CHAPTER III

THE DEVELOPMENT AGENCIES

The Dynamics of Development

One of the functions of a welfare state is the care of the downtrodden. At the time of India's independence its economy was unsound. India was known as a country inhabited by the poor, the miserable and the deprived. This poverty issue was intensely debated at the national level and a strategy was worked out to revamp the shattered economy. For this purpose a centralised planning commission was set up, with a development frame that would generate overall economic activity; and this was to spell the alleviation of material poverty of the people over the years. The same theme was dealt with in the preamble, the Fundamental Rights (Art. 12-35) and the Directive Principles of state policy (Art. 36-51) enunciated in the Indian constitution; these emphasised, among other things, adequate means of livelihood, opportunities for employment and a socio-economic order based on justice and equality. The promise of a new society for the weaker sections of the population finds a special mention in Articles 330-342 and Schedules V and VI. Thus the developmental activities began all over the country, in nearly all sections, and became a regular part of the administrative activity.
In this context 'development' is perceived as a remedial measure for the various ills of society, the shortfalls in the basic human needs and the strategies to meet them. It is a process which involves a majority of people who are rich and poor, active and inactive, literate and illiterate. It involves both the private agencies and the governmental departments.

The developmental activities are to aim at achieving adequate nutrition, basic facilities to live with dignity and honour, elementary education for all children, minimum health services, protected drinking water and electricity etc.

In the last three decades a number of five year plans have been implemented and at present the country has embarked on the seventh five year plan. While some of the programmes have succeeded, the others have not yielded the desired result. Therefore each successive plan has taken note of the failures in drafting the plan programmes.

The first four plans emphasised economic development. The fifth plan oriented the development strategy to the social aspect. The focal point of 'poverty' was kept in view and eradication of poverty became the main concern. The investment strategies were subordinated to the welfare aspect rather than purely economic considerations.
The word 'development,' when considered in this background, refers to the gradual advancement of the downtrodden people by which the government and society realise the unfolding of the natural force and energy which is latent in the weaker sections. It is a generic term meaning growth, evolution, a stage of progress. It is an activity aimed at eradication or at least minimising of human suffering, suffering from want — from conditions of acute distress and impoverishment. It means minimising the difference between affluence and poverty. It means making available adequate nutrition, clothing and shelter.

As Leopold Laufer puts it, development means:

"dams and factories, roads and canals, bush clearing, electrification, soil improvement, universities, secondary schools, primary schools, sanitation, research and/multitude of other activities and achievements. But above all, development means (qualitatively) people. The preparation and activation of people is the cause of economic and social development."

This means gradual advancement through progressive stages of growth from within to bring about improvement of skills, and of gradual training adapted to the learners' physical and

mental development. It means an overall process of transforming men and societies leading to a social order in which every human being can achieve moral and material well-being. On the whole development means an integral, value loaded cultural process encompassing the natural environment, social relations, education, production, consumption and well-being.

The government of India and the state governments are locating clusters of helpless people for whom developmental programmes may be undertaken. The kind of programmes evolved very much depends on the kind of people for whom they are intended and their socio-economic conditions. Here we are concerned with the leather-workers of Athani. For them, exclusively certain programmes have been developed by the government. Besides the government departments, there are agencies entrusted with the development tasks for the leather-workers. They are: Khadi and Village Industries Commission; Khadi and Village Industries Board; Karnataka Leather Industries Development Corporation Limited


(familiarly known as Lidkar); Scheduled Castes and Scheduled Tribes Development Corporation; State Industries Department (District Industries Centre - DIC) etc.

According to the Oxford English dictionary, the word 'agency' means an establishment for the purpose of doing business for another ... usually at a distance. It is a human instrumentality for intermediation. It refers to an organisation that is active and is improving skills and enlarging trade potential. It also means a department or other administrative unit of a government. In this sense it refers to an office establishment. It can mean function of an agent or factor. It refers to active working or specific operation, i.e., an action or an activity or both.

