessary training, motivation even managerial and marketing assistance to new entrepreneurs. Such dispersal and diversification at the base would help to correct the imbalances of development within the State and help in reducing social and political tensions. Such extension of development process would ensure greater employment opportunities and expansion of market which in turn would be reflected in higher turnover for the business community. As such the Chambers of Commerce and Trade Associations have major role to play in motivating members towards such perspectives in economic growth.