



## **A STUDY ON THE PROBLEMS AND PROSPECTS OF UNORGANISED POTTERY INDUSTRY IN THE RURAL AREAS OF MALAPPURAM DISTRICT- KERALA**

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### **Abstract**

*In India indigenous pottery industry is very old and considered as the age old form of human inventions still seen flourished in the country concentrated by some special category settled mainly in the rural areas in various parts of all states. This industrial is really unorganised industrial sector in the lower strata of the society and because of this industry is notably neglected by the authorities. The development of each and every industrial area whether it is in the organised or unorganised sector contributes positively in the economic and social development of every country. The pottery industry in a special way quantitatively and qualitatively contributes towards the society and its welfare as its products are made of natural resources without adding artificially and considered as environmental friendly. This study is focusing on the problems and prospects of this industry concentrating a backward district in Kerala, Malappuram district where this industry is still surviving in some rural areas in the midst of various problems.*

**Key Words : Cottage Industry, Pottery Industry, Rural Area, Unorganised Sector.**

### **Introduction**

Pottery industry in India is considered as an unorganised cottage industry concentrated in various parts of almost all states and engaged by some special categories of rural settlement. This industry is an age old one with human civilization and history and plays a significant role in the Indian economy. The contribution of this industry towards the economic and social development of the country is negligible but the existence and preservation of these type of cottage industries is the need of the society. The pottery making persons are living as the poorest sections of the society and still surviving in the midst of problems. As other cottage industries this industry also solves the unemployment problem to a certain extend and a whole hearted family involvement can also be seen in this type of industries and this will make a psychological improvement. Since the quantitative contribution is comparatively less the assistance from the part of the government is very less and they feel neglected. To rise this industry and the related employees from the present level is really the need of the time and this study may sometimes helpful for the same.

Kerala a small southern state in India is a place where many are engaged in the pottery industry in various rural areas. Still they are maintaining and surviving with their traditional way of production and marketing. In the contemporary mechanised and information technology oriented business and industrial scenario, the existence with conventional methods is challenging. The assistance from government or other agencies are also comparatively less and this field is totally neglected by the main stream. These industries does not require huge investment in premises, machines and other things but still they are struggling for survival. Lack of adequate capital, amount required for the day to day operation, timely procurement of raw material, storage of raw material, lack of skilled staff, youngsters negative approach towards this industry and marketing problems are the common problems faced by these units. If there is an initiative from the part of authorities this industry can convert into one of the a most potential cottage industries. Malappuram district, considered as the backward district in the state is an ideal place for the study. Here many such rural settlements are there and many such industrial units are there and still surviving in the midst of various problems and this necessitates the study area.

### **Significance of The Study**

The problems faced by the rural area based unorganised small industries are highly relevant and need to be addressed immediately. This study is based on some selected unstructured pottery industrial units in various parts of Malappuram district, Kerala and which focuses to identify the problems of these category to suggest the



possibilities for improving the performance and to attain the balanced regional growth. This district is considered as the ideal backward district as regards these types of industries are concerned. The selected pottery units are focusing production and marketing of their products in the rural areas. Since this study reveals the ground realities on the problems suffering, the authorities can interfere positively and initiate remedial actions to strengthen this inevitable and life touching unorganised segment of the society.

### Statement of The Problem

All small scale unorganised cottage industries concentrated in the rural skirts of the country are having high significance and which are also contributing its share towards the economic and social development of every nation. In India also many small unorganised units are still working by suffering various problems. Neglect from the part of the authorities is really considered as the main bottle neck in the progress and development of these industries. In Kerala many such small scale cottage industrial units are working in the rural areas and all these are struggling a lot for survival. In this scenario, it is quite relevant to conduct a study on the problems and prospects of unorganised pottery industry concentrating a backward district, Malappuram in Kerala is highly relevant and expected to contribute something valuable towards the upliftment of this sector.

### Objectives of The Study

1. To study the present level of performance of small rural pottery industry.
2. To study the role of government and other agencies to promote the small unorganised rural pottery industry.
3. To identify and study various problems faced by the small unorganised rural pottery industrial units.

### Methodology Adopted

Primary and secondary data are used for the study but the analysis is purely based on primary data. Primary data collected from the randomly selected 60 respondents from various parts of Malappuram district. Data collected through a well structured questionnaire prepared in local language. Secondary data also used from books, reports and the internet. Appropriate statistical tools and non statistical tools have been used for the analysis.