The government of India and the state governments under their plan for the development of the weaker sections have worked out detailed programmes and agencies. Some of these agencies are directly run as a wing of the government while some others are autonomous institutions. In the context of Athani, certain agencies have been established to help and develop the communities that are engaged in occupations associated with leather. These agencies are Khadi and Village Industries Commission, Charmalaya and Lidkar.
Khadi and Village Industries Commission (KVIC)

The Khadi and Village Industries Commission is a statutory body. It came into existence in April 1957 as a replacement for the All India Khadi and Village Industries Board which was set up in February 1953 as an autonomous administrative body to plan and implement development programmes for the Khadi and Village Industries that promised employment opportunities for millions of unemployed and under-employed rural population.

Spinning and weaving constituted a major traditional village industry which prospered in India between 1500 B.C. and 1500 A.D.* Under the impact of alien rulers it was lost only to be rediscovered around 1908 A.D. and the fine art of spinning and weaving was revitalised by Mahatma Gandhi. The process of absorbing the 'masses' in the production of the basic goods for the society gained momentum during and after the 'non-cooperation' movement of 1921 a major objective of which was to drive the British rulers out of the country and regain the long lost freedom. In 1922, the All India Congress Committee resolved to make the use of Khadi apparel compulsory for its members and by 1923 an All India Khadi Board was set up with

Pradesh Boards in each province to deal with the production, distribution and marketing of the Khadi products. By 1925, the board was constituted as an autonomous body—the All India Spinners Association (AISA) and all the assets and liabilities of the All India Board and the Pradesh Boards were made over to it. Eventually, the All India Spinners Association acquired the nomenclature "the All India Khadi and Village Industries Board" and subsequently "the Khadi and Village Industries Commission" by an Act of parliament.

The Objectives of the KVIC

The Khadi and Village Industries Commission has laid down the following broad objectives.*

1. the social objective of providing employment;
2. the economic objective of producing saleable articles; and
3. the value based objective of creating self reliance amongst the people and building up of a strong rural community spirit.

These objectives reflect the Gandhian philosophy and Sarvodaya or the Gandhian version of socialism which ultimately mean "everyone's growth." In a way the whole objective set out for the Khadi and Village Industries Commission implies a free and full development of every individual.

Today, the Khadi and Village Industries Commission operates with a broad organisational base scattered all over the country. It operates in close unison with 26 Khadi and Village Industries Boards, 1,150 registered institutions and 30,600 industrial cooperatives besides 13,507 sales outlets. This is a unique organisation functioning with nation-wide organisational linkages covering the activities of over 1.5 lakh villages. Members of the Scheduled Castes and Scheduled Tribes are among the major participants and beneficiaries. They account for 27 per cent of the total beneficiaries and the women's participation is placed around 46 per cent.

The industries coming under the purview of the Khadi and Village Industries Commission are:

A. Khadi (cotton, woollen, silk and in a moderate way the blended synthetic fibres.)

B. Village industries.
Among the village industries the following may be mentioned as important ones inasmuch as they generate employment and promote the overall economic development in the country:

1. Bee keeping.
2. Cottage manufacture of match, fire works and agarbatties.
3. Cottage pottery.
5. Flaying, curing and tanning of hides and skins and ancillary industries connected with the same and cottage leather industry.
6. Ghani oil.
7. Handmade paper.
10. Processing, packaging and marketing of cereals, pulses, condiments, masalas etc.
11. Manufacture and use of manure and methane gas from cow dung and other waste products (such as flesh of dead animals, night soil etc.)
12. Lime stone, lime shell and other lime products.
14. Collection of forest plants and fruits for medicinal purposes.
15. Fruit and vegetable processing, preservation and canning, including pickles.
16. Bamboo and cane work.
17. Blacksmithy.
18. Carpentry.
19. Fibre other than coir.
20. Manufacture of household utensils of aluminium.
22. Manufacture of gums and resins.
23. Manufacture of Lokwastra.
24. Manufacture of poly vastral
25. Manufacture of rubber goods, dipped latex products.
27. Processing of maize and ragi.

