

**“ THE IMPACT OF THE WORKING OF THE
KERALA STATE BAMBOO CORPORATION IN THE
DEVELOPMENT OF THE BAMBOO INDUSTRY IN KERALA ”**

Thesis submitted to the University of Cochin for the
Award of the Degree of Doctor of Philosophy in Economics
under the faculty of Social Sciences.

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Certified that the thesis "The Impact of the Working of the Kerala State Bamboo Corporation in t Development of the Bamboo Industry in Kerala" is th of bonafide research carried out by Sri. N. Ajit Ku under my guidance. The thesis is worth submitting the degree of Doctor of Philosophy in Economics.


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(Dr. Jose T. Pa

DECLARATION

I declare that this report is the record of bonafide research carried out by me under the supervision of Dr. Jose T. Payyappilly, School of Management Studies, University of Cochin. I further declare that this report has not previously formed the basis of the award of any degree, diploma, associateship, fellowship or other similar title of recognition.

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C O N T E N T S

Chapters

I	Introduction	
II	History of the Bamboo Industry in Kerala	
	2.1 Traditional Cottage Industry	
	2.2 Before World War II	
	2.3 World War II and After	
	2.4 Suitability of Angamaly	
	2.5 Progress of the Bamboo Corporation	
	2.6 Present set-up of the Bamboo Corporation	
III	Working of the Kerala State Bamboo Corporation	
	3.1 Management Structure	
	3.2 Objectives of the Corporation	
	3.3 Financial Management	6
	3.4 How does the Corporation function ?	7
	3.5 Price Policy of the Corporation	9
	3.6 Research and Development	9
	3.7 Welfare Measures of the Corporation	10

Chapters

- IV **Impact of the Bamboo Corporation**
 - 4.1 **Research and Development -
The Bamboo Board Project**
 - 4.2 **Supply of Raw Materials**
 - 4.3 **Purchase and Marketing of Mats**
 - 4.4 **Socio-economic Benefits**

- V **Problems & Shortcomings of the
Corporation**
 - 5.1 **Shortage of Raw materials**
 - 5.2 **Governmental Indifference**
 - 5.3 **Low Technology**
 - 5.4 **Labour Problems**
 - 5.5 **Problems of Marketing**
 - 5.6 **Red Tapism and Administrative
Delays**
 - 5.7 **Schemes Beyond Means**
 - 5.8 **Non-developmental Expenditure**
 - 5.9 **Increasing Liabilities**

- VI **Conclusions and Recommendations**
 - 6.1 **Solution to Raw Material
Scarcity**
 - 6.2 **Role of the State Government**
 - 6.3 **Introduction of Modern
Technology and Training
Facilities**

Chapters

- VI 6.4 Broad-Based and Scientific Wage Policy
- 6.5 Bamboo Marketing Board
- 6.6 Co-operative Sector in the Bamboo Industry
- 6.7 Re-organising the Administrative Set-up
- 6.8 Bamboo Worker Villages
- 6.9 I R D P and the Bamboo Industry

Annexure

Selected Bibliography

LIST OF TABLES

<u>Table No.</u>	<u>Title</u>
3.1	Paid-up share capital
3.2	Financial Position of the Corporation - Liabilities
3.3	Financial Position - Assets
3.4	Debt - equity Ratio
3.5	Loans Received by the Corporation
3.6	Reserves and Surplus
3.7	Percentage of Current Assets to Total Net Assets
3.8	Percentage of Current Assets to Current Liabilities
3.9	Percentage of Quick Assets to Current Liabilities
3.10	Working Capital of the Corporation
3.11	Working Results of the Corporation
3.12	Value of Production
3.13	(a) Percentage of Value of Production to Net Worth
3.13	(b) Percentage of Value of Production to Total Net Assets
3.14	Percentage of Cost of Sales to Sales
3.15	Inventory Distribution
3.16	Impressed of Reeds
3.17	Sales Turnover of the Corporation
3.18	Expenditure on Research and Development

Table No.Title

3.19	(a) Capital work in Progress
3.19	(b) Expenditure on Bamboo Board Project
3.20	Expenditure on Executive Development
3.21	Expenditure on Supply Incentive Scheme
3.22	Percentage of Annual Income Paid as Incentive
3.23	Workers' Welfare Scheme
3.24	Labour Welfare Fund
3.25	Incentive to Staff
3.26	Contribution to Group Gratuity Scheme
3.27	Staff Welfare Fund
3.28	Contribution towards E.S.I.
3.29	Subsistence Allowance
4.1	Turnover of Reeds
4.2	Purchase of Reeds (less shortages and damages etc)
4.3	Turnover of Mats
4.4	Extent of Mats Purchased
5.1	Current Liabilities of the Corporation
5.2	Overtime and holiday wages
5.3	Permanent Travelling Allowance
5.4	Daily Wages
5.5	Unsecured and considered good debts
5.6	Debts Outstanding for a period exceeding 6 months

CHAPTER - I

INTRODUCTION

The Kerala State Bamboo Corporation was established by the Government of Kerala on 13th March, 1971, as a promotional agency to provide succour to those people depending on bamboo and reeds for their livelihood. Bamboo is essentially a grass and it grows primarily in the parts of Asia, Africa and South America. In Kerala it is found in abundance in the forests of Malayattoor, Sholayar, Goodrickal, Adimali, Ranni, Nilambur and other forest ranges. Bamboo looks like a tall tree, though it is regarded as the tallest of all grasses. The bamboo has many stems or shoots growing together in thick groups from one underground root. The bamboos grown in Kerala usually reach a height of 25 to 50 feet.

There are more than 75 genera and over 1000 species of bamboo in botanical literature.¹ Bamboo belongs to the botanical tribe "Bambuseae" and the botanical family "Poaceae"². It was only in the year 1936 that bamboo was given recognition as a sub-family under the name "Bambusoideae"³. Though numerous new systems of classification

¹ Encyclopaedia Britannica - Micropaedia - Vol - 2 -
Page - 776

classification have been evolved by botanists, recognise bamboo as a separate sub-family. Reeds are a member of this sub-family of bamboo. Reeds are given the botanical name "Okhlandra Travancorika"⁴. The word itself signifies that this type of thornless bamboo is found only in the forests of Kerala.

It is a well-known fact that the tropics of the world use bamboo in a great variety of ways. Fishing poles and props of banana plants are cut from bamboo stems. The peelings from the external stems are used to make mats and baskets. A large number of people in Kerala cut reeds from the forests and make mats and baskets out of them. These commodities have a ready market and an inelastic demand.

The reed cutters and mat weavers were subjected to ruthless exploitation by certain middlemen. There existed an ever-increasing chain of intermediaries between the primary producer and the final consumer. The intermediaries appropriated a major share of the profit. Moreover, the forest wealth of Kerala, consisting of many types of coagras items, were not being utilised to the maximum. Therefore, to save the poor folk from exploitation and to make full use of the forest resources, the State Bamboo Corporation was established.

The Administrative Office of the Corporation is situated in Angamaly, a municipal town in Central Kerala. The Corporation has a Divisional Office which was started in 1977-78 as a part of its expansion programme⁵. This institution operates on a no-profit no-loss basis. From 1971 to 1978 it functioned as a subsidiary of the Handicrafts Development Corporation and in 1978 it was made an autonomous institution.

Objectives of the Thesis

The bamboo workers found it difficult to get raw materials in sufficient quantities. They also found it difficult in selling their products and had to depend on the Corporation. The Corporation's main duties are supplying the raw materials to the bamboo workers and making arrangements for the marketing of finished products. How far has the Corporation succeeded in carrying out these duties is the most important objective of this study.

The Corporation has been empowered to develop and encourage cottage industries based on bamboo, reeds and rattan. The second objective of this thesis is to analyse the role played by the Corporation in promoting the bamboo industry and to what extent it has taken the lead in

⁵ Kerala State Bamboo Corporation - Report and Accounts 1977-78 - Page 4

development of cottage industries based on the ab mentioned four items in general and bamboo and re particular.

Our third objective is to highlight the p faced by the Corporation in the discharge of its i and to study the shortcomings in its working.

Finally we propose to make recommendations up its functioning and offer solutions to the mani difficulties which it faces.

Hypothesis

1. The products of the bamboo industry have a market within and outside Kerala. But the benefit market have not reached the primary producers.
2. The Government of Kerala has not given due to the vast employment potential of this industry.
3. In India the rate of capital formation is v It is all the more true in Kerala, where per capita quite low and the density of population is the high country. It has been estimated that Kerala's densi population is 654 per sq.km, while the national ave 221 per sq.km⁶. Similarly Kerala's per capita inco

6 Prof. A. V. ...

calculated as Rs. 1448/- during 1981-82 against the per capita income of Rs. 1758⁷. Between 1981-82 India's national income increased by 9.9%, whereas income rose only by 4.5%⁸. On the other hand the industry requires only small capital investment and labour content is very high. In these circumstances a programme of the State Government to reduce unemployment minimum investment should give this industry a pre-eminence place.

4. The bamboo mat can be used to produce "bamboo plywood" which is an effective substitute for plywood. World production of plywood and wood-based panels for the year 1985 was of the order of 155 million cubic metres and by 1990 it is estimated to go upto 300 million cubic metres. Against the world production of plywood is 90 million cubic metres of which India's contribution is 5 lakh cubic metres. The gap between demand and supply cannot be bridged by plywood and other existing wood-based panel products. Only an alternative and attractive material like bamboo mat can meet this challenge.

5. The Kerala State Bamboo Corporation, the world leader in bamboo plywood, which greatly influences this industry, is functioning at a low level of efficiency. Improvements in its functioning will go a long way in rejuvenating the bamboo industry.

Methodology

No study has yet been conducted on the bamboo industry in general and the Bamboo Corporation in particular. Therefore the Survey Method and the Interview Method were to be relied upon. This thesis is essentially descriptive in character and tables have been incorporated as necessary. The population size is taken as 12,000 and consists of reed cutters, mat weavers, transport and handling workers, loaders and unloaders, bundlers and despatchers. The number was arrived at after consultation with the Corporation officials. The Corporation has around 200 to 400 families attached to each depot and all persons indulging in bamboo work are eligible for registration in these depots, the exact number at each depot is difficult to calculate. Taking into consideration these aspects the population size was fixed at 12,000. The survey covered 5% of this population size. The Random Sampling Method was followed and 600 families were surveyed. Twelve main centres were identified for this purpose. They are Angamaly, Kalady, Cheranalloor, Malayattoor, Varkala, Thottakam, Thuravoor, Adimali, Poothenkutty, Perumthottam, Sholayar and Kottamam. Visits were also made to Punalur, Kuttampuzha, Ranni, Pathanamthitta and Aryanad to get a general idea about the problems faced by the workers. To get the accurate number of families in each centre definite

calculation, a rough approximation was made and surveyed.

To study the working of the Corporation and Accounts' from 1977-78 to 1982-83 were required. The project report of the Corporation's diversification project called the "Bamboo Board Project" prepared by Sri. C.S. Dayanidhi of the Indian Plywood Industries Research Institute, Bangalore, was perused. Extensive interviews were conducted with all the important officials of the Corporation and those connected with it earlier. For want of documentary evidence, newspaper reports were used to substantiate facts.

Scope of the Thesis

Till it gained autonomy in 1978 the Corporation followed a trial and error method in its functioning. From 1977-78 onwards it started publishing annually its 'Report and Accounts' in a systematic manner. The study primarily covers the period 1977-78 to 1982-83. However important developments after 1982-83 also incorporated. As the Comptroller and Auditor General of Kerala is yet to approve its accounts after 1982-83 the most relevant figures, subject to approval, have been included in the thesis. Besides the Corporation has

possible updating has been done. Moreover, the results of the Corporation from its inception have been appended. Thus the study includes all relevant data right from the inception of the Corporation to the presentation of the thesis.

The Corporation deals only with reeds. It is authorised to develop all industries dealing with such items i.e. bamboo, reeds, cane and rattan. But the units attached to the Corporation make use of only reeds as they are better-suited to make mats than the other things. Hence the Corporation is concerned only with reeds and it is called "Bamboo Corporation" and the workers on it are known as "bamboo workers". In this study the terms "bamboo workers" and "reed workers" have been used as synonyms and "bamboo mats" and "reed mats" are also used synonymously.

Most of the families depending on reeds are in Central Kerala. There are a few families in North Kerala. Until very recently these families were not under the Corporation's influence. Hence the impact made by the Corporation in their lives is yet to be fully realised. Therefore the scope of this thesis is restricted to those people who are attached to the Corporation since its inception and particularly since it gained autonomy.

Analysis of the thesis

After the introduction in the first chapter the second chapter traces the evolution and history of the bamboo industry. It is estimated that more than a century has elapsed since bamboo mats began to be manufactured on a commercial basis. Before the 1920s it was essentially a side business and mats were made primarily for self-consumption. In the early 1930s the mat came into the attention of the British Government. The British realized the importance and value of these mats. These mats were portable and could be used to make temporary sheds in the battle front. The demand suddenly increased and overnight a part time job became a full time occupation to a large number of persons in Central Kerala.

Before World War II itself this industry had no sort of organisation as many private merchants of the region entered this business. The World War II provided impetus to this industry. Sheds made of mats were used during the war. Mats became a source of huge income and by the time the war ended this industry had come to stay in Kerala.

Owing to its peculiar geographical and set-up, Angamaly emerged as the centre of this. When the Kerala Government decided to establish Bamboo Corporation, it had no hesitation to choose this municipal town of Central Kerala as its headquarters. The second chapter ends by briefly reviewing the position of the Bamboo Corporation.

Chapter III is concerned with the working of the Corporation and thus forms the central part of the book. Here the management structure of the Corporation is analysed. The main objectives of the Corporation are incorporated here. The manner in which the Corporation manages its finances is explained. The following activities of the Corporation are discussed in detail. The Corporation supplies the raw material to the mat weavers. For this purpose it has nearly 2500 reed cutters in its employ. To facilitate the easy collection of reeds, the Corporation has 9 Reed Collection Centres at Edamalayar, Sholanki, Pooyamkutty, Ranni, Adimali, Athirapalli, Mangula and a recently opened one at Nilambur. The reeds are transported to the depots of the Corporation. The reeds are supplied on credit to the mat weavers. The mat weavers make use of the reeds to weave mats and bring them to the depots. The depot officials calculate the value of the mats, deduct the cost of reeds and pay the balance

mat weavers. This forms the sole source of income for a large number of people. The mats are later marketed by the Corporation to its various customers. The most important buyers are the sugar mills of Maharashtra. Public sector concerns like the Central Warehousing Corporation, the State Warehousing Corporation and the Food Corporation of India are also good buyers of these mats for dunnage purposes.

This chapter also elucidates the price policy of the Corporation. The Corporation does not have a flexible and systematic policy and the various aspects of the price policy and its inherent shortcomings are discussed. This chapter introduces the 'Research and Development' activities of the Corporation. It states the various measures taken by the Corporation's Director Board to bring about improved uses of mats.

The Corporation is in the forefront in the field of social welfare. The various welfare measures undertaken by it to improve the lot of the economically and socially backward bamboo workers is the last section of this chapter. The 'Supply Incentive Scheme' has won Corporation wide acclaim. It also assists the workers through various schemes which envisage financial assistance for educational scholarships, marriage, eye operation, medical relief, assistance for house construction and re-employment.

The Corporation has also several welfare measure employees who number around 400. These measures Employees Provident Fund, Group Gratuity, E.S.I. etc. All the welfare measures indulged in by the Corporation, its beneficiaries and the amounts spent for each of the measures is explained in this chapter.

Chapter IV analyses the impact made by the Corporation on the development of the bamboo industry in the state. The most notable achievement of the Corporation in the field of "Research and Development", viz. "Bamboo Board Project" is detailed. The Corporation realised that the bamboo industry is entangled in the shoddy tradition. In the present circumstances introducing modern methods is impossible. At the same time the industry commanded a large market. The objective which the benefits of a large market could be passed to the workers was by finding out new and improved uses of bamboo mats. It was this intention which led to the "Bamboo Board Project".

Though the Corporation got the sanction of the Government in 1981 itself to start the project, the work was completed only by the end of 1984. The Corporation had hoped to commission the project in 1985. However many technical snags arose forcing the postponement of the commissioning. At present the

is yet to start production on a commercial basis. Corporation hopes to start manufacture by the mid 1985. However production on an experimental basis is going on.

The important role played by the Corporation in supplying effectively the raw materials to the mat weavers is also discussed. Before the Corporation was formed the supply of raw material was quite erratic. Besides, the workers had to depend on the whims of private traders for needs. This situation has changed after the formation of the Corporation. It can be seen that after the Corporation took over this function of supplying raw materials the quantum of supply has increased in the years that followed.

Besides augmenting the supply of raw materials, the Corporation is playing a major role in widening the market of this industry. Thanks to its efforts in this direction the value of mats marketed has consistently crossed the Rs. 100 lakh mark every year since 1975. Today several private agencies and public sector units depend completely on the Corporation for mats.

The far-reaching consequences of the various welfare measures initiated by the Corporation are included in the next chapter. The Corporation's welfare measures have

raise literacy standards and health standards of workers. Over the years the Corporation has never in paying 'supply incentive' or bonus during the season. The Corporation's welfare measures have long way to cheer up the lives of these poor bam

In the fifth chapter the main problems of the Corporation and the shortcomings in its working are detailed. The main problem faced by it is the shortage of raw materials. Till 1981 the Corporation did not face this problem. In that year the Government of Kerala granted sanction to open a paper mill to the Hindustan Paper Corporation. The H.P.C. makes use of reeds as a raw material for its products. The contractors of the paper mill started cutting down reeds indiscriminately. To make mats the reeds have to reach a certain age and thickness. But the paper mills do not require reeds of any particular age group or size. They started cutting down reeds without any foresight and as a result the Corporation found it difficult to cut its annual quota.

The indifference of the Kerala Government further aggravated the problems of the Corporation. The benefits announced by the Government to the "traditional industries" do not just seem to reach the bamboo

Moreover, the various schemes announced by the C for the socially-backward persons have not benefited bamboo workers. In fact the Government apathy has adversely affected the Corporation's working.

The use of the outdated labour intensive technology discourages the Corporation from introducing new techniques. Most bamboo workers are illiterate and mat weaving is the only occupation they are familiar with. New methods are beyond their intellectual grasp and they may lead to structural unemployment.

In the initial years of its functioning the Corporation had difficulty to get sufficient buyers for its products. Thanks to its efforts there is no problem of lack of customers. But, today it faces the other extreme of this problem viz. the difficulty in supplying mats in sufficient quantities.

Red tapism has also engulfed this institution. Consequently many of the schemes proposed by it cannot be launched. Moreover the Corporation has undertaken schemes far beyond its means. The "Bamboo Board" though started with good intentions, is turning out to be a proverbial "white elephant". This chapter also discusses how increasing non-development expenditure and es

liabilities are hindering the smooth functioning
Corporation.

Chapter VI summarises the conclusions and
recommendations of the study.

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11
HISTORY OF THE BAMBOO INDUSTRY IN KERALA

Traditional industries play an important role in the development of Kerala's economy. The Industrial Resolution of the Kerala Government has given special emphasis to this aspect of Kerala's industrial sector because of their large capacity to provide employment opportunities. The Resolution notes that nearly 12,000 persons are employed in traditional industries in Kerala. Of these nearly 12,000 families directly and indirectly depend on the bamboo industry. Being an industry which has been passed down through generations, its development in the past five or six decades has been quite phenomenal. Though this industry received Government recognition only recently, its crucial role in providing employment to a large number of people in Central Kerala is a historical reality.

The evolution of the bamboo industry in Kerala can be studied under the following heads :

- 2.1 Traditional Cottage Industry
- 2.2 Before World War II
- 2.3 World War II and After
- 2.4 Suitability of Angamaly
- 2.5 Progress of the Bamboo Corporation

These stages in the development of the bamboo industry are elucidated in detail in the following paragraphs :

2.1 Traditional Cottage Industry

The "Economic Review" conducted annually by Planning Board has classified the bamboo industry head "traditional industry"¹. Along with coir, be handloom and cashew industries the bamboo industry described as one which is yet to lose its age-old This is essentially a cottage industry. The Industrial Resolution of 1956 defines a cottage industry as 'industries and crafts which are carried on, generally speaking, in the home of the artisan". The products of the bamboo industry are manufactured exclusively in the house engaged in it. Unlike the other traditional industries have steadily left the houses and entered the port factory complexes, the bamboo industry continues to exist within the precincts of the rural household. Thus the bamboo industry is a "traditional cottage industry" in every sense of the

Kerala State came into being on 1st November 1956. Therefore it was only with the second five year plan

¹ Government of Kerala - Economic Review - 1983 -

real planning started in Kerala. Though Kerala covers only 1.1% of the total land surface of the country, it accounts for 11.6% of the total unemployed of the country. Kerala is economically a poor state. The density of population in the State is greater than the national average. Kerala is the most densely-populated State in India. In terms of literacy 70.42% of the people are literate. Kerala is the most literate State in the country. Kerala has been way ahead of all other states in the matter of literacy. All these factors are responsible for Kerala's mounting problems of poverty and unemployment.

Only through industrialisation can Kerala hope to raise its per capita income and eradicate its mass unemployment. Even in the field of industrialisation, there are certain inhibiting factors. One such factor is the acute shortage and scarcity of capital. Not only is the stock of capital low, but also the rate of capital formation is very slow. Another factor is that though Kerala is advanced in the field of education, paucity is being felt in the sphere of technical experts and in the efficiency of the managerial cadre. No less important is the local unavailability of basic raw materials such as coal, iron and minerals. The state has to depend completely on supplies from other states. This limits very much the scope of industrialising Kerala in a big way with heavy and

scale industries. The important raw materials of are rubber, coconut, cashewnut, coffee, tea, coco tapioca etc., all emanating from the agricultural sectors. This shows that any worthwhile programme industrialisation of Kerala will have to lay heavy small scale industries, especially agro-based small and cottage industries.

The traditional small scale industries of are also passing through difficult days. Factors threatening their very existence are slowly and steadily gaining in strength. Almost all these industries problems such as scarcity of raw materials, inadequate facilities and low productivity. For any such industry to prosper and flourish, an assured market is a basic requirement. But it is in this field that small scale industries are facing the greatest difficulties. the high cost of production and frequent labour turnover many units of these industries are migrating to neighbouring states. The products manufactured there at lower prices have an edge over the locally produced goods and are successfully competing with them from a vantage point in the local markets. This has added a new dimension to their marketing difficulties and is also aggravating the unemployment problem of the state.

