



Problems of Khadi and Village Industrial Co-Operative Societies in Chittoor District

Dr. L.
Subramanyam
Naidu

In-charge Principal, Dr. R.C. Reddy Degree College, R.C. Road,
Tirupati.

ABSTRACT

The main problems facing by the Khadi and Village Industrial Co-operative societies in Chittoor District are shortage of raw materials, lack of skilled labour, competition, storage, power shortage and health problems in production problems. Lack of knowledge, distribution related problems, promotion related problems, middlemen and competition in marketing problems. Non-availability of required finance, Lack of financial support from commercial and Co-operative banks, Lack of direct finance from Government, high interest rate and limited owned funds are financial problems. Here an attempt is made to discuss the above problems in the specific context of Khadi and Village Industrial Co-operative Societies in Chittoor District. This article analyzes the problems of Khadi and Village Industrial Co-operatives regarding production problems, marketing problems and financial problems.

KEYWORDS : Khadi and Village Industrial Co-operative Societies – Production Problems – Marketing Problems – Finance Problems.

1. INTRODUCTION

The main problems facing by the Khadi and Village Industrial Co-operative societies in Chittoor District are shortage of raw materials, lack of skilled labour, competition, storage, power shortage and health problems in production problems. Lack of knowledge, distribution related problems, promotion related problems, middlemen and competition in marketing problems. Non-availability of required finance, Lack of financial support from commercial and Co-operative banks, Lack of direct finance from Government, high interest rate and limited owned funds are financial problems. Here an attempt is made to discuss the above problems in the specific context of Khadi and Village Industrial Co-operative Societies in Chittoor District. This article analyzes the problems of Khadi and Village Industrial Co-operatives regarding production problems, marketing problems and financial problems.

2. PROBLEMS OF HANDLOOM WEAVERS CO-OPERATIVES:

2.1 PRODUCTION PROBLEMS

The first problem is obtaining the permission from the police and excise departments, forest department and fire department for getting the raw materials. Unless the police and excise departments are sure that the match works industrial Co-operatives want the raw material for manufacturing the match sticks, they do not grant permits to the Co-operatives for procurement of raw material from several places of Tamil Nadu.

The second problem is related to the transport of the highly inflammable raw materials from long distances. In this context, it is mentioned that the harassment of police and excise officials at every check-post point while carrying the raw material from the different places in Tamil Nadu to Andhra Pradesh.

This is not only the problem with regard to supply of raw material, transporting the raw materials from the forest department and revenue department to the place of work is also a problem. The members have to go in advance to long distance stay there for two or three days and collect the raw materials transported from that place to the place of work. Bricks manufacturers took clay from their own fields and produced bricks in the absence of proper work-shed to store the bricks and protect them from rain.

The Mat weaving are made out of thunga which is available in tribal and rural areas. It has a wild growth particularly in tanks and other marshy areas. The raw material is very cheap. Only the difficulty is that it has to be harvested in season, dried and stored for being used throughout the year. It is one of the handicraft items. Mats of various designs are made. The process is simple and it has a good market. A few such units in Chittoor Districts where the thunga is available can be encouraged.

Mat Weaving, Match Making and Bricks Making Industrial Co-operatives have been suffering from different problems relating to production like shortage of raw material, lack of skilled labour, competition, shortage of electricity, scarcity of work-shed and health problems. The members of Khadi and Village Industrial Co-operatives distributed according to the production problems are presented in table 1.1

Table 2.1
The members of Khadi and Village Industrial Co-operatives distributed according to their Production problems

Sl. No.	Production Problems	Members of KVIC			
		Mat Weaving	Match Making	Bricks Making	Total
1	Shortage of raw material	21	28	23	72 (36)
2	Lack of skilled labour	5	6	2	13 (6.5)
3	Competition	6	8	13	27 (13.5)
4	Storage	4	6	9	19 (9.5)
5	Power shortage	8	15	7	30 (15)
6	Rain	9	5	17	31 (15.5)
7	Health problems	-	2	6	8 (4)
Total		53 (26.5)	70 (35)	77 (38.5)	200 (100)

Figures in the parentheses indicate the percentage

Table 2.1 shows that the total members of mat weaving are 53, out of them 21 members faced the problem of shortage of raw materials, 5 members lack of skilled labours, 6 members competition, 4 members storage problem, 8 members power shortage and 9 members facing the problem of rain.

The total members of match making are 70, out of them 28 members faced the problem of shortage of raw materials, 6 members lack of skilled labours, 8 members competition, 6 members storage problem, 15 members power shortage, 5 members rain and 2 members health problems.

The total members of bricks making are 77, out of them 23 members faced the problem of shortage of raw materials, 2 members lack of skilled labours, 13 members competition, 9 members storage problem, 7 members power shortage, 17 members rain and 6 members health problems.

Among the members of Khadi and Village Industrial Co-operatives 36 percent of the members faced the shortage of raw material problem followed by 6.5 percent lack of skilled labour, 13.5 percent competition, 9.5 percent storage, 15 percent power shortage, 15.5 percent rain and 4 percent health problems.