The broad functions of the Khadi and Village Industries Commission are planning, organising and implementing programmes for the promotion and development of Khadi and the village
training of persons engaged in the production of Khadi and village industries;

b. building up a reserve of raw materials and implements and supplying them to persons engaged in the production of Khadi and village industries at economical rates;

c. to provide for sale and marketing of Khadi and products of village industries and handicrafts;

d. to encourage and promote research in the tools and techniques employed in the production of Khadi and village industries and to provide facilities for study of problems relating to Khadi and village industries;

e. to maintain or assist in the maintenance of institutions for the development of Khadi and village industries;

f. to undertake, assist or encourage production of Khadi or development of village industries;

g. to promote and encourage cooperative efforts among manufacturers of Khadi and persons engaged in village industries; and

h. to ensure the genuineness of the Khadi and village industry products and grant certificates to the

producers of or the dealers in Khadi or the products of the village industry.

During the seventh five year plan the focus is on expansion of activities to secure an output of ₹2,285.71 crores and providing employment to 58.61 lakh persons by the end of 1989-90.* The Commission's progress over the years clearly indicates that the above targets set by it for the seventh plan period are not unrealistic.

The following table indicates the progress achieved by the Khadi and Village Industries Commission.

## Table 3.1
### Production (Amount in crores of rupees)

<table>
<thead>
<tr>
<th>Year</th>
<th>Khadi</th>
<th>V.I.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956-57</td>
<td>8.23</td>
<td>12.72</td>
<td>20.95</td>
</tr>
<tr>
<td>1983-84 (provisional)</td>
<td>168.01</td>
<td>694.32</td>
<td>862.33</td>
</tr>
<tr>
<td>1984-85 (anticipated)</td>
<td>197.50</td>
<td>809.48</td>
<td>1006.98</td>
</tr>
</tbody>
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*The above table has been prepared with the help of the KVIO diary for the year 1985.*
The Khadi production for 1989-90 is to be of the value of ₹380.22 crores, providing employment to 21.61 lakh persons; in the village industries sector the production target is to be of the value of ₹1,905.49 crores, providing employment to 37 lakh persons. The total plan outlay required is estimated at ₹2,402.28 crores. This indicates that the strategy of the Khadi and Village

* The above table has been prepared with the help of the KVDC diary for the year 1985.
Industries Commission to strengthen and promote the village industries and handicrafts requires field offices and trained personnel not only to administer the plan programmes but also to act as catalysts of change that is desired to be brought about all over the country. One of the Commission's field offices functioning in this direction is located at Athani and it is called 'Charmalaya.'

**Charmalaya**

The KVIC, with a view to helping the indigenous leather industry and the people involved in this industry, established a subsidiary agency called Charmalaya. This establishment was a result of a Parliamentary Committee led by Mr. P. N. Rajbhoj, M.P., in 1965. Prior to the establishment of the Charmalaya, there was no help for these indigenous leather-workers with regard to marketing or supply of raw materials etc. There was uncertainty about the disposal of the goods produced by them. This was due to the uneven quality of the products, malpractices of the traders and poor access to financial resources. Mr. Rajbhoj presented the pathetic picture of the industry to the parliament and as a result the committee was appointed. The

* 'Charma' means leather, 'alaya' means house. Together the words refer to the house of leather, leather products.
committee recommended that the KVIC should be entrusted with the task of assisting the artisans. This is how the Charmalaya came to be established in 1968.