The bamboo industry of Kerala is one of the traditional industries of this state. Though in terms of importance it is nowhere near the coir, beedi and handloom industries, it is definitely gaining in importance as one of the crucial cottage industries of the state. It is in the matter of employment that the bamboo industry assumes a lot of significance. It provides both direct and indirect employment to nearly 12,000 families and is almost throughout Kerala, with the concentration in Central Kerala. Enquiries reveal that the bamboo industry is spreading steadily in South Kerala also. The concentration of this industry is in the northern districts of Ernakulam district at Angamaly and the areas surrounding this municipality. Bamboo and reed cultivation has started in parts of Trichur, Kottayam, Quilon and other districts. However the largest supplier of raw material are the forests of Malayattoor, Kuttampuzha, Cheruvu, Adimali and Sholayar. Thus the entire raw material comes from within the state. This industry has its roots in the northern districts of the state where handloom industries seem to be more popular. The reed mats manufactured in the state have a national market. Though it has a wide market within the state, the demand from markets outside Kerala are larger. Thus as a cottage industry, the bamboo industry has carved a niche for itself.

a place of prominence and permanence through the the state.

2.2 Before World War II

It is estimated that more than 60 years have since reed mats began to be manufactured on a commercial and has assumed the character of an exchangeable commodity. There are among the reed mat weavers persons who have been engaged in this occupation for nearly half a century. Several among the aged reed mat weavers revealed that their occupation was carried on by their parents and even their grandparents. But production for sale and profit can be traced back to the 1920s. Before the 1920s it was essentially a home side business and mats were made for purposes of local consumption.

In the period immediately before World War II, bamboo and reed mat tenements were in existence, but there was no organisation of production. In the early 1930s, reed mat weavers drew the attention of the British Government. The British realized the importance and value of reed mats. They were portable and could be used for the construction of easily removable tents in the battlefield. Besides they were cheap and quite strong and could withstand any climatic condition. Hostilities with Burma in the 1930s led to the requirement for bamboo mats at the

border. Overnight a part-time job became a full-occupation to a large number of persons in Central. The demand for reed mats far exceeded the supply. Many local merchants of Angamaly entered the bamboo business. Initially the weavers had to go to the reeds themselves, cut the reeds and bring them back home using them for mat-weaving. These merchants felt that they supplied the raw material in sufficient quantity, the time spent by the mat weavers to get the raw material could be saved. Thus came the preliminary measures about the organisation of production in the bamboo

The merchants appointed the reed cutters who would supply the reeds to them. They, in turn, would supply reeds to the mat weavers. The mat weavers would supply mats to the merchants. After deducting the cost of material supplied, the merchants paid the mat weavers. In this way the supply of reed mats was augmented to meet the increased demand. At the same time there took place for the first time a division of labour. Even today reed cutters and reed mat weavers are two different entities. In the beginning the reed cutters themselves used to bring the reeds to the houses of the merchants. This restricted their area of operation. To expand their range of operation the merchants appointed people to stack and transport reeds. As it was difficult for heavy vehicles to

forests for want of sufficient roads, the mode of chosen was the bullock cart. Reeds and bamboo st transported from the forests on bullock carts. T operations were a different category. The reed c now concentrate on cutting reeds as another set o started doing the transporting work. Today bullo continue to be the main mode of transport for car and bamboo from the forests. The bullock carts c go up to river mouths. The reed cutters moved de the forests and to areas which were inaccessible o bullock carts. But many of these forests were nea banks. The reeds were now transferred on to rafts floated on the rivers. These rafts moved to areas bullock carts could be brought. From the rafts th was shifted on to the carts. Several reed forests hills and high ranges. Here again the rivers came assistance of the reed cutters. Even today reeds on rafts from the forests of Kuttampuzha and Shola emerged another category of people who were expert guiding the bamboo-laden rafts to their destinatic in the 1920s and in the 1930s under the supervisio and leadership of the merchants of Angamaly there some sort of organisation in the bamboo industry.

The consumption centres of mats were far r from the production points. At first the local me

all categories of people involved in the bamboo industry. But, very soon, they found that the effort involved was in excess of their returns. Consequently the merchants started dividing the work among themselves. Towards the end of the 1930s the local merchants could be classified into two major groups. The first group specialised in financing the reed cutters and collecting the raw material. The second group purchased the raw material from the cutters and supplied them to the reed mat weavers. As the mats were collected from the cutters, these merchants collected them from the cutters and supplied the mats to its various users. The classification of merchants into reed merchants and mat merchants was as good as complete just before World War II.

3.3 World War II and After

The second World War broke out on 2nd September 1939. Just as it had far-reaching political consequences, it also had several economic effects. The war greatly affected almost all the traditional industries of India. It was not enough at a time when it was causing endless devastation in many parts of the world it provided a great impetus to the small scale and cottage industries of India. The handloom industry reaped a lot of benefits due to the outbreak of this war. Even before the war it was steadily becoming the main source of livelihood to a large number of people. The economic effects of the war led to a good majority of the

During the war there arose the necessity for temporary sheds. It was a must that these sheds be made from a material that would not entail much cost. At the same time it was essential that the sheds should be strong enough and also portable. Sheds were of several types. One category was used to store the ammunition. It was also necessary to arrange movable kitchens and even medical clinics. Moreover these sheds would be exposed to the vagaries of the elements. Sheds made of coconut husks lacked durability. Those made of bamboo mats fulfilled all requirements. The popularity of bamboo mats for these tenements increased. The allies started looking at these mats as a chief war material. As a result the demand for bamboo mats transcended the most sanguine expectations of the bamboo merchants. Bamboo mats became a source of huge profit. The merchants who were engaged in this started reaping large gains. Consequently more and more people were attracted to this industry. It was a boon for the mat weavers and the reed cutters. Large scale production was the requirement of the day. High prices were offered for bamboo mats. Merchants started competing with one another to corner as many mat weavers as possible. Irrespective of age, people, both old and young, took to this profession. All other cottage industries were a go-by. The people of the area completely concen-

this industry. By the time the war ended in 1945 number of people in Central Kerala had accepted this industry as their sole occupation.

The Second World War also had its impact on the hierarchical set-up of the bamboo industry. Before the war this industry was the monopoly of the Sambavan community. The Parayaras treated this industry as their prerogative. The high demand for reed mats led to this occupation becoming open to all beyond caste considerations. People of all communities entered this sphere and even the so-called higher castes were also very much involved. In fact in the Christian Panchayats in and around Kaladi, Cheranallur and other places bamboo mat-weaving became the most popular and profitable job. The World War thus helped to break the barrier of caste and irrespective of caste and community people engaged themselves in cutting reeds and weaving mats.

The mats woven till the World War were essentially "domestic purpose mats" which were used to make baskets for vegetables, flower bags, a special type of baskets for rice mills and square boxes used to preserve areca jaggery. These products made out of the domestic reed mats were very popular within and outside the state. After the war stronger mats became necessary to construct buildings. It is this need that led to the emergence of another type of reed mat which is popularly known as "Chandanapatti".

this mat which became extremely popular in the case of temporary barracks during the war. Though it is used for domestic purposes, as beds and for drying rice and cereals, it is used essentially for commercial purposes. Commercial mats are more remunerative and in course of time its production far exceeded the output of other types of mats. A point of similarity between the mats is the diagonal weaving which the mats are woven. The mats are woven diagonally and this is considered to be extremely difficult. In fact, the diagonal weaving of mats is a speciality and a monopoly of the mat weavers of Angamaly. Nowhere do bamboo mats of this type of construction. When mats are woven diagonally they gain in strength and durability. As they were used for purposes of war this innovation was introduced and has now come to stay and even today the mat weavers continue to indulge in the production of such mats.

World War II saw the emergence of another class of merchants. They were the wholesale merchants who were investing a large amount of money into this industry. Their capacity to supply large quantities of mats gave them a special status in the eyes of the British Government. The local merchants who were purchasing the reed mats from the primary producers found it more profitable to sell their produce to these wholesale merchants. These wholesaler

constructed godowns close to the Angamaly railway from where these mats were carried by the railways to the war front. The wholesale merchants got all the orders within and outside the state. These merchants purchased the necessary mats from the local merchants who came to be termed as "Small Merchants". These small merchants drew their attention near the production centres. Thus a new set-up emerged during World War II. The reed merchant financed the reed cutters who were their employees. The reeds were sold to the small merchants who handed them over to the mat weavers who were virtually in the pay of the small merchants. The woven mats were collected by the small merchants and sold to the wholesale merchants, who, in this way, satisfied the needs of the various users of reed mats.

After the Second World War the demand for bamboo mats suddenly dropped. This had a disastrous effect on the bamboo industry. Those who suffered most were the mat weavers. When the demand for mats came down, the prices fell. The wholesale merchants went in search of new buyers. They were successful in their efforts. Bombay emerged as an important buyer of mats. But the price offered by the Bombay merchants was much less than that given by the British Government for war purposes. The wholesale merchants found that their profit margins were

bound to be affected. Hence they lowered the price paid to the small merchants. The small merchant cut the price they paid to the primary producers and a downward trend started. Along with this started the exploitation of the small producers. It is true that during the war the price paid to the small producers was far from just. But at least some incentives used to be offered. However once the all incentives stopped and prices also were low the profits of the merchants did not change much. In exploiting the primary producers the merchants wanted to maintain their war-time profits. The only difference that the dawn of the 1950s saw the primary producers under the ruthless exploitation of the merchants. In their other occupation to lean on, the primary producers were themselves entirely at the mercy of the whims of the retail and wholesale merchants.

The persecution suffered by the reed and bamboo mat weavers came to the attention of the Government in the early 1950s. In 1951 a committee was appointed by the Government under the chairmanship of Sri. Nanukut to study the various aspects of forest wealth in Bamboos forests in particular and the bamboo industry as a whole were brought under the purview of this committee.

It also referred to the mat weavers of Angamaly dependent entirely on the forest wealth for their livelihood. The committee stated that the bamboo forests of Kerala, if properly put into use, can be a large income earner for the state. It cautioned the Government that unless proper steps are taken a day will come when the bamboo may be completely annihilated. It had sought the attention of the Government and immediate corrective action to improve the lot of the people dependent on bamboo. Unlike other forest resources, bamboo does not require any personal attention and care for its growth. The present problem of the reed cutters, namely the indiscriminate cutting of raw and unripe reeds, is forewarned in this Report. The committee also expressed concern for the lot of the bamboo workers and felt that a large number of people were "reeling under the exploitation of the hierarchy of merchants"². The committee recommended steps to improve the lot of these workers and felt that the "long chain of intermediaries between the producer and the final consumer"³ had to be reduced to the good of the bamboo industry. Even in the equity of the industry itself the committee had recognised the traditional

² "Forest Wealth of Kerala" - Travancore - Cochin Government - Page 2.

character of this industry and was of the view that benefits given to this industry should be greater than given to other large scale and small scale industries in the state.

The report of the committee as well as its recommendations was accepted in principle by the government and many of them were implemented. However, those recommendations concerning the bamboo industry seemed to have been overlooked. No legislation to improve the conditions of bamboo workers was effected. The bamboo workers seemed to have been forgotten. At the same time the industry continued to flourish. During the Second Plan production of bamboo showed a tendency to be erratic. Therefore in 1958 subsidies were granted to the sugar industry. Consequently the number of sugar mills rose suddenly. Bamboo mats are used in the process to refine brown sugar into white sugar. Bamboo is also used to store gur and Khandasari sugar. Besides mats are used by the workers to construct temporary shelters near sugar fields during the cane cutting season. The increase in the number of sugar mills provided an impetus to the bamboo industry. The late 1950s and the early 1960s witnessed an era of high demand for bamboo mats from the increasing number of sugar mills. As Central India is the cradle of sugar mills, demand for mats

from that area. It is said that for the first time since the Second World War, a goods train load of bamboo started leaving daily from the Angamaly railway station ceaselessly for over three to four years for Bombay and other places adjacent to it where the sugar mill was situated.

In the meantime the reorganisation of states along linguistic lines had taken place and Kerala had come into being. The successive governments that came to power in the state did nothing to improve the lot of the bamboo workers. The workers engaged in this industry were indeed a silent lot. Though the politicians promised them many things, they did nothing. As they were always at the brim of poverty, they worked all their lives and had little time for agitations to fight for their rights. In 1969 Sri. A.P. Kurian became the MLA for Angamaly. As soon as he was elected to the Kerala Legislative Assembly he started an unrelenting campaign to draw the attention of the Government to improve the lot of these unfortunate people. He brought to the attention of the Government that the bamboo industry was having an annual turnover of nearly Rs. 1 crore. When such naked truths were brought before the Government, it had to take notice. Con-

the Khadi Board Secretary as the Convener and co of worker representatives, merchant representati other prominent citizens and public men of Angam the areas where this industry manifested itself members. This committee carefully studied the v problems faced by the industry and the people wh depended on it for their livelihood. The commit recognized the hampering role played by the large of intermediaries. It also commented on the exp of the weaver families which dated back to over 1 century. After a careful and thorough study of 1 problems faced by this industry, the committee pr its report before the Government in 1970.

In its report the committee recommended t establishment of a Corporation to look after the of the bamboo workers and also to develop this in Kerala. The relevant parts of the report read follows:-

"Bamboo and reeds industry provides emplo to nearly 12,000 families including indirect empl Most of the people engaged in the collection of b and reeds from the forests and in mat-weaving are

socially weaker sections of the society. They (the middlemen for raw materials and for marketing finished products, with the result, a large part of the fruits of their labour is being appropriated by the middlemen a Corporation wholly controlled and operated by the Government is the need of the hour. Such a Corporation should be established with the primary objective of bettering the living conditions of these workers by supplying raw materials and by making arrangements for the marketing of finished products"⁴.

In other words the committee recommended that the Corporation should do away with the intermediaries and should take up the work of the reed merchants, timber merchants and the wholesale merchants. It should be brought into direct contact with the large number of people who are completely dependent on this industry.

The recommendations of this committee were accepted and implemented by the Government in toto. The Government immediately swung into action. On the 13th of March 1971, the State Bamboo Corporation came into being. It was established as a public limited company, wholly controlled and operated by the Government.

the State Government, with an authorised capital Rs. 34 lakhs. This Corporation was first established as a subsidiary of the Handicrafts Development Corporation. The registered office of the Bamboo Corporation established in Trivandrum while the administrative offices were to be at Angamaly. A Director Board was appointed with a Chairman as its head. The administrative Managing Director with a Deputy General Manager and other offices were located at Angamaly. In short Angamaly is the headquarters of the Kerala State Bamboo Corporation.

2.4 Suitability of Angamaly

The municipal town of Angamaly is the nerve of the bamboo industry. In fact the present progress of this town has been entirely due to the crucial role played by this industry. Angamaly and bamboo industry have become synonymous. When compared to the other places where bamboo and reeds are grown, this town is far advanced. No wonder it has become the focal point of the bamboo industry. There are several reasons for Angamaly being as the pivot around which the entire bamboo industry has developed. Apart from historical and social reasons, several geographical factors have confirmed the ideal position enjoyed by this town to become the capital among the places dealing in bamboo. However it is generally felt that

geographical location of this town is responsible for attaining this position of importance as far as industry is concerned.

We will first analyse the geographical factors that have confirmed the suitability of Angamaly as the headquarters of the bamboo industry. There are 41 rivers in Kerala. Of these 41 rivers flow from East to West. Only three flow from West to East. The three rivers are Periyar, Bhavani and Kabani⁵. All the 41 rivers have their origin in the Western Ghats, flow through the plains of Kerala and end up in the Arabian Sea. Of the three that do not follow this general pattern is the river Periyar. Periyar is one of the largest rivers in Kerala. After the Bharathapuzha it is the longest. The source point of the Periyar river is in the mountains which are popularly known as "Kizhakkam Mallakal"⁶. This area is known as Malayattoor. This holy place of the Christian community was once a dense thicket of bamboo and reed forests. In fact it is here that bamboo and reed were available in plentiful quantities. It was only after a part of these forests were cleared that Malayattoor became suitable for human habitation. The river Periyar

⁵ National Book Stall - Viswa Vignana Kosham
Volume 4 - 1968 - Page 582.

flows by the side of the Edamalayar forests. There are also noted for bamboo and reeds. Flowing down mountains this river reaches Angamaly which is at the foot of these mountains and forests. Moreover Angamaly has always been an area which had been more civilized than the rest of the places around it. Besides, the mats and rafts were concentrated in this area. Naturally it became the centre of the bamboo industry.

The Periyar has been the chief waterway for reeds. The reeds cut by the reed cutters were taken on to rafts. These rafts were guided along this river till they reached Angamaly. Initially it is said that reeds were just placed on rafts in fairly small quantities and without any human assistance the natural course of the river led to these rafts reaching their destination of their own. But when the demand for mats became very large scale theft of reeds started. Thieves started intercepting the reeds and many of the reed merchants suffered losses. This led to the appointment of guides to guide the rafts correctly and to save it from theft. Moreover when expert guiders of rafts were introduced, reeds in larger quantities came to be transported on rafts. The ideal location of Angamaly on the bank of the river Periyar and the suitability of this river to

the raw materials of the bamboo industry led to
emerging as the natural choice for locating the
State Bamboo Corporation.

Social and cultural factors also helped Angamaly gain its present position of importance. Kalady, birth place of Sankaracharya, is only six kms from But Kalady is away from the national highway. Teachers and men of religion flock to Kalady all the time year. In Kalady there is the Advaita Ashram of Sankaracharya. Besides there is the Ashram run by Ramakrishna Mission. Devotees of both Sankaracharya and Ramakrishna Paramahansa visit Kalady all though thousands of Persons going to Kalady have to alight at Angamaly. Angamaly is both the railway station and the bus station. These devotees to break journey on their way to Kalady. The unending flow of these followers of Sankaracharya and Ramakrishna led to the development of Angamaly from early times. Moreover the halo attached to Kalady has its becoming an important tourist attraction. Angamaly played the vital role of providing these tourists a link to Kalady. The result of all this was the growth of Angamaly into an important town. There is no surprise therefore in the Government choosing Angamaly as a

suitable place to locate the Bamboo Corporation.

5.5 Progress of the Bamboo Corporation

The Kerala State Bamboo Corporation started in March 1971 as a subsidiary of the Handicrafts Corporation. In the initial stages of its function though it had a separate Director Board, its accounts were a part of the consolidated balance sheet of Handicrafts Corporation. The main reason for this was the lack of experience of the Government in knowing what to do. Unlike other Corporations, the Bamboo Corporation's functions were of a unique nature. Corporations in other traditional industries have regeneration as their main function. This Corporation was dealing with material whose supply was plentiful and its main aim was removing the long chain of intermediaries and to prevent the exploitation of a large number of people. As the only other Corporation in India which was dealing with such problems, the Bamboo Corporation authorities did not know how to start functioning. In fact if we study the history of the Corporation in the first few years, it was a policy of trial and error. It was only gradually, by learning through its mistakes that the Corporation came into its present state of affairs.

At first the Corporation appointed around "small merchants" of Angamaly as its accredited agents. These merchants would function as before only difference was that all their dealings would be with the Corporation. The reed merchants should sell to the Corporation. In turn the Corporation would give the reeds to the small mat merchants. These small merchants would get the reeds woven into mats and sell them to the Corporation. They would pay the mat weavers fixed by the Corporation. In short the Corporation wanted to do away with the wholesale merchants. It was because of wholesale merchants who perpetuated exploitation that small merchants were unhappy that the wholesale merchants did not offer better prices. The mat weavers were unhappy that the small merchants did not give them fair prices. The reed merchants also felt cheated when the mat weavers were irregular in making payments. The Corporation felt that the root cause for the problems of this industry was the high-handedness of the wholesale merchant category. The Corporation sought to replace this category in its efforts to improve the condition of this industry. It felt that by making the small reed merchants and mat merchants accredited agents, it would be able to block the influence of the big wholesalers.

However this policy of the Bamboo Corporation in a failure. It was tried out for nearly three years. The Corporation found that it could have no legal power over the small merchants. Moreover the Corporation found the money power of the wholesale merchants. When the latter found that the Corporation's policy was to keep them in their hold on the bamboo industry, they changed their tactics. They started offering the small merchants prices higher than that offered by the Corporation. As a result the small merchants started giving the reed mats to the wholesalers also. This tendency was something which the Corporation could not prevent. The only thing the Corporation could do was to change its current policy. Therefore the Corporation announced a change in its set-up. The small merchants ceased to be the approved agents of the Corporation. The Corporation started involving itself directly in the affairs of the mat weavers and the bamboo and reed

As per the new policy introduced in 1974, the Corporation opened depots and sub-depots in the areas where these workers were concentrated. Each depot attended to itself between 200 to 400 families dealing in mat weaving. All these families came to be registered under the

They were to do business only with the Corporation. They were assured by this institution that it would supply the necessary raw material and in return the mats should be handed over at the depots. This part of the policy was rather easy to implement. Since the mat weavers were thoroughly exploited by the small merchants, the Corporation came as a great source of solace. Within a few years the entire population depending on mat weaving had registered themselves in the Corporation and each family was supplied to the depot closest to its residence. The Corporation has 57 depots - 18 main depots and 39 sub-depots.

The next part of the policy was implemented. All the families had to be supplied with reeds. The reeds were the monopoly of the reed merchants. When the Corporation came across stiff opposition from the reed merchants. The reed cutters were also an exploited class. So it was not difficult for the Corporation to win over the reed cutters. To cut the reeds from the forests on a monopoly basis the permission of the Government was required. The Corporation moved the Government to grant the control over the reed forests. However the Government did not accede to this request. It directed the

⁷ Kerala State Bamboo Corporation Ltd. - Report

department to grant the Corporation permission to cut reeds in certain selected areas. Accordingly the reed cutters of Kuttampuzha were made the exclusive right of the Corporation to cut reeds. Once this permission was granted the Corporation appointed reed cutters for the purpose. These reed cutters were issued identity cards for working in these forests. As per an agreement with the Government, more forests came to be allotted to the Corporation. In 1977 the Corporation got permission to cut annually 10,000 tonnes of bamboo and reeds. This was mainly because the trial at Kuttampuzha was a major success. By implementing this new policy the Corporation was able to steadily eliminate all the middlemen who were causing a loss to the primary producer in particular and to the community as a whole.