### Review of Literature

**Keshav Chandra Gupta.(2012)** : In his book Progress and Prospects of Indian pottery industry states that it is quite essential to develop this unorganised sector in order to achieve the overall prosperity and development of the country.

**Ranis G and Fei,J.C.H.(1961)**: In this observation it is specified that the role of various small scale industrial units in India's economic development. As per this the existence of pottery industrial segment is quite essential both for the achievement of quantitative and qualitative dimensions.

**The village and Small scale industries Committee Report (1955)** popularly known as Karve Committee Report, since a substantial number of employed and underemployed belongs to the village industries group, setting up of small scale and village industries will provide employment to them in occupations in which they have been traditionally trained and for which they poses equipments.

**L Prasad (1983)** in his study found that the small scale industrial sector is an integral part of not only the industrial sector but also of the country's economic structure as a whole. if the small scale industries are properly developed, they can provide a large volume of employment can raise income and standard of living of the people in lower income group and can bring about more prosperity and balanced economic development.

*Desai, Vasanth (1983)* also stated that due to rapid industrialization in India depends on the growth of small scale industries. Most of the small scale industries are operating under certain handicaps like the shortage of



raw materials, low levels of technical knowledge and counseling, poor infrastructure, inadequate capital and credit facilities, improper distribution system, lack of facilities for market analysis, research and development.

### **Results and Discussions**

These results and discussions are based on the analysis made on the data collected from sixty units from randomly selected respondents from different parts of Malappuram district.

**Gender & Age :** Majority of the respondents are male (80%) and majority of the respondents belong to the age group of 40 -50 years. Younger age group members are comparatively very less.

**Family nature, Income & Qualification:** Majority of the respondents are from nuclear family which comes to 60%. And others are from joint family. Most of the respondents (40%) are in the income bracket of 4000–5000 income group and only 10% of the respondents were having above ₹10000 as their monthly income others are come in between. As regards education 70% of the respondents are belongs to the SSLC group and higher education group is only 10% and this show majority of the respondents are poor in education.

**Sources of Capital & Operating expenses:** The sources of Capital investment and working capital of 50 % of units are arranging from local money lenders with very short term arrangements. Some are having a mixing contribution that is own and lending and a very few fully contributed by own fund. Majority (60%) units are working for more than 10 years, all are having experience.

**Labour support from family members :** About 60% of the units have the support of the family members but 40% of the units are working with the support from non - family members.

**System of remuneration to the labourers :** shows that the 67 % of the units follow piece wage system. So the importance given to the number of products not for quality. And 20 per cent of the units follow time wage system whereas 13% of the units adopt the combination of both.

**Availability, purchase mode and problems experienced in connection with Raw Materials :** Majority of the units (60%) per cent of the units get the raw materials required from the local area and 40 per cent of the units get it from distant areas. Majority (50%) per cent of the units are facing the problem of scarcity in getting the raw materials. And 20 per cent of them are facing the problem of price and quality and 10 per cent of them face problem of decay.

**Availability of Financial Assistance :** It is seen that 70 % of the units did not get the financial assistance on time and properly. Only a minority of the units i.e. 09 per cent of the units get the financial assistance in the required quantity as and when needed.

**Mode and area of Sales :** Majority of the business units are doing sales in terms of cash and credit. 60% of the units are found to be using both cash and credit sales. Only 40% of them insist on sales in ready payment of cash. The marketing area of 50 per cent of the units cover in their own locality and 20 per cent of the units sell their products at the Grama Panchayath areas. 90 percent of the cottage units under study are selling their products directly and the rest sell their products indirectly.

**Promotional Activities & Competition:** Majority (80 %) of the units are not having any special kind of the promotional activities but this they are doing door to door sale by carrying themselves as head load and usually displaying and direct selling during festival some locations. Majority (90 %) faces competition between the other small units in their community in the local area because of the sales in the limited local market area.

**Application of Latest Technology :** Majority (70 %) of the units use units are using modern technologies, that is not the mechanical way of production but a little bit change from the conventional way



*Profitability, Income & Savings* : It is seen that majority of the units 73.33 % do not have much sales but better profits and savings. Only a minority is satisfied in these respects. Majority (80 %) of the units deal in multi products and they are found to be profitable and about 20 % of the units still deal in the traditional products and they are not much profitable.