Before the establishment of the Charmalaya in Athani the KVIC had appointed a subcommittee to locate a suitable place for its establishment. The said committee after visiting several places where leather-workers are predominant recommended Athani as a suitable place. The Charmalaya in Athani started functioning in 1968 on 2nd October, the day of Mahatma Gandhi Jayanti. The Charmalaya was started with an initial capital of Rs.10,000/-. To begin with, it was manned by a lone staff member, Mr. V. Balani as Manager-cum-Designer. Mr. Balani continues to head the establishment even now. Today, there are ten permanent employees: supervisors of different grades, a typist, a store keeper, packers, an accounts clerk and a driver for the transport vehicle. Occasionally, helpers are engaged on daily wages, depending on the volume of work they are to handle.

The employees of the Charmalaya are dedicated to their organisation and work hard to improve the artisans' skill in leather craft and to realise the dream of rebuilding the Indian economy on the lines of the Gandhian philosophy. The very appearance of the employees reveals this characteristic. All of
them wear Khadi clothes which is obligatory for all employees of the Khadi and Village Industries Commission as well as Khadi and Village Industries Boards and all their supporting units and organisations. When they interact with the artisans and the public at large, they do not put on airs normally noticed in a majority of the government officials or employees. The local artisans vouch that there are no instances of the Charmalaya employees' arrogant behaviour or shady activities. The employees are known for their clean business and official dealings. With the exception of the typist all have some technical knowledge of leather and leather craft. The vehicle driver is also from the Samagar community and helps the Charmalaya staff in its inspection and packing activity when he is free from his work. The former driver, an ex-serviceman, was from the Dhor (tanner) community. He has found permanent employment in the taluka office. The packers are from the local cobblers or other scheduled castes communities and possess knowledge of leather and leather craft — being born in the artisan families or by circumstances of living in the area. It is probably because of this cultural milieu that the promotion and development of leather craft as a household industry in the region has succeeded.

Functions

The objective of establishing the development centre was
to help the enslaved leather artisans and free them from the clutches of the money lenders, the unscrupulous middlemen and the exploiting business houses.

It is of interest to note that this agency's office is located in the heart of the locality where the cobblers and other scheduled castes families live. This has helped to develop a strong rapport between the staff and the artisans. In fact, the successful functioning of the office may be partly attributed to the factor of its location.

The main work of the Charnalaya is to locate the needy artisans and help them become independent producers.

There are various schemes of assistance evolved by the Commission to help the artisans. Under these schemes a cobbler is entitled to receive a part of the grant as loan at an incredibly low rate of interest and the rest as non-refundable aid. These schemes are administered through the local cooperative societies, since the office of Charnalaya is concentrating on the activities of training the artisans, development of new designs of footwear.

* The rate of interest on loan is 4 per cent and a substantial part of the loan is non-refundable. The non-refundable aid is called subsidy. The principal loan amount is recoverable in annual instalments normally spread over five years — with very liberal grace period for defaulters.
and the procurement and sales of the locally produced leather products. The administrative mechanism of delivering loans and grants in this form has attracted some criticism in recent years.

The employees of the Charmalaya inspect the product of the artisans, instruct them wherever the pattern or fitting is weak and in a way educate them as to what is desired in the footwear by the ultimate user — the consumer.

The cobbler supplies what he has produced to the development centre against cash payment; and every time he visits the centre for such a transaction he receives fresh orders to keep his production going without a break. The work order the cobbler receives from the centre is a kind of piece-work contract. The order is in the form of specified design, size and quality of the footwear. The cobbler in the process is evaluated for his production capacity, design speciality and quality of craftsmanship. The cobbler produces against firm orders and sells the product to the Charmalaya and receives cash payment without any harassment by the intermediary. This 'cycle' of preparation of the footwear, sales against cash payment and procurement of fresh orders continues without middlemen. Though the process looks
simple, the magnitude of the trade and the human factor involved makes it quite an affair.

The Charmalaya has to its credit over 200 designs of footwear. Experienced and talented local artisans are invited to produce a new design on a trial basis. Then, they are invited in teams to the centre to evaluate the patterns and samples. After the evaluation of the designs and the possible consumer reaction, the cost of production is worked out on the basis of the time and material taken up in producing the new patterns. A limited number of pieces are produced and marketed for ultimate evaluation and recording of consumer reaction.