The year 1978 is a milestone in the functioning of the Corporation. In that year the Corporation received due credit and recognition from the Government. The Government bestowed autonomy on the Corporation and it ceased to be a subsidiary of the Handicrafts Development Corporation. From that year onwards the Corporation started receiving funds directly from the Government as per the allocation made in the State budget. The authorized capital was raised to Rs. 100 lakhs. The Government

agreed to come to its assistance whenever it was in difficulty. Government assistance was promised in cash or in kind. In kind means the reeds cut from forests would be given free of cost to the Corporation in times of need.

Another reason for autonomy to be granted to the Corporation was the desire of the Government to have direct control over this institution. When it was a subsidiary of the Handicrafts Development Corporation, this control was indirect. Moreover the Corporation too found it difficult to approach the Government directly for help in times of strain. Between 1974 and 1978 the Corporation faced several financial crises. Immediately after the new policy of opening depots and attaching the cutters and mat weavers to them, the Corporation was in a state of paucity of funds. However the State Bank of India came to its rescue. The State Bank helped the Corporation to implement its policy of Differential Interest Rates. According to this policy, to help the economically and socially weaker sections of society, loans to a maximum of Rs. 100,000/- can be granted to self-employed persons at low rates of interest. As per the programme of Differential Interest Rates, loans ranging from Rs. 100/- to Rs. 1000/- were granted to families⁸. The rate of interest was fixed at the

rate permissible in this policy, viz; 4%. Accord weaver families would use this money exclusively reeds from the Corporation. These loans also hel to clear their liabilities to the Corporation. I assisted the Corporation to get some financial vi as much of its capital assets were getting deplet State Bank of India found difficulty in loan rece Hence from 1977 the State Bank considerably reduc assistance as per this scheme. The consequence w financial crisis. But by then the Corporation ha itself as a source of great hope to the hapless w Taking into account all these circumstances the G granted it autonomy in 1978. Today the Kerala St. Corporation is one of the 84 public sector undert owned and operated by the Government of Kerala⁹.

2.6 Present set-up of the Corporation

At present the Corporation has 12,000 famili attached to it. Mat weavers number the maximum. 2500 reed cutters collect the reeds from the fores about 1000 workers are engaged in transporting, lo unloading. All these workers are paid by the piec system. As per this system wages are paid in acco

⁹ "The Hindu", Thursday May 10, 1994, Page 10, Col 1

with fixed norms at the rates decided by the Directors of the Corporation. The Food Corporation of India, Central Warehousing Corporation, the State Warehousing Corporation, Sugar Mills situated in Bombay and parts of Central India and other private merchants are the main purchasers of bamboo mats from the Corporation. The Corporation has been conducting business on a profitable no-profit no-loss basis and rendering services to the weaker sections of society, specially Harijans and others who are both economically and socially backward.

Ever since the Corporation gained autonomy, it has been able to steadily increase its business. It has been concentrating its attention on the commercial production of bamboo mats and encouraging its production. The turnover of the Corporation has been on the rise since then.

It is estimated that nearly 90% of the annual production of bamboo mats in Kerala is produced by the Bamboo Corporation. Moreover its sale outside the state is much more than that within the state. Bombay has the best market outside Kerala. Apart from using bamboo mats in the sugar mills, these mats are being used by the people of Bombay during the monsoon to construct huts. But it should be stated that bamboo mats are

for hut building within the state also. Dunnage in the central godowns of the Food Corporation and the Central Warehousing Corporation are done with bamboo mats. All these have increased the of the Bamboo Corporation.

Steady increase in sales and the increase importance have led to the Bamboo Corporation take new programmes. Recently the Corporation has taken an expansion programme costing Rs. 105.74 lakhs for conversion of bamboo mats into resin-bound bamboo. This has become popular as the "Bamboo Board Project" and its factory is at Chambannur near Angamaly. The project will work as a subsidiary of the Kerala State Corporation. Though this project was expected to be completed by the end of the financial year 1982-83, it was only by the end of 1984. This project will manufacture bamboo boards which is expected to be a competitive substitute for plywood as panelling or partition. The scheme is being undertaken with Government approval and is fully financed by the Government. In January 1984, Government sanctioned Rs.10 lakhs to expedite the completion of this project.¹⁰ Bamboo boards are expected to be

¹⁰ "Mathrubhumi" - January 5th 1984 - Page 7 - Col

market in a big way by the middle of 1985. The
of this project will definitely be a boost for f
projects and it would also give courage to the C
to introduce new methods and new techniques into
otherwise highly traditional industry.

* * *

Sri C.S. Dayanidhi was entrusted with the responsibility of suggesting an expansion project without in any way disturbing the inherent nature of the industry. The result of his in-depth study and research is the Bamboo Board Project.

Sri Dayanidhi presented his report on bamboo boards on 17.3.1980 to the Bamboo Corporation³⁸. The Director Board of the Corporation approved the project and presented it for the consideration of the State Government. The total investment for this project has been estimated at Rs. 105.74 lakhs³⁹. In August 1981, the Government accorded sanction for this project⁴⁰. The factory is located at Chambannur near Angamaly. The proposed factory has an installed capacity to produce 10 lakhs square metres of bamboo boards per annum in two shift operations. The foundation stone for this project was laid by the Hon. Minister for Industries in October 1981. Civil work for the project commenced during the financial year 1981-82 itself and at that time it was expected that the project could be commissioned by the end of 1983. However owing to several procedural

and unavoidable delays the project was completed only in December 1984. Production of bamboo boards is expected to commence by the middle of 1985.

As a result of the commissioning of this Project, the Director Board of the Corporation resolved to divert the funds meant for research and development towards this project. Consequently from 1981-82 onwards the amount allotted for this purpose has been considerably reduced as the foregoing table 3.18 reveals. However new heads "capital work in progress" and "executive development" have been appended. The allotment towards "Capital work in progress" is as follows :-

TABLE - 3.19 (a)

<u>Capital work in Progress</u>	
<u>Year</u>	<u>Amount (in rupees)</u>
1981-82	11,150.00
1982-83	16,44,346.71

Table 3.19 (a) shows the large increase in "capital work in progress". It can be seen that from a small amount of Rs. 11,150, the allotment under this head increased to over Rs. 16.44 lakhs. This is due to the

... .. "Bamboo Board Project"

TABLE - 3.19.(b)⁴¹Expenditure on Bamboo Board Project

Construction work in progress	-	8,27,990.96
Stock of construction materials	-	70,056.31
Advance to construction contractors	-	6,73,922.70
Sundry unallotted expenditure	-	72,376.74

		16,44,346.71
		=====

At the same time the allotment towards 'executive development' has been as follows :-

TABLE - 3.20⁴²Expenditure on Executive Development

<u>Year</u>	<u>Amount (in rupees)</u>
1981-82	5104.00
1982-83	12085.00

Thus within its narrow limitations, the Bamboo Corporation is actively participating in research and

⁴¹ Kerala State Bamboo Corporation - Report and Accounts 1982-83 - Page 26.

⁴² Kerala State Bamboo Corporation - Report and Accounts

development activities. Despite the commissioning of the Bamboo Board Project, the Corporation is continuing to be in close communication with the Indian Plywood Industries Research Institute to find newer and better uses of bamboo mats.

3.7 Welfare Measures of the Corporation

The Bamboo Corporation Director Board has introduced a number of welfare measures to improve the economically and socially backward people with whom it is in direct contact. Schemes have been introduced to improve the well-being of both the reed workers attached to it and the large number of employees working in its various offices. The Director Board has seen to it that measures once introduced have been carried out without any break even when the Corporation suffered losses. Following are the various welfare projects started and encouraged by the Corporation to improve the lot of the persons associated with it.

3.7.1 Supply Incentive Scheme

The supply incentive scheme for the workers was introduced ⁱⁿ 1976-77 with a view to pass on a part of the profit generated to the actual workers. During 1976-77

and 1977-78 the Corporation could offer incentive to workers from its profits. As a welfare measure to the weaker sections of the society, this was continued in the succeeding year even though there was no profit to meet the expenditure. During 1980-81, the Corporation earned sufficient profit to meet this expenditure and the rate of the supply incentive was increased.

The supply incentive scheme has been allotted the following amounts from the time of its inception.

TABLE - 3.21⁴³

Expenditure on Supply Incentive Scheme

<u>Year</u>	<u>Amount</u> (Rupees in lakhs)
1976-77	1.60
1977-78	3.17
1978-79	5.02
1979-80	7.85
1980-81	10.75
1981-82	12.5
1982-83	11.5

43 Kerala State Bamboo Corporation -
 Report and Accounts 1977-78 - Page 5
 " 1978-79 - Page 5

About 12000 reed worker families are being benefited by this scheme. As per this scheme, a percentage of the annual income of a worker family is given as an incentive. This percentage can be seen to increase annually as the following table 3.22 shows.

TABLE - 3.22⁴⁴

Percentage of Annual Income Paid as Incentive

<u>Year</u>	<u>Percentage</u>
1976-77	5½%
1977-78	6%
1978-79	7%
1979-80	8%
1980-81	8⅓%
1981-82	8½%
1982-83	9%

Moreover year after year the number of benefiting families is also rising. At the time of its inception nearly 6000 families benefited by this scheme and the number has risen to nearly 12,000 by 1983-84. The Corporation is taking all steps to widen the area of beneficiaries under this scheme.

3.7.2 Workers' Welfare Scheme

During 1977-78 a "Welfare Scheme to Bamboo Workers" was prepared and its implementation was started in 1978-79. To implement this workers' welfare scheme an amount of Rs. 1 lakh was set apart from the profits earned during 1977-78. The scheme mainly envisages educational scholarships to the children of the workers, financial assistance for marriage, eye operations, obsequial ceremonies, accident relief etc. In 1978-79, the first year of this scheme, a sum of Rs. 19,000 was expended and 150 persons benefited by it during the year⁴⁵. During 1979-80 this welfare scheme was extended to provide financial assistance for house construction. Moreover, all workers and dependants of workers attached to the Corporation were brought under the purview of this Scheme. Two hundred and twenty three persons benefited under this scheme during 1979-80. The amounts disbursed by the Corporation under this head of "Workers' Welfare Scheme" since its inception are as follows :-

⁴⁵ Kerala State Bamboo Corporation - Report and Accounts 1978-79 - Page 6.

TABLE - 3.23⁴⁶

Workers' Welfare Scheme

<u>Year</u>	<u>Amount Expended</u> (in rupees)
1978-79	19,000.00
1979-80	27,761.45
1980-81	32,676.02
1981-82	53,124.90
1982-83	1,75,288.50

1.7.3 Labour Welfare Fund

While the Supply Incentive Scheme and the Workers' Welfare Scheme were the results of the initiative taken by the Bamboo Corporation, the Labour Welfare Fund is a scheme for which the bamboo workers took the initiative. In 1980-81 this scheme was presented for approval before the Corporation authorities. The Director Board gave immediate approval to this scheme which is intended to give substantial relief to the bamboo workers. The Corporation also agreed to implement this scheme as soon as it received the approval of the Government. The

16 Kerala State Bamboo Corporation -
Report and Accounts

1978-79 - Page	6
1979-80 - Page	39
1980-81 - Page	34
1981-82 - Page	30
1982-83 - Page	28

scheme got the necessary Government sanction in January 1981 and it was carried out forthwith. As per this scheme, the bamboo workers would contribute a small part of their earnings, the size of the amount depending on their actual income, and the Corporation would also make an annual contribution to augment the Labour Welfare Fund. The contribution made by the Corporation to this Fund since its commencement is as follows :-

TABLE - 3.24⁴⁷

<u>Labour Welfare Fund</u>	
<u>Year</u>	<u>Contribution (in rupees)</u>
1981-82	1223.50
1982-83	623.00

Apart from these welfare measures, the Corporation started three provision stores during 1977-78 to supply provision items to the workers at reasonable rates at Thottakom, Kottamam and Cheranalloor. These stores functioned under the direct control of the Corporation for two years. However during 1979-80 these stores were discontinued as it was found that they came into clash

⁴⁷ Kerala State Bamboo Corporation - Report and Accounts

with the provision stores opened by the Kerala State Civil Supplies Corporation.

The Corporation has also introduced several welfare schemes for its employees. Its relationship with the employees has been cordial and in all its Annual Reports the Board of Directors have recorded their appreciation of the good work done by them. Salaries of the employees are revised by the Corporation on par with the revision of scales of pay of Government employees in accordance with the Pay Commission recommendations. The Corporation has also been regular in the payment of bonus and ex-gratia to the employees. Apart from fulfilling these rightful claims of the employees, the Corporation has introduced several other welfare schemes to encourage the employees towards better efforts. These can be summarised as follows :-

3.7.4 Welfare Measures for Corporation Employees

3.7.4.1 Incentive to Staff

To tone up the working of the Corporation a new "Incentive to Staff" Scheme was introduced in 1975-76⁴⁸. This incentive was over and above the bonus paid. This was mainly for the staff

employed in the Reed Collection Centres and at the depots and godowns. This incentive had its desired effect as the turnover increased considerably. The total amount spent by the Corporation can be studied with the help of the following table :

TABLE - 3.25⁴⁹

<u>Incentive to Staff</u>	
<u>Year</u>	<u>Amount</u> (In Rupees)
1976-77	29,232.79
1977-78	54,780.22
1978-79	63,000.00
1979-80	1,11,817.30
1980-81	1,30,000.00
1981-82	1,56,765.00
1982-83	1,70,521.00

49	Kerala State Bamboo Corporation - Report and Accounts	1977-78 - Page 27
	"	1978-79 - Page 27
	"	1979-80 - Page 36
	"	1980-81 - Page 31
	"	1981-82 - Page 30
	"	1982-83 - Page 28

3.7.4.2 Group Gratuity Insurance Scheme

In collaboration with the Life Insurance Corporation, the Bamboo Corporation started the Group Gratuity Insurance Scheme for its employees in 1977-78⁵⁰. This scheme would enable the Corporation employees to get a sizeable figure as gratuity at the time of their retirement or to their families in the event of their untimely death.

By way of contribution to the Group Gratuity Scheme, the Corporation has spent the following amounts :

TABLE - 3.26⁵¹

<u>Contribution to Group Gratuity Scheme</u>	
<u>Year</u>	<u>Amount (In rupees)</u>
1977-78	4605.79
1978-79	15281.70
1979-80	33452.25
1980-81	15933.91
1981-82	5339.83
1982-83	19665.04

3.7.4.3 Staff Welfare Fund

The Kerala State Bamboo Corporation Staff Welfare Fund was implemented in 1977-78⁵². The employees of the Corporation, according to their financial capacity, contribute a small amount, to this fund. The Corporation, on its part, gives an annual contribution to make this Fund more purposeful and worthwhile. From this Welfare Fund, loans for the construction of houses, purchase of vehicles etc., have been made available to the employees on liberal terms. Started under very modest circumstances, this scheme is now in a position to grant loans to over 100 members every month. The contribution of the Corporation to this fund has been as follows :

⁵² Kerala State Bamboo Corporation - Report and Accounts 1977-78 - Page 5.

TABLE - 3.27⁵³Staff Welfare Fund

<u>Year</u>	<u>Amount</u> (In Rupees)
1977-78	1000.00
1978-79	4854.10
1979-80	6368.87
1980-81	6349.58
1981-82	9332.78
1982-83	10576.37

3.7.4.4 E.S.I. Contribution

During 1979-80, the Corporation registered all its employees under the Employment State Insurance Scheme. This is mainly to enable the employees to get free medical benefits. As per this scheme the employees of the Corporation and their families would be able to get medical aid from the State Government. The contribution made by the Corporation towards E.S.I. is as follows :-

53	Kerala State Bamboo Corporation -	
	Report and Accounts	1977-78 - Page 5
	"	1978-79 - Page 27
	"	1979-80 - Page 36
	"	1980-81 - Page 31

TABLE - 3.28⁵⁴Contribution towards E.S.I.

<u>Year</u>	<u>Amount</u> (In Rupees)
1979-80	11,930.70
1980-81	6,882.10
1981-82	5,978.30
1982-83	Nil

3.7.4.5 Subsistence Allowance

The Welfare Schemes outlined so far have been only for the permanent employees of the Corporation. On several occasions a year the Corporation has been forced to employ several casual and part-time labourers and employees. These categories of workers do not come under the beneficiaries of the above schemes. To assist all part-time and contingency workers who were in the employ of the Corporation for more than three months they were brought under this

54 Kerala State Bamboo Corporation -			
Report and Accounts	1979-80	-	36
"	1980-81	-	31
"	1981-82	-	33
"	1982-83	-	30

scheme called "Subsistence Allowance". This scheme started in 1978-79 received contributions from the Corporation as follows :-

TABLE - 3.29⁵⁵

<u>Subsistence Allowance</u>	
<u>Year</u>	<u>Amount (In Rupees)</u>
1978-79	3286.45
1979-80	4132.35
1980-81	2494.95
1981-82	5229.95
1982-83	1343.00

3.7.4.6 K.S.B.C. Employees' Co-operative Credit Society No

During 1980-81, the Corporation took the initiative for the organisation of an Employees' Co-operative Society for the welfare of the staff. The Society obtained registration under the Kerala Co-operative Societies Act. As a preliminary relief, the Corporation took shares in the Society and granted

55	Kerala State Bamboo Corporation - Report and Accounts	1978-79 - Page 27
	"	1979-80 - Page 36
	"	1980-81 - Page 31
	"	1981-82 - Page 33
	"	1982-83 - Page 30

loans on a limited scale. In 1980-81 the Corporation purchased 600 shares of Rs.10/- each from the Society⁵⁶. Moreover National Saving Certificates purchased by the Corporation at a value of Rs. 8250/- were deposited in this Credit Society⁵⁷.

In short the Bamboo Corporation is associating itself in innumerable welfare schemes to improve the socially and economically backward people coming in contact with it. In all its annual reports, the Director Board has emphasised the important role it is playing and it has to play in the field of economic welfare. The Corporation does deserve credit for trying its level best to extend benevolent measures towards all those depending on it.

56 Kerala State Bamboo Corporation - Report and Accounts 1980-81 - Page 28.

57 ibid

CHAPTER - III

WORKING OF THE KERALA STATE BAMBOO CORPORATION

The Kerala State Bamboo Corporation is a public limited company of the Government of Kerala. It is one of the 40 Corporations/Boards of the Government. It is also regarded as one of the 84 public sector undertakings under the State Government. Its registered office is in Trivandrum and its administrative headquarters is in Angamaly. It is dealing with an age-old traditional bamboo industry in Kerala in general and in Angamaly/Kalathur in particular. Its working influences the life of nearly 12,000 families belonging to the economically and socially weaker sections of the society.

3.1 Management Structure

The Kerala State Bamboo Corporation is administered by a Director Board consisting of nine members. It is headed by a Chairman, who presides over all Director Board meetings. The chief executive head is the Managing Director who provides the link between decision-making and execution. The Chief Conservator of forests, the Additional Secretary of Industries and the Joint Secretary of Finance are members of the Board. It is these Government officials who

a via media between the Corporation and the Government. Till 1978 Mrs. Sarala Gopalan, an I.A.S. Officer, was the Chairman of the Corporation. From 1978 onwards, except during periods of President's rule in the State, the chairmanship has been vested on a non-official. This individual was generally a politician of the ruling front of the State. At present Sri M.V. Rajan Master is the Chairman of the Bamboo Corporation Director Board.

For purpose of administrative convenience, the Bamboo Corporation has been divided into five divisions. They are

- 3.1.1 Reeds Division
- 3.1.2 Mats Division
- 3.1.3 Storage and Despatch Division
- 3.1.4 Sales Division
- 3.1.5 Accounts Division

Each of these divisions is headed by a Divisional Officer. The work of these divisions is co-ordinated by an Administrative Officer. Though the Managing Director is the executive head, his responsibility is only 'dejure'. The 'de facto' head is the Deputy General Manager. The Bamboo Corporation does not have a General Manager. When the Corporation started functioning in 1971, it did have a General Manager. It was Mr. Paulose Mapillai. But after

Mr. Paulose Mapillai relinquished this post in 1978, this post has remained vacant. This is due to the feeling among the members of the Director Board that there was no point in having so many administrative officers in an organisation which does not have the business transactions and functions which entail the presence of several administrative officers. Hence the Deputy General Manager carries out the day-to-day administration of the Corporation. The Managing Director has one office each at Angamaly and Trivandrum and he thus co-ordinates the working of the Registered Office with that of the Administrative office. Meetings of the Director Board and the Annual General Meeting are always held at the Registered Office of the Corporation in Trivandrum.

3.2 Objectives of the Corporation¹

3.2.1 Main Objectives

The main objectives for which the Corporation is incorporated are the following :-

- 3.2.1.1 To develop and promote industries based on bamboo, reed, cane and rattan.
- 3.2.1.2 To undertake manufacture and trading of bamboo, reed, cane and rattan products.
- 3.2.1.3 To provide financial, technical, marketing, development, or any other assistance and guidance to any establishment, undertaking or enterprise

industries based on bamboo, reed, cane and rattan in the State of Kerala.

3.2.1.4 To promote, establish and operate sales offices such as Emporia, Showrooms, Publicity offices, Stalls and Centres with the objective of improving the marketability of bamboo, cane, reed and rattan anywhere within and outside India.

3.2.2 Incidental Objectives

In order to achieve the main objectives, the Corporation has several other objectives incidental or ancillary, to help in the attainment of the main objectives. These objectives are the following² :-

3.2.2.1 To undertake the development and marketing of bamboo, cane, reed and rattan products within and outside the state and the supply of raw materials, controlled commodities required for the development of the above-mentioned industries, whether owned or run by Government, Statutory Body, Company, Firm, Industrial Co-operative or Individual.

3.2.2.2 To undertake the export of bamboo, reed, cane and rattan products from Kerala directly or in collaboration with export business Corporations,

Companies or Agencies - Government or Private - to establish trade connections, Sales Depots, selling agencies, offices for distributing agents etc; to undertake, directly or in collaboration with specialised domestic or foreign agencies, market surveys to explore possibilities of selling these products in foreign markets; to open publicity-information centres, showrooms, sales depots and warehouses at suitable places in foreign buyers and domestic exporters; to participate in foreign fairs and exhibitions and to undertake special promotional measures in countries whose import potential for these products has not been adequately tapped.