2.2 MARKETING PROBLEMS

Marketing is the pivot of economic development in rural areas. It is a vital component in income and employment generation in Khadi and Village Industrial Co-operatives. However, rural marketing determines the carrying out of business activities bringing the flow of goods from rural sectors to the urban regions of the country as well as the marketing of various products manufactured by the KVIC workers from rural to urban areas. They are not in a position to get first hand information about the market i.e. about the competition, taste, liking, disliking of the consumers and prevalent fashion. With the result they are not in a position to upgrade their products keeping in mind market requirements. They are producing low quality products at high costs.

Mat Weaving, Match Making and Bricks Making Industrial Co-operatives have been suffering from different marketing problems like lack of knowledge in marketing, distribution problems, promotion problems, involvement of middlemen and competition. The members of Khadi and Village Industrial Co-operatives distributed according to the marketing problems are presented in table 2.2

Table – 2.2
Members of Khadi and Village Industrial Co-operatives distributed according to their Marketing problems

Sl. No.	Marketing Problems	Mat Weaving	Match Making	Bricks Making	Total
1	Lack of knowledge	38	25	12	75 (37.5)
2	Distribution related problems	16	15	19	50 (25)
3	Promotion related problems	5	9	6	20 (10)
4	Middlemen	8	5	12	25 (12.5)
5	Competition	5	11	14	30 (15)
Total		72 (36)	65 (32.5)	63 (31.5)	200 (100)

Figures in the parentheses indicate the percentage.

Table 2.2 shows that the total members of mat weaving are 72, out of them 38 members faced the problem of lack of knowledge, 16 members distribution related problem, 5 members promotion related problem, 8 members middlemen problem and 5 members faced the problem of competition.

The total members of match making are 65, out of them 25 members faced the problem of lack of knowledge, 15 members distribution related problem, 9 members promotion related problem, 5 members' middlemen problem and 11 members faced the problem of competition.

The total members of bricks making are 63, out of them 12 members faced the problem of lack of knowledge, 19 members distribution related problem, 6 members promotion related problem, 12 members' middlemen problem and 14 members faced the problem of competition.

Among the members of Khadi and Village Industrial Co-operatives 37.5 percent of the members faced the problem of lack of knowledge followed by 25 percent distribution related problem, 10 percent promotion related problem, 12.5 percent problem of middlemen and 15 percent the problem of competition.

2.3 FINANCIAL PROBLEMS

Finance is the life blood for any organization. Finance is a crucial problem for the Khadi and Village Industrial Co-operatives. Firstly, adequate funds are not available and secondly, less credit worthiness. Neither are having their own resources nor are others prepared to lend them. Members are forced to borrow money from money lend-

ers at exorbitant rate of interest. The scarcity of capital and inadequate availability of credit facilities are the major problems. They find it difficult to purchase raw material, stoppage of production due to shortage of working capital and lack of employment of skilled workers due to lack of sufficient financial assistance to Mat weaving, Match making and Bricks making of Khadi and Village Industrial Co-operatives. Members of Khadi and Village Industrial Co-operatives distributed according to the financial problems are presented in table 2.3

Table – 2.3
Members of Khadi and Village Industrial Co-operatives distributed according to their financial problems

Sl. No.	Financial Problems	Mat Weaving	Match Making	Bricks Making	Total
1.	Non-availability of required finance	12	18	35	65 (32.5)
2.	Lack of financial support from commercial and Co-operative banks	10	13	15	38 (19)
3.	Lack of direct finance from Government	5	8	12	25 (12.5)
4.	High interest rate	6	9	17	32 (16)
5.	Limited owned fund	8	10	22	40 (20)
Total		41 (20.5)	58 (29)	101 (50.5)	200 (100)

Figures in the parentheses indicate the percentage.

Table 2.3 shows that the total members of mat weaving are 41, out of them 12 members faced the problem of non-availability of required finance, 10 members lack of financial support from commercial and Co-operative banks, 5 members lack of direct finance from Government, 6 members high interest rate and 8 members faced the problem of limited owned funds.

The total members of match making are 58, out of them 18 members faced the problem of non-availability of required finance, 13 members lack of financial support from commercial and Co-operative banks, 8 members lack of direct finance from Government, 9 members high interest rate and 10 members faced the problem of limited owned funds.

The total members of bricks making are 101, out of them 35 members faced the problem of non-availability of required finance, 15 members lack of financial support from commercial and Co-operative banks, 12 members lack of direct finance from Government, 17 members high interest rate and 22 members faced the problem of limited owned funds.

32.5 percent of the members of Khadi and Village Industrial Co-operatives are expressed the non-availability of required finance, 19 percent of the members expressed the problem of lack of financial support from commercial and Co-operative banks, 12.5 percent of the members expressed the problem of lack of direct finance from the Government, 16 percent of the members expressed the problem of high interest rate and 20 percent of the members expressed the problem of limited owned funds.

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