The Charmalaya employees go round the country periodically with samples of new designs and procure orders from the various Khadi Bhandars of the different states and other traders dealing in footwear. Thus the 'cycle of activity' goes on all round the year.

The Charmalaya has to ensure that the sizes of the footwear they procure and the supplies are accurate. The office has to inspect to see if the fittings are appropriate and the quality

* The major part of the trade goes on regularly through mail orders for standard designs and bank transactions.
of the material used is good. The inspection of the goods is strict but without the harassment of the artisan. The artisan too has his problems. Many a time he has to carry the message he receives at inspection back home and brief correctly all the members of his family and the others involved in the process of production which include even little children.

**Accomplishments**

In the first year of its operation, the Charmalaya covered only 2 to 4 families of leather artisans. Today, it covers about 250* families living both in the Athani town, taluka and several other places as far as Hippani.

When the Charmalaya came on the scene, the process of transformation of the depressed artisans into independent producers began. The dynamic employees of the Khadi and Village Industries Commission worked hard to demonstrate to the artisans the benefits they could derive if they worked independently of the private traders. In a small way they taught a few families

* The local footwear production process is based on specialized labour. Components are produced by different families and are assembled.

** Personal Communication, Manager, Charmalaya, Athani.**
to work without accepting the advances of money for their product. They instructed them in the dynamics of leadership and working without borrowing much money. They also taught the local artisans how to minimise their expenses and helped them to build a small working capital of their own.

The Charmalaya also extended the benefits of subsidy coupled with the matching amount of loan for the purchase of tools and provided the necessary working capital at concessional rates of interest. Artisans who accepted the new situation and braved the wrath of the local traders for whom they were working earlier began to reap the benefits. The success of these artisans attracted many others to the new scheme of work. Slowly several other artisans started getting out of the clutches of the traders and money lenders.

But habits die hard. Some artisans prospered, while some bungled. Those who bungled started borrowing in the form of raw materials instead of cash. They borrowed either from the traders or tanners at exorbitant rates of interest, but sold their product to the Charmalaya against cash payment. The money

* The interest, or profit sharing as it was some times known, was calculated on the number of pairs of footwear produced each time out of the borrowed material or money.
lenders and tanners waited for the artisans near the Charmalaya to recover the loans. This practice drained off the income of the artisans. In fact, these transactions were noticed time and again on a platform situated right across the road off the Charmalaya. This place (platform) is referred to as Kunjikar Katti. The practice became so rampant that the name of the place acquired the status of a phrase. Whenever it was pronounced in conversation, it meant a transaction of the artisans and the business sharks. In a way, it meant ultimately indebtedness, a perennial dilemma of the local leather artisan.

To save the artisans from the situation, the good offices of the Charmalaya were used. The dynamic leadership of the office bearers succeeded in convincing the tanners of the harm done to their brethren, the local artisans and their families. Now, an understanding between the tanners and artisans has eliminated the moneyed businessmen and other middlemen from the scene. The artisans buy from the tanners directly by paying 50 per cent of the cost of the raw material they need and the balance is treated as loan without interest. The loan is recovered when the artisans receive cash payments from the Charmalaya for the produce they sell after a while.
The Karnataka Leather Industries Development Corporation Limited (KLIDC)

The Karnataka Leather Industries Development Corporation is another major agency functioning at Athani. It is also known as Lidkar -- being the code name of the Karnataka Leather Industries Development Corporation registered with the Indian Posts and Telegraphs Department for getting quick and efficient service and telegraphic messages addressed to it. The Karnataka Leather Industries Corporation also markets its product with the brand name: Lidkar. The sales outlets too are named Lidkar. The name Lidkar has become familiar all over the state besides being popular in Goa, Calcutta, New Delhi, Bombay, Pondicherry, Cochin and Trivandrum where exhibition-cum-sales of leather goods were conducted in recent years.