- 3.2.2.3 To enter into contracts with and take up indents from Government of India and the State Government in all their department and Corporations and other subsidiaries and branches, statutory and local bodies, railways, steamer companies, municipalities and local boards, and from any agency or officer thereof, having the necessary power for manufacture and supply of goods, materials, articles and equipments of every description which this Corporation is authorised to produce or deal with and to arrange

55

for the performance of such contracts and indents by subcontracting them to or placing orders in respect thereof with manufacturers for the manufacture or supply of such goods, materials, articles or equipment or parts thereof, or servicing or processing in connection therewith, or such materials, services as may be necessary for the due performance of such contracts and indents and to have the goods, materials, articles and equipments manufactured, fabricated, assembled and supplied.

- 3.2.2.4 To implement any scheme which the Government of India or the Government of Kerala may formulate for the development of industries based on bamboo, reed, cane and rattan.
- 3.2.2.5 To aid, advise, assist, finance and protect the interests of industries based on bamboo, reed, cane and rattan in Kerala and provide them with capital credit, means, resources and technical and managerial assistance for the prosecution of their work and business to enable them to develop and improve their methods of manufacture, management, marketing and technique of production.

- 3.2.2.6 To introduce schemes of standardisation and quality control according to specifications fixed by the Indian Standards Institution, the All India Handicrafts Board and the Government of Kerala whenever possible and to make available technical and other assistance to the above units and to establish a system of inspection.
- 3.2.2.7 To undertake market survey and market research within the State and important markets in other States in India and to collect and compile statistics; to give publicity and to contact foreign buyers for the export of bamboo, reed, cane and rattan products.
- 3.2.2.8 To prepare and publish price lists, catalogues, folders, pamphlets, brochures and such other publicity materials for promotion of sales of the products of the company within the State and outside.
- 3.2.2.9 To aid or assist units engaged in industries based on bamboo, reed, cane and rattan products, whether co-operative or private enterprises, by supplying credit, giving financial assistance against finished products either by outright purchases at an agreed price or on warehouse receipts with

nominal interest charges.

- 3.2.2.10 To guarantee loans to co-operatives, manufacturers, dealers or exporters of bamboo, reed, cane and rattan products to enable them to step up production and execution against specific orders contracted or sub-contracted through the Corporation or directly and for other promotional measures.
- 3.2.2.11 To effect co-ordination between large industries and small scale and cottage industries based on bamboo, reed, cane and rattan by suitable methods similar to those aforesaid, enabling the manufacturers to produce such parts, goods, accessories, ancillaries and components as may be required by other industries.
- 3.2.2.12 To effect co-ordination between this company and the National Small Industries Corporation, the Handicrafts and Handlooms Export Corporation of India Ltd. and the show room of the All India Handicrafts Board to help promotion of sales and exports of the products of the aforesaid industry and the expansion of the business of the company.
- 3.2.2.13 To take up supply of machinery, tools and equipment on hire purchase system required for the business

- .2.2.14 To procure, manufacture, buy, sell, import, export, install, work and generally deal in any plant, machinery, tools, materials, goods or things of any disposition which, in the opinion of the company, may be conveniently dealt with by the company in connection with any of its objects
- .2.2.15 To carry on any other allied trade or business (whether manufacturing or otherwise) which may appear to the company capable of being convenient and advantageously carried on in connection with the expansion of business of the aforesaid company
- .2.2.16 To apply for and take out, purchase or otherwise require any trade mark, patents, patent-rights, inventions, copy-right or designs which may be useful for the Corporation's object.
- .2.2.17.1 To receive grants, loans advances or other monies on deposit from the Central Government or State Government, Banks, Companies, Co-operative Societies, Trusts or individuals with or without allowance of interest thereon; but the Corporation will not carry on banking business within the meaning of the Banking Regulation Act, 1949.

- 3.2.2.17.2 To receive grants, loans, advances or other monies from Statutory Bodies like the All India Khadi and Village Industries Commission, the Kerala State Khadi and Village Industries Board etc.
- 3.2.2.18 To lend or advance money either upon or without security and to borrow or raise or secure the payment of money in such manner as the Board of Directors of the Company may deem fit, and, in particular, by the issue of debentures, debenture stock, bonds, deposit, obligations and securities of all kinds, and to frame, constitute and secure the same, as may seem expedient, with full power to make the same transferable by delivery or by instrument of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise on the undertaking of the company or upon any specific property and rights, present and future, of the company or otherwise howsoever and collaterally or further to secure any securities of the Corporation by a trust deed or other assurance.
- 3.2.2.19 To establish agencies in India and elsewhere and to regulate and discontinue the same.

obligations and other securities of any Company or Association formed for establishing, executing or working any production unit approved by the Corporation.

- 2.2.21 To collaborate with any Company or Association or concern formed for carrying on any manufacture or business within the objects of the Corporation.
- 2.2.22 To enter into any partnership or arrangement for joint working in business, sharing of profit, pooling of any production unit, joint ventures or reciprocal concession with any other Company, carrying on or engaged, in any manufacture or business, within the objects of this Corporation or similar thereto.
- 2.2.23 To sell, dispose off, let on lease or on hire or transfer the business, property and undertaking of the Corporation or part thereof for cash stock or shares of any other company or for any other consideration which the Corporation deems fit to accept.
- 2.2.24 To obtain any order enabling the Corporation to carry its objects into effect or for effecting any modification of the Corporation's constitution or

any proceedings or applications which may seem calculated directly or indirectly, to prejudice the Corporation's interests.

- 1.2.2.25 To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the Corporation which the Corporation may consider to be in the nature of preliminary expenses including therein the cost of advertising, commissions for undertakings, brokerage, printing and expense attendant upon the formation of branches and agencies.
- 1.2.2.26 To construct, maintain and alter any buildings or works necessary or convenient for the purpose of the Corporation.
- 1.2.2.27 To make, draw, accept, endorse, discount, execute, issue and negotiate cheques, bills of exchange, promissory notes, debentures and negotiable or transferable instruments.
- 1.2.2.28 To organise, take up or introduce schemes for imparting training in industries based on bamboo, reed, cane and rattan and to sponsor candidates for such training wherever available.
- 1.2.2.29 Generally to do all such matters and things as may appear to be incidental to the interest of and

Apart from the above objectives, other objectives for which the Corporation is established are to develop or organise industries based on all kinds of leaves and promote sales thereof. In short the Corporation has the responsibility to promote industries of all coagross items in general and bamboo, reed, cane and rattan in particular.

1.3. Financial Management

The Kerala State Bamboo Corporation is a public limited company in which the liability of the members is limited. When it was started as a subsidiary of the Handicrafts Development Corporation, its authorised share capital was Rs. 34 lakhs. When the Corporation was made independent in 1978, the share capital of the Corporation was raised to Rs. 50 lakhs divided into 50,000 equity shares of Rs. 100/- each³. The Board of Directors was vested with the power to raise the share capital as and when found necessary. The Corporation was also given the power to issue any of the shares in the capital, original or increase with or subject to any preferential, special or qualified rights or conditions, as regards dividends, repayment of capital, voting or otherwise. During 1981 the authorised share capital of the Corporation was raised to Rs. 100 lakhs divided into 1,00,000 equity shares of Rs. 100/- each⁴.

The equity shares of the Corporation are owned jointly by the Governor of Kerala, a director nominee of the Governor and another nominee of the Governor. Of the entire share capital, all shares except 11 are held by the Governor. The director nominee holds 10 shares and the other nominee of the Governor holds one share. The paid-up share capital of the Corporation till it gained autonomy in 1978 was constant at Rs.15 lakhs. After 1978 there has been a steady increase in its paid-up share capital as the following table 3.1 reveals :-

TABLE - 3.1⁵

<u>Paid-up Share Capital</u>	
<u>Year</u>	<u>Share Capital</u>
1977 - 78	Rs. 15 lakhs
1978 - 79	Rs. 20 "
1979 - 80	Rs. 34 "
1980 - 81	Rs. 49 "
1981 - 82	Rs. 62.15"
1982 - 83	Rs. 72.15"

⁵ Kerala State Bamboo Corporation - Report and Accounts 1979-80 - Page 10 and Kerala State Bamboo Corporation - Report and Accounts 1982-83 - Page 8.

.1 Financial Position

The Table 3.2 below summarises the financial position of the Corporation under broad headings from 1977-78 to 1982-83.

LE - 3.2⁶

Financial Position of the Corporation

LIABILITIES

	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
	(Rupees in lakhs)					
Subscribed capital (including advance for shares)	15.0	20.0	34.0	49.0	62.15	72.15
Reserves and surplus	1.74	1.74	1.74	1.74	Nil	0.16
Borrowings	17.83	21.67	23.11	24.23	21.9	19.90
Provision for dues and contingent liabilities	18.58	15.47	19.33	20.62	30.71	40.53
TOTAL	53.15	58.88	78.18	95.59	114.76	132.74

- 3.3⁷

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	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83
	(Rupees in lakhs)					
Gross Block	4.77	7.89	9.75	10.11	11.42	12.50
Less: Depreciation	0.68	1.11	1.73	2.33	2.87	3.50
Net fixed Assets	4.09	6.78	8.02	7.78	8.55	9.00
Capital work in progress	0.11	16.00
Investments	0.08	0.08	0.08	0.14	0.14	0.00
Current Assets						
Loans & Advances	48.98	48.64	58.33	79.95	103.58	106.00
Intangible Assets						
Accumulated Loss	..	3.38	11.75	7.72	2.38	..
TOTAL	53.15	58.88	78.18	95.59	114.76	132.00
Capital Employed	34.62	40.08	47.16	67.11	81.47	75.00
Debt	16.74	18.36	23.99	43.02	59.77	72.00

i

32 Capital Structure

The debt-equity ratio of the Corporation between 1977-78 and 1982-83 is as follows :-

BLE - 3.4⁸

<u>Debt - Equity Ratio</u>			
1977 - 78	-	0.57	: 1
1978 - 79	-	0.91	: 1
1979 - 80	-	0.68	: 1
1980 - 81	-	0.49	: 1
1981 - 82	-	0.35	: 1
1982 - 83	-	0.28	: 1

Table 3.4 reveals that the debt of the Corporation has been on the rise. This is despite the fact that the net worth or equity capital of the Corporation has increased appreciably between 1977-78 and 1982-83. In fact the Corporation has become greatly dependent on the Kerala Government for its loans. The total amount of loans received by the Corporation from the Government is as follows :-

ibid

TABLE - 3.5Loans Received by the Corporation

Year	Consolidated Total (Rupees in lakhs)	Actual (Rupees in lakh)
1977 - 78	8.2	8.2
1978 - 79	18.5	10.3
1979 - 80	23.5	5
1980 - 81	28.5	5
1981 - 82	28.5	Nil
1982 - 83	28.5	Nil

Table 3.5 shows that after 1980-81, the Corporation has not been taking loans from the State Government. In fact the Corporation has been steadily repaying both the principal and the interest. Table 3.2 shows that the loans of the Corporation under the head "borrowings" is coming down. From Rs. 24.23 lakhs in 1980-81, the balance principal that has to be repaid has come down to Rs. 19.9 lakhs in 1982-83⁹.

⁹ Kerala State Bamboo Corporation - Report and Accounts 1982-83 - Page 4 and 8.

3.3.3 Reserves and Surpluses

Continuous losses and the non-availability of other sources of funds led to the Corporation's reserves and surpluses remaining constant between 1977-78 and 1980-81. Thereafter the Corporation was forced to draw on these reserves also and consequently there was no reserve during 1981-82. In 1982-83 the Corporation has been in a position to maintain a small reserve as Table - reveals :

TABLE - 3.6¹⁰

<u>Reserves & Surplus of the Corporation</u>	
<u>Year</u>	<u>Amount</u> (Rupees in lakhs)
1977 - 78	1.74
1978 - 79	1.74
1979 - 80	1.74
1980 - 81	1.74
1981 - 82	Nil
1982 - 83	0.16

¹⁰ Kerala State Bamboo Corporation - Report and Accounts 1979-80 Page 10 and Kerala State Bamboo Corporation - Report and Accounts 1982-83 - Page 8.

3.3.4 Liquidity and Solvency

3.3.4.1 The percentage of current assets to total net assets of the Corporation is as follows :-

TABLE-3.7¹¹

<u>Percentage of Current Assets to Total Net Assets</u>	
<u>Year</u>	<u>Percentage</u>
1977 - 78	92.15
1978 - 79	82.61
1979 - 80	74.61
1980 - 81	83.6
1981 - 82	90.3
1982 - 83	80.5

3.3.4.2 The percentage of current assets to current liabilities is as follows :-

TABLE - 3.8¹²

<u>Percentage of Current Assets to Current Liabilitie</u>	
<u>Year</u>	<u>Percentage</u>
1977 - 78	263.62
1978 - 79	314.41
1979 - 80	301.76
1980 - 81	387.72
1981 - 82	337.34
1982 - 83	263.62

3.3.4.3 The percentage of quick assets to current liabilities is as follows :-

TABLE - 3.9¹³

<u>Percentage of Quick Assets to Current Liabilities</u>	
<u>Year</u>	<u>Percentage</u>
1977 - 78	240.2
1978 - 79	314.16
1979 - 80	262.18
1980 - 81	376.2
1981 - 82	339.6
1982 - 83	275.2

3.3.5 Working Capital

The working capital (current assets, loans and advances less current liabilities) of the Corporation at the close of each of the years ending 31st March is given in Table-3.10. This working capital excludes the depreciation during these years. They represent the value of production at cost in these years.

13 *ibid*

TABLE - 3.10¹⁴

<u>Year</u>	<u>Working Capital</u>
	<u>Capital</u> (Rupees in lakhs)
1977 - 78	30.53
1978 - 79	33.3
1979 - 80	39.14
1980 - 81	59.33
1981 - 82	72.87
1982 - 83	66.39

3.3.6 Working Results of the Corporation

The business turnover of the Corporation for the following financial years are furnished below alongwith the working results :

¹⁴ ibid

Continued.....

TABLE - 3.11¹⁵Working Results of the Corporation

(Rupees in lakhs)

<u>Year</u>	<u>Turnover</u>	<u>Profit</u>	<u>Loss</u>
1971 - 72	1.88	..	0.31
1972 - 73	9.65	0.46	..
1973 - 74	9.08	..	0.84
1974 - 75	14.13	..	1.05
1975 - 76	52.70	2.42	..
1976 - 77	76.73	4.06	..
1977 - 78	102.94	1.16	..
1978 - 79	137.35	..	3.38
1979 - 80	141.42	..	11.75
1980 - 81	184.16	..	7.72
1981 - 82	208.65	..	2.38
1982 - 83	199.36	0.15	..

3.3.7 Production Performance

Production performance implies the value of production of finished goods and reeds. Value of production is calculated by the following formula :

$$\text{Value of Production} = (\text{Sales} + \text{Closing Stock}) - \text{Opening Stock}$$

Value of production is worked out below for the years between 1977-78 and 1982-83.

TABLE - 3.12¹⁶

	<u>Value of Production</u>					
	1977-78	78-79	79-80	80-81	81-82	82-83
	(Rupees in lakhs)					
a) Sales	102.4	137.38	141.53	184.07	208.65	194.12
b) Closing Stock of finished goods & reeds	25.24	8.38	13.52	9.16	6.72	4.12
c) Opening Stock of finished goods & reeds	5.01	25.24	8.38	13.52	9.16	4.12
d) Value of Production (Production Performance)	122.63	120.52	146.67	179.71	206.21	194.12

$$d = (a + b) - c$$

From Tables 3.13(a), 3.13(b) and 3.14 given below we can calculate the percentage of value of production to net worth, the percentage of value of production to total net assets and the percentage of cost of sales to sales as follows:-

3.3.7.1 Percentage of value of production to Net worth

TABLE - 3.13(a)¹⁷

1977-78	732.56
1978-79	656.43
1979-80	611.38
1980-81	417.71
1981-82	345.00
1982-83	273.2

3.3.7.2 Percentage of value of production to Total
Net Assets

TABLE - 3.13 (b)¹⁸

1977-78	230.72
1978-79	204.69
1979-80	187.61
1980-81	188.0
1981-82	179.71
1982-83	148.8

⁷ ibid

⁸ ibid

TABLE - 3.14¹⁹

<u>Percentage of cost of sales to sales</u>						
(Rupees in lakhs)						
	1977-78	78-79	79-80	80-81	81-82	
Sales	102.4	137.38	141.53	184.07	208.65	19
Profit before tax(-) Loss (+) (-) (deduct profit add loss)	282	3.55	7.37(-)	4.02(-)	2.94	
Cost of sales	99.58	140.93	148.93	180.05	205.71	19
% of Cost of sales to sales	97.24	102.58	105.23	97.82	98.59	9

Inventory and Production

Table 3.15 indicates the comparative position of inventory and its distribution at the close of each year under review :

TABLE - 3.15²⁰

<u>Inventory Distribution</u>					
	1977-78	78-79	79-80	80-81	81-82
(Rupees in lakhs)					
a) Finished Goods	23.06	7.63	11.59	8.76	5.57
b) Stock of Reeds	2.11	0.66	1.93	0.40	1.15
c) Stock of Provisions	0.07	0.09
T O T A L	25.24	8.38	13.52	9.16	6.72

During 1976-77 the Corporation under its direct management started 3 provision stores to supply provisions to the workers at cheap rates at Thottakam, Kottamam and Cheranalloor²¹. However this project ended in failure. The Corporation found it difficult to supply goods at prices lower than the market prices because of the unhelpful attitude of the Kerala State Civil Supplies Corporation in providing these stores with the necessary goods at reasonable rates. Besides, in an attempt to widen its sales, the Civil Supplies Corporation opened its own provision stores in these areas. This prompted the Bamboo Corporation to discontinue the provision stores during 1979-80. That is the reason why in the table 3.15 the stock of provisions is also mentioned.

How does the Corporation function ?

The functioning of the Corporation can be studied under four heads.

- 4.1 Collection of Reeds from the forests
- 4.2 Distribution of Reeds to the traditional workers
- 4.3 Purchasing of Mats from the Mat weavers
- 4.4 Marketing of Mats

4.1 Reeds Collection

The Corporation has in its employ nearly 2500 cutters of reeds who have accepted reed cutting as their sole occupation. These cutters are attached to Reeds Collection Centres. The Corporation has nine Reeds Collection Centres to look after the operations connected with reeds collection. The Corporation has the exclusive right for the collection of reeds from Trichur, Quilon and High Range Forest Circles for distribution to traditional workers in the State. In April 1984 the Government gave the Corporation permission to cut 5000 tons reeds from the Nilambur forests²². To facilitate the fullest utilisation of the reeds, the Corporation has opened a new reed collection centre at Nilambur. The Corporation now has the permission of the Government to cut 25,000 tons annually.

Each reed collection centre is manned by several officials who are experts at fixing the quality of the reeds collected. In each centre reeds are made into bundles and the number in each bundle depends on the quality of the reeds. Bundles are

either of 15, 20 or 25. There are several varieties of reeds and each variety is marked by letter of the alphabet. On the basis of the quality of the reeds, the Corporation authorities in the reed collection centres have identified varieties from A to M in the alphabetical order. Each variety is further subdivided. Variety, A, which is the finest, is further subdivided into AI, AII, AIII, AIV, AV and AVI. Reeds belonging to the variety AVI are the best of all types of reeds collected. The better the quality of the reed the fewer will be the number in each bundle. The Reed Collection Officers mark on each bundle the variety to which each belongs and its value. The Accounts Division of the Bamboo Corporation prepares an "Impressed" which is followed by the collection officers for fixing the value of the reeds.

The Impressed by the Accounts Division contains the size of the reed, the procurement rate per reed and the selling rate per reed. This Impressed is prepared as and when the Director Board feels that changes in prices should be effected. A copy of the Impressed is sent to each reed collection centre and to each depot. A typical Impressed prepared on 1.4.1984 is given below in

7-11-84

TABLE - 3.16²³

<u>Size</u>	<u>Impressed of Reeds</u>	
	<u>Procurement Rate per reed</u> (in rupees)	<u>Selling Rate per re</u> (in rupees)
AVI	0.96 ✓	1.45
AV	0.92	1.40
AIV	0.90	1.36
AIII	0.85	1.31
AII	0.82	1.27
AI	0.77	1.23
A	0.74	1.17
B	0.71	1.12
C	0.65	1.06
D	0.61	1.02
E	0.55	0.95
F	0.49	0.90
G	0.46	0.84
H	0.40	0.77
I	0.31	0.70
J	0.29	0.63
K	0.26	0.61
L	0.24	0.58
M	0.19	0.54

The reeds thus marked and bundled move from the reed collection centres to the various depots of the Corporation, from where the second stage in the functioning of the Corporation, namely distribution of reeds to the mat weavers, takes place.

Distribution of Reeds

The Corporation is undertaking the distribution of reeds to all traditional workers, registered small scale units and other actual users in the entire State except in the former Malabar Area. The Government has allotted 25,000 tons of reeds per year to the Corporation for distribution to the workers in the traditional sector. With the granting of permission to cut 5000 tons of reeds from the Nilambur forests in the Calicut Circle, the Corporation will be in a position to extend its activities to the Malabar area also. This would bring all the traditional workers engaged in this industry in the entire Kerala State under the protection of the Corporation

To distribute reeds to all genuine and eligible weaver families, the Corporation has 57 depots²⁴. At present 18 Main Depots and 39 Sub Depots are functioning

to cater to the needs of the mat weavers. These depots undertake the distribution of reeds to all weaver families brought under the fold of the Corporation.

Reeds from the Collection Centres are taken to the Main Depots. Each main depot has under it a maximum of three sub-depots. The fundamental difference between these two types of depots lies in the duration of their working. A main depot always functions for six days a week. A sub-depot works either twice a week or on alternate days as the requirement warrants. The administrative head of a main depot is the Depot Officer who supervises all work connected with the main depot as well as the sub depots under it. While 100 to 200 families are attached to each sub-depot, 200 to 400 families are attached to each main depot. The reeds from the collection centres are stocked at the main depots from where they are transported to the sub-depots.