### **Findings of the Study**

Pottery cottage industry plays a very important role in the economy and which results the prosperity of the local area as well as contributes something to the national economic and social growth. Majority of the members engaged in this industry are male and the age group of majority is 40-50 years of age and most of them are having an education up to secondary. The sources of their operating capital is arranged from local money lenders and a small portion is invested by own. Majority of the units are working with the co-operation and effort of all family members and these are found to be more success in all its operations. Due to the heavy expenditure to be paid as wage, most of the family members are engaged in the pottery activities. Most of the units follow time wage and piece wage systems. Raw materials are locally available by majority of the units which are procured with low cost and it helps the units to reduce the overall cost of production and there my increase the profit. The purchase is made majority of the units only on necessity and because of this overstocking and unwanted and unnecessary blockage of costs also can be minimised. Some units suffer the problem of scarcity of raw materials. Majority of this pottery makers are not getting any financial assistance from government and any other agencies. Both wholesale and retail trade are carrying on and in all cases both cash and credit sales are necessary for a smooth market. The market area of these rural pottery makers are spreading in the local area only since they are normally making in a small scale basis with limited traditional capacity. Normally there are no marketing or promotional efforts need to be taken and a steady market trend is there but gradually the sales are showing a decreasing trend. Majority follow direct selling and distribution method which helps them to avoid intermediaries and its related expenses. Many units still follow door-to-door sales techniques and this is much laborious. Competition is also exists in this field that some are selling this through intermediaries with an organised set up and this is one challenge to them. Majority have no savings from this industry that is why investment in other forms are comparatively in a decreasing trend. Now many are enhanced their standard of living.

### **Suggestions of The Study**

As the industry is male oriented, the women community has also to be encouraged to enter into this industry. Since the involvement of youth is comparatively less and this leads the natural death of this industry, they should also to encouraged to come to the industry with novel ideal and contribution. Government should interfere and provide financial assistance with low rate interest and less procedures through the various small scale industrial financial institutions and co-operative banks. Attractive terms and subsidies must be given. In the changing industrial and marketing scenario the industry should also cope with the same and for this government should encourage them through district industrial offices by providing special training and other assistances. The government should also pay much attention for making available adequate raw materials in time and provide all official formalities to get it with low cost at any time with permission. Government should also interfere in this and direct supply of raw material is make possible by avoiding the unwanted intermediaries. If piece rate or any other contract basis of wages are provided, may attract more skilled labours and production will be more benefited. If collective purchase of raw material from distant places can reduce the material cost and transportation cost and this encourages the large scale production. Storage place is another problem and the Local Self Government has to interfere in to this and make avail the nearest places for keeping both the raw material and finished goods. The area of marketing has to be widen. The LSGs have to interfere and it is really the moral obligation on the part that to maintain these type of traditional environmental friendly industries. Special type of marketing strategies as a part of the promotion have to be done and need to make much awareness about the usage of this traditional natural products. Retail outlets have to be opened on a combined basis at various places to make available the products soon. Concentration must be there to make innovative and attractive products according to suit the changes in the external nature seen everywhere as a passage of time. Much awareness must be given to the makers about the financial matters relating to the



purchase, storage, making and marketing of the products and educate them to reduce the cost in order to maximise the profit. Everything is possible with the timely effective intervention of the Government or government agencies.

### Conclusion

The existence of rural small scale pottery industry is having high end relevance as these are directly and indirectly contributing towards the economic development of every nation. It is the responsibility of every government to encourage these type of cottage industries not only to attain a natural end environmental friendly welfare to all its people but to preserve the conventional industrial sector contributing local prosperity. We have an unfortunate history that many of our own traditional cottage industries have accepted its gradual death due to the lack of timely intervention of the government and lack of much proper awareness among the people. Since the nature is unorganised and the persons engaged in these business are comparatively layman with less education and poor financial back ground, it is also the moral obligation on the part of the government that to take timely corrective steps have to be taken to provide everything for its good existence. The government intervention is highly required for making available the financial assistance for capital investment and working capital in time with less concessional terms then only these industries can survive and this is the inevitable thing for the society.

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