The Karnataka Leather Industries Development Corporation was formally incorporated as a limited company in October 1976, with a share capital of Rs. 100 lakhs. The Karnataka government is a major participant and has so far subscribed Rs. 48.67 lakhs towards its share capital. The company operates with headquarters in Bangalore, the capital of Karnataka. Prior to the floating of this corporation the Leather and Leather-Based Industries Board functioned in the state. The range of the economic activity in this sector and the magnitude of the problems
of leather artisans called for a reappraisal of the leather board's scope of work and depth of involvement for the amelioration of the conditions of the downtrodden section. The problems were studied in depth by both the Leather Board as well as the Central Leather Research Institute, Adyar, Madras. As a result of this study and recommendation the Karnataka Leather Industries Corporation was floated with the principal objective of promoting the economic and living conditions of the leather artisans in the state. As part of the activity, the corporation has started the following schemes for the benefit of the leather and leather-based artisans under the programme called Havailevana which literally means 'New-Life':

1. Providing of way-side cabins for cobblers — familiarly known as Charmakara Kuteera;

2. Arranging training in modern leather technology;

3. Arranging training in designing of footwear;

4. Conduct of orientation courses and tours to visit various centres of leather processing and manufacture;

5. Management of raw materials supply;

6. Providing product marketing assistance; and finally
7. Extending much needed financial assistance to harness the talent and undertake manufacturing and marketing ventures on a greater scale than what has hitherto been known to the artisans.

The corporation also manages the training-cum-production centres; the NORAD (Norwegian Agency for International Development) sponsored centre for needy Indian women from underprivileged and low income sections of society; the Information Centre for the benefit of industrialists and entrepreneurs whose activities would generate employment and improve the socio-economic conditions of the artisans; the infrastructural facilities for the leather artisans provided under the Dutch government's special scheme like House-cum-Worksheds and the common facilities centres etc. All these and several schemes under the special component scheme to aid the welfare of layers, tanners, cobblers and other primary leather workers coupled with the activities of the Khadi and Village Industries Commission, the State Khadi and Village Industries Board, the Scheduled Castes and Scheduled Tribes Development Corporation, the State Industries Department etc., promote the welfare of the downtrodden and their concerted activities ultimately lead to change — the desired transformation — in the direction of modernisation.
The Lidkar in Athani

The Lidkar's office in Athani began to function from January 1980. Initially it had a small establishment and its activities were confined to the management of the raw materials depot. It supplied the local artisan with the tanned leather and all other raw materials needed in the preparation of footwear. This came as a great relief to the artisans who were to operate with little capital. Now they could buy their requirements in small quantities at very competitive prices and thus manage without borrowing money. Mr. A.N. Quadri, a sales assistant of grade II in the organisation, was in charge of this office. During the first two years a good rapport was built up with the local artisan class and this is to the credit of Mr. Quadri who, like the employees of the Charmalaya, was a dedicated person. The location of the depot-oum-office in the vicinity of the Harihankeri where a majority of the cobblers live also contributed to the success of the Lidkar.

The present office is still housed in a rented building and is headed by Mr. B. Basavaraj, Inspector, Quality Control, who took over the office in December 1983 and is assisted by a skeleton staff. All the sanctioned personnel are not yet posted to this field agency for want of office space. The construction work of the new office building is in progress.
The Lidkar has put up 34 house-cum-worksheds exclusively for the cobblers. This is done under the Dutch government aid.

The local cobblers will also benefit from an 'A' type workshop called Common Facilities Centre which is being equipped with modern machinery.

However the major help rendered to the leather workers of Athani is through the maintenance of the raw materials depot from which the local cobblers and traders purchase their requirements at a most reasonable price. The Lidkar has also begun to procure the locally prepared footwear for marketing outside the Athani town. This is a boon to the local cobblers as well as those connected with the leather work and trade. This procurement centre is functioning in addition to the one operated by the KVIC.