The Corporation used to pay a sum of Rs. 25/- per 100 reeds to the Government for the reeds supplied. With effect from 12.10.1983, reeds are being supplied to the Corporation free of charge. Thirty percent of the supplies given to the Corporation is earmarked for Harijans

traditionally engaged in using reeds for making baskets and other products ²⁵. The Corporation does not have the responsibility of distributing these reeds to the Harijan families. The Kerala Girijan Federation has been entrusted with the work of providing reeds to Harijan groups. After the earmarking to the Girijan Federation is made, the rest of the reeds are distributed among the weaver families attached to the Corporation.

Though the Corporation gets reeds free of cost, it sells these reeds to the mat weavers on the basis of the Impressed prepared by its Accounts Division. The procurement price is the price paid for reeds to the reed cutters. The reeds are supplied to the weavers on credit. Credit facilities to the weaver families are being provided by both the Corporation and the State Bank of India. About 4000 weaver families avail themselves of the facilities from the State Bank of India for getting reeds on credit. The Corporation is giving credit facilities to about 6000 weaver families. However in certain areas like Ranni, the eligible mat weavers do not avail themselves of the credit facilities. They purchase the reeds from the depots by making cash payments.

Similarly at Kuttampuzha several merchants finance the reed mat weavers to purchase the reeds from the Corporation depots²⁶. But, on the whole, out of the nearly 12,000 families indulging in mat weaving, about 10,000 families get reeds on credit.

Purchase of Mats

The reeds supplied from the depots are carried by the mat weavers to their houses, where they weave mats. Reed mats are woven in cottages where members of the family cut the reeds into pieces. These pieces are treated with water and torn into several sizes to make them fit for mat weaving. These are known as "Alli". The weavers dig holes in front of their houses and fill it with water. Reeds cut into many pieces and many sizes are put into these holes. In most houses reed pieces full to the brim in holes dug in front of the houses and full of water is a common sight. After the reeds are treated with water they are dried for a specific period of time in the sun. From the exterior of these reeds thin peelings are reamed and these are used for making mats.

While in most places mats are woven in the houses of the artisans, community halls are also steadily springing

Kanjirampara colony, in the northern suburbs of Trivandrum City, reed mats are woven in a community hall and not in the homes of the mat weavers. The bamboo workers of this area found it very difficult to carry on weaving work in their houses. With the assistance of Canara Bank, a work shed has been put up for the purpose. At Kurumkollur, also in Trivandrum district, under the auspices of the District Co-operative Bank, reed mats are being woven by weaver families in two community centres²⁷. However, except for a small minority, reed mats are woven in the cottages of the weavers.

The mat weavers are legally bound to sell the mats to the Corporation. The Corporation's depots undertake the purchase work also. From a bundle of reeds, 15 to 20 mats can be woven. The piece rate system is followed by the Corporation while purchasing mats. As per this system payment is made immediately on the delivery of the mats. As most weavers get reeds on credit, at the depot the value of the reeds is deducted from the price paid for the mats and the balance is paid to the mat weavers. Fresh bundles are issued only after the account of each bundle issued earlier is settled. The number of mats woven is dependent on the

quality of the reeds supplied. For example, from size AVI, 15 mats can be easily woven from a bundle of 20 reeds. At the same time from size C mats cannot be woven at all and only baskets can be woven.

The mats woven have to conform to the specifications fixed by the Corporation. Three specifications are generally insisted by the Corporation. They are 5' by 3' , 5' by 2' and 4' by 2'. At Adimali, Mangulam and Munnar the mats woven are of size 5' by 3'. At Angamali, Kaladi, Cheranalloor both 5' by 3' and 5' by 2' are woven. At Kuttampuzha and Ranni 4' by 2' mats are woven. Mats of specification 6' by 4' are also manufactured, though they are not popular with the buyers, who prefer the smaller mats. In all places mats are manufactured generally in accordance with demand conditions. But as the labour involved is the same in the case of all mats, the price paid to the mats is uniform. With effect from 1.4.1984, the Corporation is purchasing mats at the rate of Rs. 2.25 per mat²⁸. Bigger mats however get a higher margin.

The mats purchased at the depot are folded into bundles of 10 at the depot itself. They are then

²⁸ File No. KSBC 80/4/84 of Kerala State Bamboo Corporation.

transported to the godowns of the Bamboo Corporation, situated near the Angamaly Railway Station. From the areas around Angamaly the mats are transported to the godowns by means of bullock carts. From Kuttampuzha, Ranni and such areas, distant from Angamaly, the mats are brought to the godowns by lorries. The Storage and Despatch division of the Corporation takes charge of the mats which are stocked in the six godowns of the Bamboo Corporation. It is from these godowns that the mats are marketed.

3.4.4 Marketing of Mats

The Sales Division of the Bamboo Corporation is in charge of the sale of bamboo mats. Both public and private sector concerns purchase mats directly from the Corporation. The Corporation has also a number of customers outside Kerala apart from those within the State. The Food Corporation of India, the Central Warehousing Corporation and the State Warehousing Corporation are the most important public sector concerns who demand bamboo mats. Sugar mills of Maharashtra are important buyers of mats. Moreover, private traders of Tamilnadu and Kerala, besides those of Maharashtra, consume a large quantity of the Corporation's mats.

The public sector concerns purchase mats from the Bamboo Corporation under the system of "Rate Contract". The Contract is for a period of three years. Mats were being supplied by the Corporation to the Food Corporation of India, the Central Warehousing Corporation and the State Warehousing Corporation at a selling price of Rs. 2.64 per mat till 30.4.1984. The new contract price has not yet been finalised as there exists a dispute between the public sector concerns and the Corporation regarding a price hike. At present the public sector concerns are purchasing mats at the price fixed by the Corporation. The public sector concerns use mats of both 5' by 3' and 5' by 2' specifications. The mats are used in their godowns for dunnage purposes. Bamboo mats are regarded as ideal for storage purposes because of their capacity to absorb moisture. They are also used in spillage collection in the godowns of these public sector enterprises.

While the system of rate contract is followed in the case of Government Companies, regarding private agencies the price decided by the Director Board of the Corporation is followed. This price is changed in accordance with

changes in demand and supply conditions. With effect from 1.4.1984, the selling price of a bamboo mat to private agencies has been fixed at Rs. 3.45²⁹. This carries a sales tax of 5.75%. The price of a mat, inclusive of sales tax, comes to Rs. 3.65. By and large, private agencies are the parties with whom the Corporation is having the bulk of its business. Among the private agencies, the sugar mills of Maharashtra and the slum dwellers of Bombay and Tamilnadu are its main customers. Around 25% of bamboo mats go to Maharashtra for use of the sugar mills. Bamboo mats have two uses for the sugar mills. Firstly, they are used for storage purposes. Secondly, the mats are used in large quantities to make tenements during the crushing season. In Maharashtra the sugar mills are situated at places distant from the sugarcane fields. The crushing season generally lasts for nearly two months. The sugarcane crushers make use of the bamboo mats to construct temporary sheds near the fields. The crushers stay in these sheds till the season is over, after which the bamboo mat sheds are burnt down. Because of the durability and easy portability of these mats, they are in very high demand during the crushing season in Maharashtra.

for housing purposes. Huts made of bamboo mats are a common sight in Bombay and suburbs during the monsoon. Tamilnadu is also a heavy purchaser of bamboo mats, where too they are primarily used by the weaker sections of the society for purposes of housing. On the whole the private sector agencies have purchased more bamboo mats than the public sector concerns. Table 3.17 shows the value received by the Corporation from the sale of bamboo mats within and outside the State. While that from within the State is dominated by the sales to the public sector concerns, that from outside the State is from the private agencies. The figures of the years from 1980-81 to 1982-83 are given in table 3.17.

TABLE - 3.17 ³⁰

Sales of Turnover of the Corporation

(Rupees in lakhs)

Year	Aggregate Turnover	Turnover from within the State	Turnover from Outside the State
1980-81	184.16	41.07	143.09
1981-82	208.65	42.41	166.24
1982-83	199.36	43.63	155.73

The Bamboo Corporation thus conducts the sale of mats covering a fairly wide area. It also arranges the transportation of mats. Railways are its main mode of transport. The very fact that the six godowns of the Corporation are situated close to the Angamaly Railway Station facilitates easy transport to distant places. Thus the Corporation functions as a promotional agency for the Bamboo industry in the State providing succour to a large number of traditional workers.

3.5 Price Policy of the Corporation

Reference has already been made regarding the various prices given by the Corporation and charged by it at the various stages of mat production and sale. A close scrutiny of its price policy clearly shows that the Corporation has been following a liberal price policy. The price charged for the reeds, the price paid to the mat weavers for mats and the price charged from the final consumers of reed mats have been in accordance with the changing situations. Moreover, the price policy has been in conformity with the Corporation's declared policy of no-profit no-loss.

When the Corporation was established in 1971, the

that time the annual allotment was only 5000 tons of reeds. In 1975-76, the Corporation made a net profit of Rs. 2.42 lakhs and had a turnover of Rs. 52.7 lakhs³¹. This prompted it to ask for a higher allotment of reeds. The request was granted by the Government, but at a price. The Corporation's annual allotment was raised to 10,000 tons at the price of Rs. 8/- per 1000 reeds. In 1978 the Government raised the allotment to the Corporation to 15,000 tons per year and the price of reeds to Rs. 15/- per 1000 reeds. In 1980 the reeds allotment was raised to 20,000 tons and the price to Rs. 25/- per 1000 reeds. During 1983-84 the quantum of raw material was further raised to 25,000 tons and the price of reeds remained unchanged. In October 1983 the Government decided to supply reeds free of cost to the Corporation in the wake of the losses suffered by it during the four years 1978-79 to 1981-82.

Scientific classification of reeds into many varieties on the basis of their quality is a recent development. Till 1975-76 reeds were supplied free of cost by the Corporation to its users. From 1971 to 1974, the Corporation had appointed the merchants of Angamaly as its accredited agents and the reeds were supplied to

them and through them to the mat weavers. With the opening of its own depots in 1974, the Corporation supplied reeds free of cost to the mat weavers directly. However, when the Government imposed a charge for the reeds supplied, the Corporation too, in turn, was forced to set a price for reeds. At that time reed classification was at a rudimentary stage and hence a flat rate of Rs. 6/- per bundle of 25 was fixed. But as new and improved varieties of reeds started being distributed the price policy also underwent changes. When the price of reeds was raised in 1978 by the Government, the Corporation also did not lag behind. Reeds, by then, had been classified into four varieties marked A, B, C and D. Variety A was priced at Rs. 14/- per bundle, B at Rs. 12.75, C at Rs. 11.90 and D at Rs. 9.60³². By the time the Government increased the price of reeds in 1982, more varieties of reeds had come to be identified. From 1982 onwards detailed statements of prices and varieties began to be prepared by the Corporation. These statements known as Impressed are revised in accordance with the changing conditions. A typical Impressed prepared on 1.4.'84 has already been shown in Table 3.16.

The Corporation has time and again revised the price paid for mats in the course of its short existence. As already mentioned in the earlier part of this section, during 1971-74 the Corporation was paying the accredited agents the value for mats received. These agents, in turn paid the mat weavers. In 1971-72 the price paid for a mat to the merchants was 60 paise. This was raised to 65 paise in 1972-73 and this price was not revised till 1974. In 1974 when the Corporation started dealing direct with the mat weavers through its depots, it paid them 62 ps. per mat. However during 1974-75 due to the sudden inflationary conditions, the Corporation revised the price of mats four times as follows³³ :-

June	62 Ps.
August	66 "
September	70 "
November	75 "
January 1975	82 "

However after the revision in January 1975, the Director Board of the Corporation has been more conservative in its policy of mat price revision. It was only in

March 1976 that the price of mats was enhanced to 1 rupee per mat. During 1976-77 the Corporation made a record profit of Rs. 4.06 lakhs³⁴. Accordingly, the price of mats was raised to Rs. 1.12. However, this price remained unchanged for nearly two and a half years. It was only in September 1979 that the Corporation raised the price of a mat to Rs. 1.23. After this enhancement, the Director Board of the Corporation has effected price revision only once in every 15 to 20 months. At the same time the increased rates have been at a higher percentage. Accordingly the price of a mat was raised to Rs. 1.40 in March 1981, to Rs. 1.82 in November 1982 and to Rs. 2.25 on 1.4.1984.

The price given to each mat is arrived at by following a basic principle. As reeds are supplied on credit to the mat weavers half the price of mat is expected to cover the raw material cost and the other half the labour charge. In other words the price of Rs. 2.25 is arrived at by the following computation :

Raw Material Cost	-	Rs. 1.13
Labour Charges	-	Rs. 1.12

TOTAL		Rs. 2.25
		=====

The selling price of bamboo mats has also been revised as and when the price paid to the weavers has been changed. However in its dealings with the public sector concerns the Rate Contract System has been followed i.e. the rate has been renewed every three years. From 1978 onwards the Corporation has been regularly supplying mats to the public sector concerns as per this system. The Food Corporation of India, the Central Warehousing Corporation and the State Warehousing Corporation have been purchasing mats from the Bamboo Corporation at the following prices.

1.5.1978	to	30.4.1981	-	Rs. 2.30 Ps.
1.5.1981	to	30.4.1984	-	Rs. 2.64 Ps.

In the case of the private sector the price charged for a mat has been changed frequently. In 1971 a mat was sold at Rs. 1.08 by the Corporation. After the introduction of the present system in 1974, the price was raised to Rs. 1.26. As and when the price paid to the mat weavers has been revised, the price charged has also gone up. The price of a mat which was Rs. 2.78 in April 1983 was raised to Rs. 3.21 in September 1983 and to Rs. 3.45 from 1.4.1984.

An important feature of the Corporation's price policy is that it confines itself only to wholesale business. Initially it was concentrating its attention only on the wholesale trade of bamboo mats. However in recent times it has started the wholesale supply of reeds also. After purchasing reeds from the Government the Corporation supplies reeds for conducting public meetings and making security arrangements for visiting dignitaries. But only sizes C to M are given for such purposes and the Corporation has been charging the rates shown as "Selling Rate" in the Impressed given in Table 3.16.

3.6 Research and Development

It was during the year 1977-78 that the Corporation first turned its attention towards the field of "Research and Development". During this year the Director Board of the Corporation contacted the Indian Plywood Industries Research Institute, Bangalore for conducting research work using bamboo mats³⁵. The Corporation requested this Institute to find ways and means of developing new and improved products from bamboo mats. The Indian Plywood Industries Research Institute has been conducting research work in this field with financial

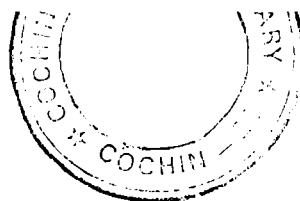
assistance from the All India Handicrafts Board and with the direct participation and involvement of the Bamboo Corporation. The research project of the Institute was termed "Improved and New Uses of Bamboo Mats". The Institute, at the behest of the Corporation entrusted a prominent wood technologist Sri C.S. Dayanidhi with the preparation of a Project Report for the commercial production of bamboo boards. The Institute is also undertaking research works in developing value added sophisticated products like roofing materials and panelling materials from bamboo mats.

As part of its research and development activity, the Corporation has been in close contact with M/s. Travancore Plywood Industries Ltd., Punalur. With the help of this concern the Corporation has processed a substantial quantity of bamboo boards. The material so developed from this processing is known as "Resin Bonded Bamboo Boards". This has proved to be a versatile panelling material and is emerging as a competitive substitute for plywood. So also bituminised bamboo mats have been developed for use as roofing sheets. The Indian Plywood Industries Research Institute is studying the suitability of this material for roof cladding in low cost housing. The Institute has come to the

conclusion that these boards can be put into a variety of indoor and outdoor applications such as false ceiling, partition, door panelling, manufacture of furniture like tables, cots etc. and for several household items³⁶.

By March 1981 the Corporation had processed about 1500 Resin Bonded Bamboo Boards and put the same into the market for studying the consumer acceptability and price competitiveness of the product. There has been good response from the consumers and the Corporation is now in a position to go into the market with this competitive substitute for plywood if the product is available. The research and development work done so far have established the marketability of the new product.

In order to carry out research and development work the Corporation has been annually allotting some amount for this purpose. This allotment has been increasing progressively as table 3.18 will reveal. The increasing allocation of funds makes clear the anxiety of the Director Board to diversify the bamboo industry along scientific lines. However before 1977-78 the Corporation has not set apart any funds under this head.

Table - 3.18Expenditure on Research and Development

<u>Year</u>	<u>Amount (in rupees)</u>
1977-78	2915.50
1978-79	11886.54
1979-80	21984.72
1980-81	64475.12
1981-82	1398.45
1982-83	29138.18

Table 3.18 shows that in 1981-82 the Corporation has not made much allotment towards research and development. The reason is that 1981-82 saw the emergence of the "Bamboo Board Project" which is the direct result of the research activity of the Corporation. (A detailed account of this Project is being given in Chapter IV). The Bamboo Board Project is a clear indication of the Corporation's efforts at diversification of the bamboo industry. It is well-known that the products made out of bamboo are essentially labour-intensive in character and defy modern innovations. Thus without disturbing the traditional nature of the industry, diversification projects have to be carried out. The wood technologist of the Indian Plywood Industries Research Institute

CHAPTER - IV

IMPACT OF THE BAMBOO CORPORATION

The Kerala State Bamboo Corporation since its formation in 1971 has been able to contribute so much to develop and stabilise the bamboo industry. State promotional agency for the bamboo industry in Kerala, it has been able to rehabilitate nearly 12,000 families traditionally employed in this industry. The work done by the Corporation from its very inception has been encouraging and it has been giving substantial relief to bamboo workers in general. It has brought up to its feet almost all genuine and eligible weaver families in the state.

The Corporation has aims of extending its benefits to all the traditional workers in Kerala. It has a legitimate pride that it is the only Corporation of this kind in the entire country providing hope to a large number of bamboo and reed workers in the state by providing them all welfare measures.

The impact made by the Corporation on

industry can be analysed under the following heads

- 4.1 Research and Development
- 4.2 Supply of Raw Materials
- 4.3 Purchase and Marketing of Mats
- 4.4 Socio-economic Benefits

The Corporation was established mainly to improve the living conditions of the people engaged in the collection of bamboo and reeds from the forests and mat-weaving. Most of the people in these occupations are Harijans and others belonging to the economic and socially weaker sections of the society. They were previously dependent on middlemen for raw materials and for the marketing of finished products. As a result a large portion of the fruits of their labour was being appropriated by intermediaries. The Bamboo Corporation took upon itself the responsibility of supplying raw materials and making arrangements for the marketing of finished products. The impact made by the Corporation can also be seen from the interest it has taken in bringing about changes in the uses of the products of this industry. It has also made its presence felt in utilising the employment potential of this industry. Further it has also made far-reaching social and economic contributions.

marketing it has been able to extend its influence to other parts of the country. However it is in the 'Research and Development' that it has been able to have the most notable impact and hence we can start analysing this aspect.

4.1 Research and Development - The Bamboo Board

As mentioned in the earlier chapters, from its inception the Corporation authorities have been taking a lot of interest in diversifying the bamboo industry. Therefore the Corporation had been in touch with the Indian Plywood Industries Research Institute, Bangalore for its assistance in modernising the bamboo industry. Besides, the Corporation processed a large quantity of bamboo boards in the plant of M/s. Indian Plywood Industries Ltd., Punalur. The result of these efforts was the Government sanction for the development project of the Corporation known as "Bamboo Board" at an estimated cost of Rs. 105.74 lakhs. The report for the manufacture of bamboo boards was prepared by Sri. C.S. Dayanidhi, Wood Technologist and Corpn. Engineer of Bangalore. He presented the report to the Corporation in March 1980.

4.1.1 Genesis of the Project

The Bamboo Corporation Director felt that something concrete had to be done to rejuvenate this labour-oriented traditional cottage industry which was feeding thousands of poor families. The products of this industry, namely bamboo mats, basketwares and other articles used for packing, dunnage, construction of temporary sheds etc., had an extensive market. At the same time the price of these articles was low as nearly half of the cost of the coarse variety products and two thirds of the finer variety accounted for labour wages. A new project to revive the industry was the need of the hour.

The annual consumption of mats in the country had been estimated at about 120 million square feet². Out of this Kerala alone consumes nearly 100 million square feet. The bulk of the consumption in the organised sector is as

¹ C.S. Dayanidhi - Project Report for the manufacture of Bamboo Boards - Page 1

² *ibid*

80 million square feet ³. The total demand for variety of mats is rather stationary and there is a declining trend due to the replacement of mats by synthetic materials. At the existing cost of raw material and selling price of mats, there is a serious threat to the welfare of wage earners as there is no scope for any increase in wages.

The bamboo industry is one where there is a great potential of raw materials availability. Bamboo regenerates very fast when compared to other grasses. However, the mats have limited utility. At the same time, the shortages felt by the scarcity of wood could be exploited by the diversification of this product. The commercial application of the bamboo products could also help in reviving this traditional cottage industry. However, diversification has to be done in such a way that the craft of mat making is preserved through updated techniques and technology. The traditional character of the industry has to be preserved not only for their intrinsic value but also for the fact that they constitute the only means of livelihood for a great majority of craftsmen.

The Corporation felt that the project will breathe fresh life into the old craft by harnessing the skills in a meaningful direction and enable them to successfully evade exploitation by middlemen and gain a sense of self-reliance. A more value added product out of bamboo mats has been developed by using a resin namely "Cardanol Phenol Formal Dehyde" as a material ⁴. The resin bonded and coated bamboo boards which are decorative can be used for wall panelling, ceiling, panel inserts in joinery, prefabricated grain storage bins, furniture etc. Bamboo boards are produced at reasonable cost. It is a decorative material and the raw material is available on short crop areas. This can contribute a lot to the rural economy of the country. All these reasons led the Corporation to take the initiative for this ambitious plan of diversification.

4.1.2 Description of Bamboo Boards

Bamboo mats are woven from bamboo strips, coated with Cardanol Phenol Formal Dehyde (CPFD), conditioned and pressed in a hot press. The bamboo can be manufactured as a single mat board having a veneer can be used as core material. The following

the properties of the bamboo mat board made out of

i)	Sp. Grade	0.98
ii)	Bonding strength	1053 Kgm/Cm
iii)	Tensile strength	1240 Kgm/Cm
iv)	Water Absorption	24 hours

The technique of manufacturing resin bonded boards is of recent origin. Resin coated boards is quite new. It is a new panelled product.

It is estimated that the demand for plywood based panels for the year 1980 was of the order of 155 million cubic metres. By 1990 this is estimated upto 300 million cubic metres. As of now the world is barely of the order of 90 million cubic metres. India's contribution is hardly 5 lakh cubic metres. The gap between supply and demand can never be bridged. The use of plywood and other existing wood based panels. Bamboo boards thus have tremendous potential as effective substitutes for plywood and other wood based products.

4.1.3 Feasibility of the Project

The Corporation went ahead with its civil soon as it got the clearance from the Government Bamboo Board Project is considered feasible due to following reasons :

- 4.1.3.1 The equity capital (both for plant and land and building) is estimated at Rs. . The gross earnings are estimated at around Rs. 10.56 lakhs. Hence the gross return on equity works out to 31.47%, which by any standard is a very sound proposal ⁶.
- 4.1.3.2 There is a steady shortage of good quality logs all over the world in general and in particular. At the same time the demand for bamboo boards is increasing steadily. Only an abundant and attractive material like bamboo mats can meet this challenge.
- 4.1.3.3 The cost of production of bamboo boards is much cheaper as compared to plywood boards of similar thickness. Since the finished bamboo board does not contain more than one layer of veneer

does not come under the purview of central duty on 'ad valorem' basis. The present cost of plywood is Rs. 2.75 per square metre for 4 millimetre thick panels⁷. Thus, costwise, bamboo boards are very competitive. Qualitywise, bamboo boards are very strong, water repellent and boiled waterproof besides being very aesthetic.

4.1.3.4 There need be no fear of raw material shortage for this project since bamboo is of a short crop cycle and the regeneration potential in Kerala is abundant. It has been calculated by the Forest Research Institute of Kerala that bamboo does not take more than 3 months to regenerate. Red bamboos are ideal for mat making and they are available in plentiful supply in the forests of Kerala.

4.1.3.5 The bamboo industry is a rural based industry employing Harijans, tribals and others belonging to the economically weaker and socially backward sections of the society. This project fully satisfies the guidelines laid down by the Government of India to develop village industries on traditional economic patterns. The project not only produces value-added products, but also provides massive employment potential in backward areas with wage benefits to workers.

4.1.3.6 The turnover to equity ratio is very low, based on single shift operation. There is a need of scope to expand the activities to meet the increased demand by working extra shifts. It requires scientific balancing of the equipment.

4.1.4 Specification of Raw material Required

Ordinary mats are sufficient for the manufacture of these boards. Two varieties of reeds have been found as ideal to make mats. They are "~~Okh~~landra Tripartita" and "~~Okh~~landra Reedii". The best-suited reeds are the matured reeds of three years of age for mat making with longer internodesⁿ are also regarded as ideal for mat making. The size of the woven mats can be

8' x 4'	8' x 3'
7' x 4'	7' x 3'
6' x 4'	6' x 3'
5' x 4'	5' x 3'

Closely woven mats of 1 millimetre thickness are the basic necessity in the manufacture of bamboo boards. The wooden veneer recommended by the Indian State Institute of thickness 2 mm to 2.5 mm and standard

IS 303 is used as the raw material for bonding p
The CPFED resin is another ingredient of bamboo b
This resin is a compound of cardanol, phenol, fo
cardalite and sodium hydroxide. Cardanol is a p
of cashew and is marketed by the Cashew Developme
Corporation, Quilon. Phenol resin is manufacture
condensing phenol and formalin in a special conta
Cardalite-131, as it is popularly known, is marke
Card-Chem Institute, Hyderabad ⁹. The supporting
consists of fillers and hardners. Tamarind seed
and coconut shell flour are good fillers and assi
hardening of the boards.

4.1.5 Operational Sequence

The first step in the manufacture of b
boards is the drying of mats. These mats are put
specially made for this purpose. Drying is essent
the mats have a moisture content of 6% to 12%. Sic
with the drying of mats CPFED resin is prepared. Th
adhesive is completely resistant to boiling water,
water, salt water and even alcohols, oils and solve

This CPFED resin, which has a high-water tolerance property, should generally be manufactured in the following proportion ¹⁰:

Phenol	-	6	Kilogram
Cardanol	-	4	"
Formalin	-	12	"
Cardalite	-	0.5	"
Sodium Hydroxide	-	0.5	"

The next operational sequence is gluing and pressing of the mats together into boards. The mats of 1 mm dimension and wooden veneer of 2 to 2.5 mm thickness are glued and pressed together with the CPFED resin. The gaps that are likely to occur are filled with either coconut shell flour or seed powder which also act as hardeners. Once the process is over, the boards are cut into dimensions in accordance with consumer requirements. The boards are then scraped with sand paper and finishing is given to it with the help of polish. They are then packed into crates, each crate containing thirty-four dozen boards.

4.1.6 Auxillary Equipment¹¹

For the proper functioning of this project following auxillary equipment are essential. The estimate is such that there is scope for expansion over the years to come.

- 4.1.6.1 A bamboo mat yard covering 5000 square yards for storing 15 lakhs square feet of bamboo mats.
- 4.1.6.2 A Boiler Plant with a capacity of not less than 2000 kilograms per hour.
- 4.1.6.3 A factory building with a load capacity of approximately 2000 kilograms per square metre.
- 4.1.6.4 A Compressor Plant with an effective suction of 5300 cubic metres per hour. Several duplicate plants, each of 150 mm diameter, with a main line of 300 mm diameter.
- 4.1.6.5 An Electrical Installation consisting of a 11 KV Tension Transmitter is essential.
- 4.1.6.6 Transporting equipment. In the first phase production trolleys are sufficient. But on the second phase hand fork lifts with a

¹¹ ibid - Page 12

capacity of 2 tons is a must.

4.1.6.7 Other equipment essential are a portable electric welding device and a small labor maintain quality control.

4.1.7 Production Capacity

The project has the capacity to produce 1800 metres of boards per shift per day. The annual production estimated at 4,50,000 square metres or 50 lakhs square on the assumption that the project will work for 250 days per year¹². The project is designed to produce following types of boards¹³.

4.1.7.1 12.5 lakhs square feet of boards with both closely woven with fine mats of 2.5 mm thick on both sides and bonded with CPFD.

4.1.7.2 12.5 lakhs square feet of boards with one side closely woven with fine mat and bonded with

4.1.7.3 25 lakhs square feet of multi-mat boards using mats of 3 mm thickness and bonded with CPFD.

12 ibid - Page 14

13 ibid

4.1.8 Manpower Requirement

The Bamboo Board Project requires manpower types - skilled, semi-skilled and unskilled. In a operation the project requires 8 skilled, 15 semi-s and 68 unskilled manpower¹⁴. Besides, there is the of a factory staff of 91 persons¹⁵. In the present only 8 persons in the managerial cadre are sufficient over an administrative staff of 21 and a security staff 15 are also required¹⁶. The security staff are necessary on guard duty all the 24 hours a day. The total estimated expenditure on monthly salary for the entire staff has calculated as Rs. 7,86,000.00¹⁷.

The manufacture of bamboo boards in the factory is getting delayed owing to several reasons. Though production on an experimental basis has started, that on a commercial basis is yet to begin. The Corporation is now facing a problem of nonavailability of raw material to manufacture bamboo mats. Unless there is sufficient stock to produce bamboo mats continuously the commencement of work might get interrupted. The Corporation officials feel that at least a stock

¹⁴ ibid - Annexure III - Page 15

¹⁵ ibid - Annexure III - Page 16

¹⁶ ibid

¹⁷ ibid - Page 17

three months is required for the project to take of the present circumstances acquiring so much of stock impossible. Hence the commencement of production on scale basis has been temporarily deferred to 1985.

Several other reasons are also responsible for delay in the starting of production. Most of the machinery required have been purchased, but owing to technical and financial constraints their installation is not complete. Besides, working capital in sufficient quantities is not yet to be made available. Owing to the poor debt-equity ratio of the Corporation no commercial bank has come forward to advance the Corporation in this regard. However, negotiations have been initiated and the Corporation is likely to get a loan of Rs. 10 lakhs under this head from the State Bank of India. Once this capital is received the production work is to be launched with all vigour.

Apart from these main factors standing in the way of the starting of this project, several subsidiary factors are also contributing to the difficulty to begin production. The process of recruitment has not been completed. Being a Government-owned Corporation employees are appointed through a long drawn out process adhering to several time-consuming formalities. Moreover, the required number of trained personnel is yet to be assessed. Competent persons are still to be

to the Indian Plywood Industries Research Institute specialised training. Finally there is scarcity of which is the most important bonding material. The G had also agreed to supply the necessary coal, plywood veneer to the project. However, these supplies are forthcoming in sufficient quantities which have caused delay in the commissioning of the project.

4.2 Supply of Raw Materials

Before the Corporation was formed in 1971 the workers engaged in the bamboo industry were dependent on the intermediaries for their raw material. This is one where supply depends on natural resources. The supply of raw material is affected it greatly causes to the primary producer of bamboo mats. The primary of bamboo mats and the suppliers of reeds were operated under the rule, "Heads you win, tails I lose". The merchants and the small merchants, who undertook the work, had full command over the returns from the sale. Demand for bamboo mats was high the main producers got a marginal benefit out of the resultant price hike. At the same time the merchants were able to sell as much as they liked at a very high price. Similarly when there was

reduction in the supply of reeds, the mat weavers : losses, while the merchants gained from higher price was in this background that the Bamboo Corporation established with the basic aim of providing raw material in sufficient quantities to the traditional workers and save them from exploitation.

4.2.1 To supply reeds to the traditional workers Government allots reeds to the Corporation. The allotment initially was 5000 tons per year. To facilitate easy collection of reeds the Government of Kerala allotted the Trichur and Quilon forests to the Corporation giving it the exclusive right for the collection of reeds it required from 1st January 1977¹⁸. The number of families which has benefited from the Corporation's supplying of raw material steadily increased. This prompted the Government to raise the allotment of reeds to 15,000 tons. This allotment was further raised to 20,000 tons during 1982-83 and to 25,000 tons in 1983-84. The increase in allotment was clearly due to the Corporation's capacity to provide raw materials to more and more workers.

¹⁸ Kerala State Bamboo Corporation - Report and Accounts 1982-83
Page - 5

weaver families. From around 600 weaver families in 1977-78, the Corporation now provides the raw material to over 10,000 families during

4.2.2 The impact of the Corporation in supplying materials is also evident from the number of centres and depots it has started ever since inception and gaining of autonomy. In 1978 Corporation had only two reed collection centres at Ranni and Pooyamkutty. With the permission to cut 5000 tons of reeds from the Nilambur forest, the starting of a collection centre there the number of reed collection centres under the Corporation has increased to nine. Besides, Regional Reed Collection Centres are now functioning at Ranni, Pooyamkutty, Sholmalayattoor. In the beginning only weavers from former Travancore and Cochin areas were in the purview of the Corporation. With the granting of permission to cut reeds from the Nilambur forests the Corporation is now in a position to extend its influence to the former Malabar area also. In May 1984 a new reed collection centre was opened in Nilambur to supply raw material to the traditional weaver families in the areas constituting Malabar.

4.2.3 Apart from the increase in the number of recycling centres there has also taken place a rise in the number of depots from which the raw material is supplied to the weaver families. At the time the Corporation gained autonomy it had five main depots and 34 sub depots. With the starting of one main depot at Aryanad and a sub depot at Kurumkollur in Trichur district on 10.11.1983, the number of main depots of the Corporation has increased to 18 and the number of sub depots to 39. The Corporation has thus increased the number of depots to 57 covering almost the whole of the district with 200 to 400 families attached to each depot. This increase in the number of depots and the free supply of raw material has led to an upward revision in the annual allotment of raw material to the weavers as an indication of the widespread impact made by the Corporation in raw material supply.

The extent of raw materials supplied by the Corporation can be studied with the help of Table 4.1

Contd....

TABLE - 4.1¹⁹

Turnover of Reeds

<u>Year</u>	<u>Quantity (Numbers in lakhs)</u>	<u>Am (Rup l)</u>
1977 - 78	89.80	4.
1978 - 79	156.88	60
1979 - 80	150.54	6'
1980 - 81	161.31	80
1981 - 82	151.43	85
1982 - 83	130.57	80

From the Table 4.1 it can be seen that after Corporation gained autonomy in 1978 the turnover in both quantity and value of reeds has risen. The shc in the reeds turnover for the year 1982-83 was due t scarcity of reeds required for mat weaving as a resu large scale reeds extraction by the paper mills.

¹⁹ Kerala State Bamboo Corporation
 Report and Accounts

"	- 1977-78 - Page
"	- 1978-79 - Page
"	- 1979-80 - Page
"	- 1980-81 - Page
"	- 1981-82 - Page
"	- 1982-83 - Page

4.2.4 We can also see that the purchase of reeds (shortages and damages etc.) has also recorded a rise from 1977-78. Again, due to the reasons mentioned in the preceding paragraph, the purchase of reeds during 1982-83 suffered a slight decline. The purchase of reeds implies the seigniorage paid to the Government for the reeds allotted and the wages paid to cutters for the reeds supplied. How much reeds the Corporation has purchased in the period under consideration can be summarised in Table 4.2.

TABLE - 4.2²⁰

Purchase of Reeds (less shortages & damages etc.)

<u>Year</u>	<u>Quantity (Numbers in lakhs)</u>	<u>Amount (Rupees)</u>
1977 - 78	94.4	
1978 - 79	153.18	
1979 - 80	152.16	
1980 - 81	158.99	
1981 - 82	152.57	
1982 - 83	129.88	

²⁰ *ibid*

From Table 4.2 it is clear that purchasing of supply the traditional workers is a major activity institution. Besides distributing the raw material authorised mat weavers the Corporation undertakes t supplying of raw material to all the eligible small industries and Harijan Co-operatives indulging in m The fact that the Government has authorised the Cor. to distribute 30% of its supplies to the Girijan Fe only speaks of the impact made by the Corporation in about the effective distribution of raw material. Corporation has been carrying out this function so that the Government has given its Director Board the to indentify and distribute raw materials to all the persons.

4.2.5 In recognition of the efforts made by the Co to bring about efficient distribution of raw the Government has, from October 1983, exemp Corporation from paying seigniorage for reed This seigniorage was at the rate of Rs. 25/- 1000 reeds²¹. Besides, steps are being take Government for the cultivation of reeds in t catchment areas of Hydro-Electric Projects i State. Reed cultivation on an experimental

21 "Mathrubhumi" - dated 20.7.83 Page 2 Col 1

in the catchment areas of Trichur and Quilon success. This has emboldened the Government extend reed cultivation in more catchment areas. By these measures the Government hopes to augment supplies to the Corporation which were being due to reed scarcity. These measures also in the significant role played by the Corporation effectively supplying raw materials to all the weavers in the State.

- 4.2.6 Measures are also being taken by the Corporation to make the supplying of reeds efficient. Formerly on some occasions when reeds used to be given to weavers directly from the collection centres, reeds were supplied to private parties also. In October 1983 the Director Board felt that the traders were misusing the facility of the Corporation of supplying reeds from the collection centres, they decided to stop the policy of raw material distribution from the collection centres²². The Corporation has resolved that reeds will be distributed only through the depots. Moreover, to prevent the smuggling

²² "Mathrubhumi" - dated 7.10.1983, Page 7, Col. 5

needs the Corporation has started stern mea
with the help of the Vigilance Department a
Forest Department Officials.

4.3 Purchase and Marketing of Mats

4.3.1 The annual consumption of mats in the count
estimated at 120 million square feet. Out
Kerala alone contributes nearly 90%. The Ke
State Bamboo Corporation is leading all othe
in the purchase and marketing of mats. This
made clear if we study the trends shown in T
which is the turnover of mats and the value
turnover of the Corporation, between 1977-78

TABLE - 4.3²³

<u>Year</u>	<u>Turnover of Mats</u>	
	<u>Quantity</u> <u>(Sq.ft. in Lakhs)</u>	<u>Am</u> <u>(Rupee)</u>
1977 - 78	547.86	
1978 - 79	754.27	
1979 - 80	705.30	
1980 - 81	874.33	1
1981 - 82	877.80	1
1982 - 83	726.64	1

23

Kerala State Bamboo Corporation
Report and Accounts

- 1977-78 - Page
- 1978-79 - Page

During 1979-80 it was estimated that the organized sector consumed annually around 80 million square feet of bamboo mats in the country. It has been calculated that between 80% and 90% of the demand of the organized sector is met by the Bamboo Corporation. This demand comes from the private traders within and outside Kerala and the sugar mills of Maharashtra. In fact nearly 25% of the mats produced by the Corporation are marketed in Bombay and other parts of Maharashtra.

4.3.2 Besides supplying raw material to the traditional mat workers the Corporation arranges the marketing of the final produce. The mats produced are seen to have an inelastic demand. This feature about the market has been fully exploited by the private merchants before the formation of the Corporation. After its establishment this institution has been in a position to guarantee mat workers a fair price for the mats they work. The price policy followed by the Corporation is explained in Chapter III. This policy can be said to be liberal and prices of mats have been checked down as and when there has been an upward spurt in prices. Payment for the mats received has been prompt and arrears of payment are settled quickly. As the cost rate system is being followed, the incentive

more has led to the workers trying their best to maximise production. The Corporation has made strides in the purchasing of mats. While purchasing mats from the mat weavers, the cost of raw material is deducted from the value of the mats and the balance is given to the mat weavers. The facility of raw materials on credit has been a blessing to otherwise economically backward workers. The value of mats purchased by the Corporation and their value to be assessed from Table 4.4.

TABLE - 4.4 ²⁴

<u>Year</u>	<u>Extent of Mats purchased</u>	
	<u>Quantity</u> <u>(Sq. feet in lakhs)</u>	<u>Amount</u> <u>(Rupees in lakhs)</u>
1977 - 78	800.36	60.
1978 - 79	531.76	39.
1979 - 80	742.61	59.
1980 - 81	828.26	69.
1981 - 82	845.17	78.
1982 - 83	698.88	74.

The shortfall in 1978-79 was due to the problem of finding markets for the bamboo mats. In the year of getting autonomy the Corporation found

in the marketing of mats. The crisis in industry also precipitated matters. Both trade and public agencies reduced their purchases. However this situation turned for the better during 1979-80 as programmes of expansion were taken up by the public agencies which needed more mats. As seen from Table 4.4 by 1981 the crisis had been overcome. 1982-83 again saw a reduction in mat purchase due to the scarcity of raw materials and consequently weaving of mats suffered a set back.

4.3.3 Availability of mats from the Corporation had its impact on the expansion programme of public agencies. The State Warehousing Corporation is proposing to construct a few more godowns as part of its programme of expansion. However the programme is to a great extent dependent on the availability of bamboo mats for dunnage purposes. The Project Report prepared by the State Warehousing Corporation, Tripunithura, makes a special mention about the importance of bamboo mats as an essential ingredient in the viability of the expansion scheme. The report mentions the present

faced by the Corporation in supplying ma
sufficient quantities to the State Wareh
Corporation. Unless plentiful supply is
ensured the new project may not come off
very well indicates the impact made by t
Bamboo Corporation on the mat industry a
its working influences the decision-maki
other agencies.

4.3.4 The important role played by the Corpora
the field of marketing of mats can be re
if we make a comparative study between t
marketing of mats before the Corporation
started and after it was established. E
1971 the nature of the marketing set-up
that there was always a conflict between
interests of the mat weavers and the int
of the merchants who controlled the indu
that time. The mat weaver was intereste
getting a good price for his produce. A
same time the merchants were interested
prices and plentiful supplies. Here are
conflict in interests in which the merch
means of their superior money power, eme

victorious. The mat weavers, due to the specialised nature of their profession and no other means of livelihood, were forced to surrender. It is here that we find the role of the Corporation. The Corporation has taken over the role of giving the small producers a reasonable price for their products. Producers are regulated by various support schemes and other labour welfare devices by the Corporation.

4.4 Socio-economic Benefits

The Corporation was established at a time when economic uncertainty was enveloping the lives of the workers who were traditionally dependent on this industry. The Corporation came as a relief to these workers. Socially and economically the Corporation has greatly assisted in saving these people from the jaws of poverty.

4.4.1 Apart from providing the necessary raw materials and arranging the marketing of mats the Corporation has taken a lot of interest in improving the welfare of these people. The Corporation has realised that these people did not have the incentive to produce. The private merchants did little in this direction. After the Corporation came

many of its teething troubles it decided envisage programmes that would provide traditional workers with the incentive increase output. It was this that led introduction of the Supply Incentive Scheme 1976-77. The scheme was so organized people who produce more would get more as incentive. But very soon it was felt many workers, who were afflicted by illness and other unavoidable problems, got let off of this scheme. This also created undue discrimination and therefore the Corporation decided to extend this scheme to all workers engaged by it. This expenditure is now met by the Corporation even in years in which it has no profit. It is paid during the Festival and all bona fide workers of the Corporation receive it. The Corporation has thus been able to ensure these workers additional relief.

4.4.2 To enable the economically backward material to rehabilitate the Corporation has extended credit facilities to purchase raw material about 5000 weaver families. Apart from

needs on credit the Corporation has sanctioned loans ranging from Rs. 100/- to Rs. 1600/- to the mat weavers. These loans are deducted from the wages paid to these workers in easy instalments spread over one year. When a worker's family has repaid this loan, it becomes eligible for a new loan. However, many weavers have not been in a position to repay their loans. To the credit of the Corporation Officials, the use of strong arm tactics like legal proceedings have not been initiated by the Corporation against any worker. This has greatly enhanced the respectability of the Corporation in the eyes of the people and workers who, all in one voice, agree that the Corporation's establishment has definitely brought about improvement in their other conditions and of uncertainty.

4.4.3 The living conditions of the traditional workers are indeed quite bad. Most of them live in dilapidated tenements which require urgent repair. The Corporation now gives a loan of Rs. 6000/- to the workers for reconstruction and repair of houses and also for the construction of new houses. This scheme was started with

Government approval with the hope that the State Government would give the Corporation the necessary assistance. However, Government help in this scheme has been negligible. The Housing Board has recently agreed to provide Rs. 5000/- as subsidy for each housing unit sanctioned by the Corporation. The remaining Rs. 1000/- has to be met from the Corporation's own finances. In those years in which the Corporation made profit these loans were sanctioned to the most needy. Here agricultural workers found it difficult to repay them. When the amounts of realisation started coming down the Corporation found it difficult to continue on the scheme. Therefore, since 1982-83 a new scheme for the construction of 100 units for the bamboo workers in collaboration with the State Government, the Central Government and other housing agencies is being implemented. As a first step Rs. One lakh from the surplus available during 1982-83 has been set aside.

4.4.4 The Workers' Welfare Scheme launched during 1978-79 has helped to instil in the workers a lot of confidence.

Corporation gives financial assistance to workers and the dependents of workers to it. A sum of Rs. 250/- is given to a worker as assistance at the time of his child's marriage. Many workers were benefited by this 'marriage assistance' scheme. The number of beneficiaries in this category increased from 94 in 1978-79 to 210 in 1980-81.

4.4.5 The Corporation found that the workers dealing with were both illiterate and ignorant. As most of them had little or no education, they could be easily deceived. To help these workers send their children to schools and, if possible, even to colleges the Corporation has provided educational scholarships to the children of workers. Every school-going child is benefited by a scholarship of Rs. 25/- per year. Thousands of needy workers have benefited by this scheme and most of the children are having at least primary education. During 1980-81, to encourage the workers to send their children for college study, a new scholarship for college-going students was introduced. Rs. 75/- is paid

to every college-going child of a bamboo cutter. This scholarship has enabled many reed cutters to send their children to colleges. As much as 50% of the fee concession group comes under the fee concession group. The amount more than suffices the initial fee charged by all colleges at the time of admission.

4.4.6 The Workers' Welfare Scheme also covers relief and financial help for eye operations. The reed cutters and the mat weavers who are involved in accidents during their work receive help from the Corporation as "accident victims". This is 50% of the bill. The Corporation already covered all the employees working in various offices under the Employees State Insurance Scheme. It proposes to cover as many workers as possible under this scheme also. As most of the workers are quite poor they are not in a position to contribute anything to this scheme. Therefore, then the Corporation is exploring the possibility of bringing the workers also under the Employees State Insurance Scheme.

4.4.7 As mat weaving requires a lot of concentration and hours of hard labour, it is found that a large number of workers suffer from eye problems. Eye operations are necessary in a good number. The Corporation is providing necessary financial assistance under the Workers' Welfare Scheme to those workers who require eye operations. Seventyfive percent of the cost is met by the Corporation, which has employed a large number of these bamboo workers to solve their eye problems.

All these measures have greatly improved the condition of these traditional workers and more workers are benefiting from the various schemes. The amount spent on welfare is also progressively increasing. This can be understood from Table 3.23 in Chapter III.

From Table 3.23 it is evident that the amount spent by the Corporation is progressively increasing. It is heartening to note that the number of beneficiaries is also rising.

number has been estimated at about 12,000. This number includes all the beneficiaries of various schemes put together. The budget for 1983-84 set apart Rs. 2.50 lakhs towards welfare expenses. This is besides Rs. 1.50 lakhs set apart for the construction of houses for bamboo workers. If we take a collective view, we can see that the Corporation has been able to create a favourable impact in providing socio-economic benefits to its workers and to the industry as a whole.

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5.4.7 Apart from the mat weavers, the reed cutters of the Corporation are also an unhappy lot. They are also of the opinion that the price rate is very low. For example the procurement rate for a reed of quality AVI is Rs. 0.90 and the selling rate is Rs. 1.45. They complain that private mat merchants offer them a higher price for reeds. But as they are the official employees of the Corporation, they are legally obliged to sell their labour to it. Many of them enter the reed forests and remain there for long periods. But these days when the reed cutters enter the reed forests well prepared for a stay of one or two days, they are often confronted by starvations. Many of the reed forests have died completely. These people are experienced in cutting the reeds mature enough for mat making. But they can do little as hardly any mature reeds are remaining. The reed cutters point out that large scale smuggling of reeds takes place under the very eyes of the Forest Department officials. They feel that the Corporation is not taking any steps to prevent the indiscriminate cutting of reeds. The officers in the collection centres

CHAPTER - V

PROBLEMS AND SHORTCOMINGS OF THE CORPORATION

The Kerala State Bamboo Corporation is facing several problems which are hampering its smooth functioning. The bamboo industry is one which requires little investment and one which provides employment opportunities to a large number of people. The Corporation is finding difficulty in assisting the industry which is feeding a large number of economically and socially backward people. Apart from the various problems it is facing, the Corporation is also riddled with shortcomings, which are affecting the lives of the large number of people depending on it.

Kerala has monopoly over this industry. Mat weaving is the sole livelihood of nearly 12,000 families, including Harijans and other backward sections. But this traditional reed mat industry is on the verge of doom. The Bamboo Corporation was established by the Government to revive the bamboo industry. But its problems and shortcomings have led to the present stalemate in this industry. We will now analyse those factors which are responsible for its present crisis.

5.1 Shortage of Raw Materials

The most important problem faced by the bank as a whole is the acute shortage of raw materials. A plentiful and continuous supply of reeds is a must for the industry. When the Corporation was established in 1981, raw material was not a problem at all. The main aim of the Corporation was to rehabilitate the large number of unemployed weavers and save them from exploitation. The Corporation has been able to achieve a large measure of success in its endeavour to save the exploited masses from the clutches of the exploiters. Its basic objective of supplying raw materials has not yet less succeeded, but the Corporation's working is now crippled due to this recent problem of shortage in raw materials.

5.1.1 If we trace the origin of this problem, we find that it is quite recent. Till 1981 this problem was never even visualised. In that year raw material collection received a setback when the forests of Edamalayar and Sholayar were rendered useless to the ripening of reeds. These two forests were the most important sources of raw materials. In fact, out of the annual 144 lakhs of reeds, the Corporation had permission to collect at

of 3 lakh tons, the Government allotted 1 tons to the Hindustan Paper Corporation, tons to the Punalur Paper Mills and 25,00 the Kerala State Bamboo Corporation to sa needs of the traditional workers. The HP Punalur Paper Mills have appointed powerfi to collect their annual allotment. The c of both these institutions are competing v other to collect the reeds allotted to the their over-anxiety to collect their quota, forests are being cruelly exterminated. 1 who are being affected are the traditional who require reeds which have to attain a c and size. As the paper mills are not stri the age of the reeds, raw shoots are also leaving nothing for the traditional worker is, thus, taking place the slow annihilati reed forests causing acute shortage of ree

In terms of strength, durability, size the best type of reeds in India grow in Ker The reed forests on the banks of the Periy Chalakudiyar and Pamba form the fountain of those people belonging to the lowest strata

and living in utter poverty. This traditional manual industry, which helps to provide one meal a day, is at the brink of collapse due to the scarcity of reeds. The Bamboo Corporation estimates that nearly 915 tons are being collected by the large scale industrial establishments daily³. This extermination of reed forests is rendering jobless a very large number of the traditional workers. The products made by these workers like baskets, mats and other material are going outside Kerala in large quantities. Reed mats are widely used for several purposes. It has been calculated that the organised sector makes use of 1500 lakhs sq. feet of reed mat annually. A small quantity is being exported to Bangladesh also. Despite all these potentialities, the bamboo worker of Kerala is weltering in a bog of poverty due to the scarcity of reeds.

A bamboo worker requires per day at least 1000 sq. feet of reeds which are both ripe and properly spaced. This does not mean that it should be over-ripe. There

³ ibid - Page - 1

⁴ ibid - Page - 2

degree of ripeness which is ideal for making mats. With 5 reeds he can produce 4 mats specification 5' by 3'. This is the most type of mat and is in great demand. After the cost of reeds, which differs from place to place, the average income which a worker gets in a day is often less than three rupees. His investment is a small knife. He does not get provided with any special facilities to work. He does his work independently along with the help of his family in his small hut. As this is his only work that he knows, reeds in plentiful and unending supply is a must for him. The shortage of reeds is crippling him and his family.

If a worker is to get at least 5 reeds per day assuming that he works for 300 days per year, he should get a minimum of 1500 reeds per year. As there are nearly 12,000 families depending on bamboo work and with an average of one to two members working in each family, around 12,000 to 20,000 workers are engaged in bamboo work. If each worker should get 1500 reeds per year, the total requirement is 18,000,000 reeds per year.

per year will come to 259 lakhs of reeds has been estimated at 36,000 tons per year. Bamboo Corporation has been requesting the Government to increase the quota allotted to 36,000 tons to meet the requirements of traditional sector⁶.

5.1.3 The shortage of raw material has also been caused by illegal poaching. Several reed forests have been captured by illegal settlers. These settlers have captured these reed forests close to river banks and converted the land for illegal occupation. The settlers have the backing of powerful politicians. The activities of these settlers is causing a lot of problems for Forest Department officials and the Bamboo Corporation authorities. Fertile reed forests are getting converted into rubber and cardamom plantations. This will only add to the already severe shortage of reed shortage.

5.1.4 Hydro-electric projects have also infiltrated into reed forests. Several thousand hectares of

⁵ Kerala State Bamboo Corporation - Report and Accounts - 1982-83 - Page - 5

⁶ *ibid*

forests too will be impaired by several projects. With the commissioning of the hydro-electric project, a good part of the quality reed forests would also be submerged. These factors have made collection of the three lakh tons of reeds per year more a competitive. If the present working plan distribution among the principal reed users namely HPC, Punalur Paper Mills and Bambanad is carried out and if the paper mills continue their present "felling series" for three years as stipulated by the Government, reed forests will disappear altogether. This is what has happened in Kulathupuzha, Neyyattinkara and Anchal forest divisions where the Punalour Paper Mills started reed collection⁷.

- 5.1.5 The Government has not divided the forest among the principal reed users. Only guidelines regarding allotment have been stipulated. The contractors cut the reeds indiscriminately.

⁷ S. Gopalakrishnan Nair - Traditional Reed Mat Industry - Problems and Possibilities - Page 3

They cut the high quality reeds ideal for weaving from areas like Adimali, Thundat Kuttampuzha, Vazhambal, Sholayar and Good forest ranges, making it difficult for the Corporation to give good quality reeds to workers. Low quality reeds are not good for weaving as there will be a lot of wastage. Some reeds are good only for basket making, but the baskets made are not as durable as when they are made from good quality reeds. Making full use of the 'Plan' of the Government, nearly 150 lorries move to the paper mills before the help of the Bamboo Corporation⁸.

- 5.1.6 The helplessness of the Bamboo Corporation is an important shortcoming in the working of the Corporation. The Director Board of the Corporation has not been able to impress upon the Government the necessity to give monopoly rights over forest ranges. In all its annual "Report" the Director Board has made fervent pleas

⁸ *ibid*

exclusive allotment of reed forests. The Corporation has requested the Government reed areas in the forest ranges of Sholay Vazhachal, Kollathirumedu, Kuttampuzha, Thadimali and Goodickal for its exclusive use in order to ensure uninterrupted supply of reeds to the traditional workers under the Corporation. Representations have been made to the Government to allot separate forest areas for reed cultivation by the Bamboo Corporation. It has also requested the State Government to take the initiative in reeds cultivation in the catchment areas of electric projects in the state. However the representations seem to have fallen on deaf ears. The Corporation officials seem to have failed in their endeavour to convince the Government about the sorry state of the traditional workers by the shortage of raw materials.

Nearly 200 to 400 families are attached to each depot of the Corporation. On an average each depot requires 30 to 40 lorry loads of reeds per day if it is to satisfy the basic requirements of the workers attached to it. When the depots were started in 1974, the Corporation was in a p

to supply 3 lorry loads per day. But the situation has changed completely for the These days the maximum which the Corpora able to supply is 14 to 15 loads per dep month. With this small quantity the ree whose number has progressively increased the years, get reeds only for less than of work. The rest of the month they hav due to this raw material shortage.

5.1.7 The situation betrays a total lack of fo: It is very easy to cultivate and preserve It does not require any special manure or for its growth. The reeds take seven yea attain perfect growth. But after three y are ripe enough to be used in the manufac bamboo mats. At the end of three years, in such abundance that it is impossible f human hand to go in between two shoots. required for mat weaving are cut arbitrar those which are suitable for mat weaving This facilitates further growth. "Select is thus resorted to for the reeds necessa mat weaving. If reeds are cut in this ma

a reed forest will last for 32 years⁹.
will be plentiful supply and no shortage
the present policy of reeds distribution
led to "slaughter felling" allowing no
for the reed forests to regenerate.

5.1.8 Forest fires are also contributing to the
of reeds. In Sholayar, during summer,
fires are a regular feature. A small spark
sufficient to create a large blaze. The
which are left over by the paper mill cutters
are most susceptible to the forest fires.
Contractors make use of modern implements
down the reed forests. Unfortunately as
is no proper method of felling, the left
are piled together without any care. These
forest fires. Very often such forest fires
exterminated the large tracts of reed forest
in the vicinity of the leftovers. As forest
fires from the reed forests affect other
plants and trees, the Forest Department has
prohibited the entry of reed cutters during
season, affecting reed supply¹⁰.

⁹ Encyclopaedia Britannica - 1959 - Vol. 3 - Page

¹⁰ "Mathrubhumi" - 22-11-1959 - Page 1

5.1.9. To encourage the growth of trees and plant the forests, the Forest Department has introduced new rules in an effort to preserve the ecological balance. Large scale destruction of forests was greatly affecting the climate and the amount of rain. Therefore the Forest Department and introduced an annual "close-up period" and introduced an annual "close-up period" period is between June 15th and September every year. During this period nobody was allowed to enter the forests and indulge in the felling of trees. Unfortunately reed forests were also brought under this rule. This caused two problems as far as the Bamboo Corporation was concerned. Firstly, the large number of reed cutters were rendered jobless and reduced a category of seasonally employed workers. This led to the shortage of raw materials for this season. The mat weavers are entirely dependent on the reeds for their sustenance. This close-up period meant unemployment. To overcome these problems, the Director Board of the Corporation appealed to the Government to exempt the reed forests from this rule and allow the reed cutters of the Corporation to continue on their work during those months. Though

Forest Department was adamant, the timely intervention of the Kerala Chief Minister the Corporation being exempted from the "period" rule.

5.1.10 Primitive methods of transport form another cause for raw material shortage. The reeds cut in the Kuttampuzha and Adimali ranges are transported with the help of rafts floating in the rivers. The forests which are situated close to the rivers are inaccessible to any other mode of transport. Reed cutters go to these areas in boats and rafts. The reeds are cut and stacked near the banks and shifted to the rafts. These rafts are transported to their destination via water. But during seasons when these rivers dry up. Even if they do not dry up, the water level comes down greatly. When the water level rises, the reeds cannot be transported to the depots. There are several people who have gained expertise in guiding these rafts with the reeds piled on them. If other modes of transport are used these workers, who number in the hundreds, will become unemployed. Hence the Corporation has to depend on this mode of transport on humanitarian considerations. During 198

faced one of the severest droughts since independence. All these water-ways got dried. The result was the pruned reeds could not reach the weavers causing severe raw material shortage. This primitive mode of transportation thus accentuates this problem.

5.1.11 In April 1983 the Government of Kerala gave permission to contractors in Tamilnadu to collect reeds from the Nilambur forests in the Chinnar forest range¹¹. When the Bamboo Corporation faced this crisis of raw material scarcity, it sent a team to visit the Nilambur and Kottiyur forests to explore possibilities of collecting reeds from these forests. This team found that the Nilambur forests had vast reed tracts. But, to its surprise the Corporation's deputation found that the reeds were being carried to Tamilnadu from these forests. The Director Board criticised the Kerala Government for overlooking the Corporation and giving permission for reeds to be transported to Tamilnadu. This move of the State Government

11 *ibid*

to allow reeds to be taken to the neighbour-
state contributed to the worsening of the
problem.

5.1.12 Another recent problem which is assuming
proportions and affecting the supply of
is the detection of large scale smuggling
operations being carried out in the reed
Several unauthorised reed cutters are ill
cutting down reeds and supplying them to
merchants. Only those reed cutters who
issued passes by the Corporation are per-
mitted to cut reeds. Reeds are also being smug-
gled from neighbouring states. Many of the reed cutters
of the Corporation are also guilty of this
offence in order to get better prices for
the reeds they cut. But this has led to the
working getting hampered due to reed shortage.
In order to prevent the smuggling of reeds
the Corporation has initiated steps to resist
this activity with the help of the State Vigilance
Department and the Forest Protection Force.

5.1.13 The Bamboo Corporation has been directed
by the Government to assist on a priority basis
the Harijan Co-operatives indulging in reed
weaving and basket manufacture. This di-

is causing a lot of embarrassment to the Corporation. Several basket companies, require reeds in large quantities for the manufacture of their wares have started contracts with the Harijan societies. These societies make requests for reeds and the Corporation is statutorily obliged to supply them. The reeds are then diverted to the use of the basket companies. The result is that the deserving persons do not get sufficient raw material.

Thus raw material shortage is crippling the Corporation and the progress of the industry as a whole. Though of recent origin, this shortage is looked upon as the most serious of all. Urgent measures are essential to overcome this shortage. Steps on a war footing have to be taken by both the Corporation and the State Government to save the thousands depending on this industry.

5.2 Governmental Indifference

The Kerala Government established the Bamboo Corporation in 1971 to rehabilitate the bamboo industry and to protect the workers from the exploitation of the intermediaries. This Corporation is now facing decline due to the

of the Government itself. While Government contribution of the Corporation is total, its attitude towards the Corporation and the large number of persons dependent on it has been one of negligence.

Unlike other Government-owned Corporations, the Kerala State Bamboo Corporation has shown impressive working. From 1978-79 to 1981-82, the Corporation did make a profit. But from 1979-80 these losses have come down steadily. During 1982-83, the working of the Corporation has improved in a net profit of Rs. 0.15 lakhs after writing off the entire accumulated loss. Despite fairly impressive results the Government is not taking the necessary steps to rejuvenate the bamboo industry. This is quite

5.2.1 Financially speaking, Government assistance to the Corporation in the form of loans and share capital contribution has been negligible when compared with the assistance to other Corporations. The total amount of loans received from the Government as at the end of 1982-83 is Rs. 28.5 lakhs. The Corporation has also made regular repayment and under the terms of the loan the balance amount which it has to repay is Rs. 12.5 lakhs at the end of March 1983¹². After

¹² Kerala State Bamboo Corporation - Report and Accounts 1982-83 - Page 4

requests the Government sanctioned Rs. 10 towards share capital after a gap of two during 1982-83. Budgetary allocation to Corporation has not been enhanced since That too is towards the share capital and Corporation has not received any grant to the several crises it has had to face in few years.

5.2.2 The decision of the Kerala Government to paper mills to cut reeds started the major which the Corporation faces at present. plan of reed collection was formulated during 1980-81 by the Government which has great the Bamboo Corporation. To encourage the Paper Corporation to establish a plant in the Government assured it an annual allotment of 1.89 lakh tons of reeds. The H P C established its plant in Kerala only on the basis of assurance. Reeds are a useful and cheap source of raw material for the manufacture of paper. The reed pulp is now the main ingredient of high quality paper and paper boards manufactured by H P C. Reeds are also useful in the manufacture of newsprint. Until recently India has been

importing large quantities of newsprint. Hindusthan Newsprint Factory at Velloor is the reduction of imports. The Government encouraging the newsprint factory as it is the reduction of imports and the conservation of foreign exchange. But this policy of encouragement of industrialisation has been at the expense of traditional workers of the state. These hand industrial enterprises are cutting down reeds with the approval of the Government. This has led to the organised cutting of reeds without any foresight causing hardships to organised poor folk depending on reeds.

The Bamboo Corporation has brought this to the attention of the Government and requested it to take steps to stop this ruthless extermination of reed forests for paper mills. The Corporation has told the Government that if reeds are cut at the present indiscriminate rate for three successive years, the reed forest will disappear altogether from the mountains of Kerala. However the Government just does not seem to be concerned as it is evident from the remarks made by the Kerala Forest Minister Mr. K.P. Nuru

the Kerala Assembly on 19-7-83. To ques raised by Benny Behnan, P.P. Thankachan, Chandy and other MLAs is the Kerala Legi Assembly on the scarcity of reeds and th faced by the Bamboo Corporation and the industry, Mr. Nurudin replied, "There is of reeds in Kerala. Annually we are ge tons of reeds. The aggregate need is 2. To further queries regarding the steps k to solve the crisis, the minister replie cultivation has been started on an exper basis in 100 hectares of land at Trichur forest circles"¹³.

The Government policy of indifferen from the above paragraph. Reed cultivat but it takes nearly three years for the the strength and durability for them to for mat weaving. Reed cultivation is to a plan. What is necessary is an immedia plan to revitalise the ailing bamboo ind

¹³ The Hindu - 20.7.1983 - Page 12, Col. 2

the Government seems to be either running ideas or is being indifferent to do some positive for the reed workers. The Corp requested the Government to direct the p to make use of other raw materials like eucalyptus trees etc and spare the reed. If raw shoots are cut down as they are do the paper mills themselves will face the raw material shortage in a few years' time the hapless reed worker this is the only livelihood. However these entreaties seen passed unheeded and Government policy regarding reed collection remains unchanged.

5.2.3 Government apathy has also led to the delay in starting of production of the Bamboo Board a diversification project of the Bamboo Corporation. Through years of research activity, the Director Board of the Corporation came to the conclusion that if this industry is improved in accordance with the needs of the day, it has a good future. The Corporation felt that if the products manufactured by the reed workers from the raw materials by nature are utilised to produce improved goods by making use of modern technology

Bamboo Board Project. This project was to commence production by the end of 198. Government had promised to provide coal, veneer essential in the manufacture of bamboo in the initial stages of production free. However the Government has gone back from earlier stand and none of these essential has reached the Project site so far in sufficient quantities. This project having an estimate of Rs. 105.74 lakhs is facing closure even though it has commenced production due to the indifference of the State Government.

5.2.4 There is yet another area in which the Government has taken an unhelpful attitude. There are Government schemes for the weaker section. Integrated Rural Development Programme is assisting the poor folk. The IRDP has various programmes of raising people above the poverty line at the block level. Each year under this scheme 40 families are expected to be assisted in each block of the State. However the bamboo workers to have got no assistance at all. As the IRDP provides loans to these workers, the IRDP

is not extended to these unfortunate folk true that the capacity of repayment of the workers is limited. But that does not mean Government should neglect these folk altogether these schemes of rural development.

5.2.5 To assist the Scheduled Castes and Scheduled Tribes the State Government has established the Development Corporation. There are a large number of mat weavers and reed cutters who belong to the Sambava Community. The Sambavas belong to the category of Scheduled Castes. The programme of KSDC for SC/ST envisages a subsidy of 33% on loans above Rs. 500/-¹⁴. These loans have been given by the Lead Banks of each district. Lead Banks are very choosy in the granting of loans and very few Sambavas have benefited from the scheme. Moreover, the functioning of KSDC has been unsatisfactory in the Pathanamthitta district where the majority of the Sambavas reside. It is yet to open a branch in this district which causes a lot of inconvenience to the Sambavas. As a majority of the Sambavas are ignorant of

¹⁴ Indian Express - 13.5.1984 - Page - 5, Col. 4

existence of several Government schemes are also apprehensive about approaching agencies because of the large number of involved.

5.2.6 The inability of the Governmental agencies to the occasion led to the defeat of an scheme launched by a nationalised bank for development of a Harijan colony indulging work in Trivandrum district. To assist workers the Corporation opened two new centres Aryanad and Urunkollur on 10th November Canara Bank came to the assistance of the workers¹⁵. It put up a community hall for workers to work together. The Corporation provided the necessary reeds to these workers through depots. The reed mats and baskets have and the Corporation undertook its sale. Reed workers also made table mats, light window curtains. However, it was not easy to sell these items. The bamboo workers approached Handicrafts Development Corporation which

15 *ibid*

to give any help. As a result the repayments to the bank were help up. The bank's efforts came to nought as the Government and its agencies refused to offer a helping hand to these

5.2.7 The Government is also guilty of not simplifying procedures despite the clear directive of the Industrial Policy Resolution of 1980. Most bamboo workers are ignorant and illiterate and to get financial assistance under these schemes, they have to go through time-consuming formalities. In Trivandrum district, for instance, the forms for applying for Government subsidies are scarce¹⁶. Government subsidies greatly reduce the liability of the bamboo workers and the burden of the commercial banks. However, already, Government subsidy is one third sanctioned. But unfortunately the workers are unable to get the forms and they are being kept around for them. The various schemes for economically backward people can be made available only if the Government and its various agencies provide the necessary aid.

16 *ibid*

5.2.8 Whenever natural calamities hit traditional the State Government provides free ration families affected. The bamboo workers are singularly unlucky in this respect. Raw shortage and other natural calamities have these workers more intensely than many of counterparts in other traditional occupations. Non-availability of reeds have thrown the employment for several weeks. But these are not given the benefit of free ration. only in June 1983, when their condition was bad, that the Government sanctioned them. But that too was only for two weeks.

5.2.9 As early as June 1982 the Director Board Corporation requested the Government to identify 'Bamboo Industry' as a traditional cottage industry of Kerala. It also requested the Government exempt it from the payment of seigniorage for reed collection. Despite several requests the Government took no action knowing fully the plight of this industry. It was after considerable pressure that the Government relented. In 1983 orders were passed and from 12-10-1983 onwards the Corporation was exempted from paying seigniorage.

charges and the bamboo industry was recognised as a "Traditional Industry". A positive policy is a must and the Government must take a humanitarian approach towards this industry.

5.2.10 The New Industrial Policy of the Government of Kerala has outlined the importance of traditional industries because of its immense employment potential. It states: "Because of the Government's policy to give maximum assistance to traditional industries, some noticeable improvement was witnessed in the coir, cashew and handicraft sectors"¹⁷. The coir industry has been benefited a lot of assistance by banks and co-operative societies. Large rebates were granted to assist the export of coir products. In fact during 1982-83 the Government spent an amount of Rs. 104 lakhs on the provision of share capital and to find new markets for coir products to overcome the protracted stalemate existing in the coir and cashew industry, a new policy of establishing a minimum floor price instead of monopoly procurement was adopted.

17 "Yojana" (Malayalam) - July 1-15, 1983 - Vol. 10, No. 28, Edition 24 - Page - 17

18 *ibid*

introduced. As a result of this policy the farmers were able to sell their product to maximum within the state. In the handloom 343 industrial units were given financial of Rs. 25.34 lakhs during 1982-83¹⁹. However bamboo industry received comparatively lit Rs. 10 lakhs were contributed to its share and otherwise nothing was done. The very the resolution has not even mentioned the industry in its list of traditional indust us an idea of the apathy shown by the Gove towards this industry.

5.3 Low Technology

A major problem faced by the Bamboo Corpora poor technology used by the workers depending on : problem is further accentuated by the fact that 1. and ignorance are the outstanding features of the This makes introduction of new methods impossible the Corporation has been spending a lot of money find out better uses and improved varieties of pr from bamboo mats, it has not been able to do anyt improving the technology involved in the manufact The manufacturing of bamboo mats is a simple proc

can be learnt in a short period. Even little children indulge in the manufacturing process. It is highly intensive and the only capital investment is a small amount. Because of its highly labour-oriented technology, new methods, which are mostly labour-light and capital-intensive, may cause unprecedented misery through frictional unemployment. However the fact remains that the Government has done nothing to evolve new and improved methods of production within the traditional framework of the

5.3.1 The bamboo mats are woven diagonally and this is a speciality of the Angamaly area. They are produced and are more durable than any other mat. Mats of other designs are not being produced at all. In Dehra Dun mats are manufactured from bamboos, whereas here in Kerala they are made from reeds. The mat workers of Dehra Dun make several forms of mats. Rectangular and circular mats are more popular in those areas. Though these are less durable, more mats can be produced with the same raw materials. The Bamboo Corporation made an attempt in encouraging the mat weavers to produce new types of mat manufacture. But this attempt proved futile.

5.3.2 Mats manufactured under the Bamboo Corpn are widely used by public sector enterprises in their operations. The sugar mills of Maharashtra make use of these mats to construct temporary sheds during the crushing season. Despite the reputation of durability, the bamboo mat suffers an annual depreciation of 100%. This is a clear reflection of the poor technology that is employed in its production. Attempts at reducing the rate of depreciation is also impossible because of the labour-intensive character of the mats production. This large percentage of depreciation requires a continuous supply of mats. The labour-intensive technology has slowed down the process of manufacture. Even the most experienced workers take 2 to 3 days to manufacture a maximum of two to three mats a day and that too only if the entire family is engaged in the hands. Very often the public sector enterprises are faced with the problem of the scarcity of bamboo mats. This has forced them to make use of alternative materials in dunnage operations. Polythene films which are more costly than bamboo mats are steadily replacing the latter in dunnage activities. The polythene films also are

at 50% per annum. Improved polythene film is becoming more and more popular. Unless technological improvements to increase strength and durability are not initiated, the bamboo industry is caught in the trap of tradition, may lose important buyers.

5.3.3 Like many traditional industries, the bamboo industry is also over-dependent on nature. Reed cultivation has been started only on an experimental basis. But it is easy to raise reeds. The catchment areas of multipurpose valley projects are the ideal places for reed cultivation. No serious effort has yet been made either by the Corporation or by the State to cultivate reeds. The Government has committed that as long as the bamboo industry depends on traditional methods and refused to come out of the shell of tradition, it is bound to face problems arising out of nature's fury. In the rain season it is difficult to bring raw materials from the forests and to store them. For fear of uncertainty the traditional methods of transport are still used. Reeds and mats still move in bullock carts floating on water.

level in the rivers come down, reeds can be transferred from the forests. Similarly, forest fires regularly destroy large tracts of forests in the hot season. Thus, the dependence on nature added to the poor technology used in production often causes crises in the industry.

The Bamboo Corporation is thus situated in an industry in which old and outmoded methods are used right from the collection of raw materials up to the marketing of finished products. The Corporation has found that there is always a large demand for its products. It means that if the industry is improved in tune with the times, it will have a good future. At the same time, the traditional character of the industry cannot be changed. Hence the Corporation is concentrating its attention on utilising the products of these workers from the raw materials production nature, to manufacture improved varieties by making use of modern technology. The industry thus continues to get bound in the shackles of tradition using the most primitive of

5.4 Labour Problems

Labour trouble and frequent strikes have g
hampered the working of the Bamboo Corporation.
received by the workers is negligible. As all r
are registered employees of the Corporation, the
obliged to give their products back to the Corpo
But these workers feel that the price paid by th
for a reed mat is distressingly low. At the sam
workers complain that the selling price of the m
by the Corporation is quite high. Besides many
merchants are prepared to give the mat weavers a
price for the mats. If we calculate the earning
workers from the sale of mats and the money rece:
supply incentive or bonus, the average daily inc
worker is less than four rupees. In these days
prices of essential products are escalating, four
per day is hardly sufficient for a reed worker to
wolf of poverty away from his door. In their con
distress the reed workers have joined together an
struck work in an attempt to focus the attention
public and the Government on their problems.

5.4.1 The workers main demand is that the price
mat should be fixed in such away that the
get 50% of the price of the mat as wages.

present reeds are given to the workers (The cost of the reeds is deducted when for the mats is made. The workers are of opinion that the cost of reeds is high, price paid for a mat is quite low.

The workers are generally given a bundle of either 20 numbers or 25 depending on A bundle of 20 of quality AIV costs Rs. 2. has been found that 15 mats can be manufactured from this bundle. The price paid by the worker for one mat is Rs. 2.25. Hence a mat worker gets Rs. 33.75 from the mats he has made. In the case of the cost of reeds, what a reed worker gets for his labour is Rs. 6.55. The cost of reeds of lower quality is less, but the wastage is more and the number of mats manufactured becomes less. This is this situation which has led to workers demanding higher prices for the mats they manufacture.

At Pooyamkutty the best quality reeds of type AVI are available. The cost of such a reed bundle has been fixed at Rs. 1.45. A bundle of 20 such reeds is given at a time to the mat weaver. The cost of the bundle thus comes to Rs. 29/-. From this bundle it

possible to make 20 mats. What a reed worker is able to get is Rs. 45.00 at the rate of Rs. 2.25 per mat from the Corporation. Deducting the cost of reeds, a worker is able to get a net of Rs. 16.00. Thus even from the best quality reeds, the workers are not able to earn more than 33% of the price of the mats as wages.

5.4.2 To make matters worse, the Corporation is always in a position to supply the best quality reeds to the workers. Very often low quality reeds are supplied. Those of quality less than size B are not useful for mat making. The price of reeds is very high and hence the workers prefer to make baskets and other bamboo wares. But these do not find favour with the Corporation which insists that mats should be made. It is a clash of interests that takes place. Many workers are confronted with the situation where they are forced to find other sources to sell their products other than mats. As they have taken reeds from the Corporation, they are obliged to make mats for the reeds they have got. Only after their account is settled, will the workers be in

fresh reeds. Supplying low quality reeds these problems for the workers and the of rules prevents the Corporation from h these workers further. At Wadakkancherri large number of workers were faced with problem. As the Corporation was not in to help the workers, the Harijan Welfare at Chelekkara took up the task of market products. This gave only temporary relief the basic shortcoming of supplying low q reeds was not overcome.

5.4.3 From the Report and Accounts of the Bambu Corporation for 1982-83 it can be seen th Director Board has made mention about the unrest causing a reduction in the business of this institution. During 1981-82, the Corporation had an accumulated loss of Rs. lakhs, it had a business turnover of Rs. 2 lakhs. In terms of turnover this was the year in which the Corporation crossed the lakh mark in its existence. This gives us indication of the growth of business of th Corporation thanks to the comparatively li

labour trouble. During 1982-83 the Corp had a reduced business turnover of Rs. 19 though the institution made a nominal pr Rs. 0.15 lakhs after wiping out the entire losses. This fall in business by about the previous year was primarily due to the increased labour unrest. There is thus that labour problems cause a fall in the turnover of the Corporation.

5.4.4 In 1982 regular strikes led to the Corporation enhancing the price of mats by 30%. The price of a mat was raised from Rs. 1.40 to Rs. 1.82 in November 1982. In 1983 the selling price was raised by the Corporation. This led to workers demanding higher prices for the mats. The representations did not find favour, the workers went on strike from 13-3-1984 onwards. The functioning of the Corporation was paralysed. The Directors Board had to relent to the demands of the workers for a price hike. On 1.4.1984 the price of a mat was raised from Rs. 1.82 to Rs. 2.25. Thus labour trouble is greatly affecting the functioning of the Corporation.

5.4.5 Regular strikes have led to the Corporation being unable to meet the orders of the public sector enterprises. In May 1984 Central Warehousing Corporation placed an order for 7000 mats from the Bamboo Corporation. However the Bamboo Corporation was not able to meet the demand immediately. Mats are supplied to these public sector enterprises on a "Contract" renewed once in three years. The contract expired on 30.4.1984. As a new contract had not been signed, the Bamboo Corporation was unable to supply the mats at the old contract rate. At the same time it was also not in a position to comply with such a large order. The result was that the Central Warehousing Corporation cancelled this order and placed an order with a firm in Calcutta to supply polythene mats. Due to this trouble the Bamboo Corporation was not able to meet the several orders of the public sector enterprises. Its inability to meet the orders led to the Corporation not signing a fresh rate.

5.4.6 The workers complain that there is a large discrepancy between the price paid by the Corporation

mat weavers and the price charged by the the buyers. The procurement price of a Rs. 2.25, while the selling price is Rs. 3. But the Director Board of the Corporation out that the administrative expenses of Corporation are very high. Moreover this selling rate only when it deals with private parties. The Corporation is under contract to supply mats to public sector enterprises at Rs. 3.45 per mat. The profit made from such sales is negligible. In fact the Accounts Division of the Corporation has worked out that sales to public sector enterprises fetches the Corporation a net profit of only Rs. 0.02 per mat after including a share of incidental expenses. Besides most public sector enterprises are far from prompt in making payments while the Corporation pays the mat weavers in advance, thus entailing further loss to it. It is in these circumstances that the Corporation is forced to fix the selling rate to the private sector at Rs. 3.45 per mat. As the bulk of the business is with the private sector, the Corporation was able to make a nominal profit during 1

feign ignorance and helplessness causing hardship, the reed cutters explain. Very often the work in the collection centres has come to a standstill due to the offensive attitude of the reed cutters.

5.4.8 The loading and unloading workers of the Corporation went on a strike in April 1984. This was after the Director Board had raised the prices of both mats and reeds. When these workers went on strike, the reeds collected got stuck at the collection centres creating new problems for the Corporation. The worst-affected were the worker families attached to the two new depots in the Trivandrum district at Aryanad and Urumkud. After the opening of these two depots, the workers in that area had started depending on the Corporation. As the reeds started accumulating at the collection centres, it became impossible to transport reeds to these depots from the other extreme of the State. The Corporation resolved this labour crisis by raising the loading and unloading charges by 15%.

Thus labour problems are greatly hampered

the working of the Corporation. The Director has been following a policy of conciliation and understanding in trying to solve the labour problems. But a policy of attrition is visible in evidence. How far this policy is likely to succeed remains to be seen. The Corporation is aware that a comprehensive labour policy, beyond its purview, is essential to find solutions to its labour problems.

5.5 Problems of Marketing

Like all other traditional industries, the bamboo industry also initially faced the problem of marketing. A quick look at the history of the industry will reveal that it was widely used during World War II for the construction of temporary tenements. But at that time the industry was essentially under the hold of the private merchant sugar mills of Central India had emerged as good buyers in the 1960s. However their purchase was neither systematic. The private sector was, by and large, the main users of mats at the time the Bamboo Corporation came into being.

5.5.1 After the Bamboo Corporation took over the guardianship of the bamboo industry, it was

confronted with the problem of finding buyers for the products manufactured. To free the traditional workers from the shackles of intermediaries, the Corporation had to reorganize the marketing of mats. At the time of a visit in 1978, the most important problem, which the Corporation faced, was to dispose of the buffer stock of mats which had got piled up in godowns.

To overcome this problem, the Director of the Corporation approached the Government to make use of bamboo mats in their daily operations. The State Government also intervened on its behalf. The result was the Food Corporation of India and the State Warehousing Corporation agreed to purchase bamboo mats from the Corporation. Besides the Corporation agreed to supply bamboo mats to the Government enterprises on a contract basis. The price which the Corporation would charge from these enterprises was fixed at a lower rate than what was fixed in the open market sales. Other public enterprises also found that bamboo mats were more durable and cheaper than any other material.

in dunnage activities. During the year itself the Central Warehousing Corporation started purchasing mats from the Bamboo under the system of "Rate Contract".

By the year 1980, sales were no longer a problem. Bamboo mats came to be widely used by all public enterprises in their godowns. The sugar mills of Maharashtra and the mills of Tamilnadu started looking upon the Corporation as the main source of mats. Today the Corporation does the bulk of its business with the private sector.

The Indian Railways also played their part in assisting the Corporation in its business operations. In fact the Sales Division of the Corporation is functioning in its offices at Angamaly Railway Station. The Tirunelveli Railway Division gave timely assistance to the Corporation with a number of wagons and even special trains to carry the produce of the Corporation to the various parts of the country. Thus, by 1981 the Corporation was able to overcome the problem of getting sufficient buyers.

5.5.2 From 1982 onwards the Corporation started a different phase of this problem. In view of the difficulty to get reeds the Corporation is now finding it hard to satisfy the needs of its customers. The demand for reeds far outstrips the supply. In fact the inability of the Corporation to supply mats in time has even led to expansion programmes of public sector being getting halted. Besides the Central Ware Corporation was forced to look out for other sources of getting mats. The fact that the Corporation has not drawn up a new "Rate" after the old one expired in 1984 gives us an indication of the apprehensions of the Corporation to supply mats in time to its several customers. So large is the demand that the Corporation has not been able to maintain a buffer stock of 3 months which is essential for its "Bamboo Project".

5.6 Red Tapism and Administrative Delays

The delays of law and the inherent red tapism prevalent in all Government bodies feature in the work of the Bamboo Corporation too. Very often the Corporation

authorities are helpless even in the face of severe threat to the very existence of the industry. At the Corporation is not able to fulfil the needs of weavers due to the acute reed shortage. At the same time because of its peculiar set-up it is not able to prevent the indiscriminate cutting of reeds. This sort of wanton extermination without any foresight has greatly affected its working. It has also weakened the administrative machinery and reduced the effectiveness of its District Board.

5.6.1 Red tapism is evident from the difficulty experienced by reed workers to get benefits under the various schemes launched by the Corporation. The Workers' Welfare Fund is intended to help the lot of reed workers, both economically and socially. The amount set apart for this purpose has increased year after year. However, the number of beneficiaries has not increased proportionately. The amount sanctioned under this scheme increased from Rs. 0.53 lakhs in 1981-82 to Rs. 0.62 lakhs in 1982-83. In relation to the increase in the amount sanctioned, the number of beneficiaries has not increased. This scheme is also being

restricted to those persons who reside in
around Angamaly, the headquarters of the
At Ranni, Pathanamthitta and Quilon the
workers have not been able to get the full
of this scheme. In Trivandrum district
scheme is yet to be extended, though the
has a registered office in the capital of

5.6.2 The opening of new depots and the upgrade
existing ones are characterised by long d
The reed workers of Trivandrum district h
been demanding the opening of a depot in
area. They had to trek nearly three to f
kilometres to the nearest depot on the bc
Quilon district. After several represent
spreading over a period of over four year
Corporation sanctioned two depots in the
The two depots, one main at Aryanad and a
sub at Urumkollur, started functioning on
The reed workers in the districts of Path
and Idukki live in and around 80 centres
over the places Ranni, Adoor and Mavelikk
Most of these workers belong to the Samba
community. Depots of the Corporation are

strategic points here. Many workers have to walk two to three kilometres to reach the nearest depot. The Sambava Mahasabha district committee of Pathanamthitta has been demanding for long the opening of new depots at the taluk and taluk centres. However no move is afloat to open new depots. The requests are lying idle in the Corporation.

5.6.3 The rules of registration, though simple, are often rigid and discriminatory. All persons who have accepted mat weaving or reed cutting as their main occupation become automatically eligible for registration under the Corporation. But only a single member of a family is registered. The number of members is not taken into consideration at all. Those families with fewer members get fewer reeds than those with more members get the same number of reeds at a time. Besides due attention is paid to the quality of reeds supplied. Reeds which are useful only for basket making, are often supplied for mat making and consequently the mat weavers' income falls.

5.6.4 The State Government has declared the basket industry as a "distressed traditional industry".

But the benefits which should be accorded such an industry have not appeared so far. Except for the fact that the Corporation is exempted from "Seigniorage Charges", the Board has not been able to get for the industry the other privileges enjoyed by other traditional industries. The Industrial Policy Resolution of the Government of Kerala was passed in 1983. This Resolution outlined the importance of traditional industries and the steps which the Government is proposing to take to strengthen them. A stabilisation fund to improve the conditions of the traditional workers has been proposed by the Government²⁰. The coir, cashew and rubber industries have already secured the establishment of this fund. However the bamboo industry is yet to gain its benefits. The Director Board is definitely lacking in its efforts in this regard.

5.6.5 The Kerala Girijan Federation has been entrusted with the responsibility of providing recreation facilities to the Harijan groups. Thirty percent of the funds given to the Corporation is earmarked for this purpose.

²⁰ "Yojana" (Malayalam) - March 16 - 31, 1983 - 1

traditionally engaged in this industry. the Corporation has not been able to honor the agreement much to the chagrin of the sambavas. The sambavas complain that the working of the Bamboo Corporation is most unsatisfactory and not useful to them. The clash of interest between the Corporation and the Girijan has been long standing. While the Corporation administration expresses its helplessness towards their prior commitment, the Girijan Federation accuses the Corporation of negligence and inefficiency. These factors adversely tell upon the administrative competence of the Corporation.

5.6.6 In collaboration with the State and Central and housing agencies like H U D C O and Planning Board, the Corporation drew up a scheme for 100 houses for the bamboo workers²¹. The scheme was drawn up during 1982-83, it is yet to see the light of day. Housing is a major concern of the reed workers. It is both their place of residence and their work spot. Some of the

21 Kerala State Bamboo Corporation - Report and Accounts 1982-83 - Page - 5

been given loans ranging from Rs. 1000/-
Rs. 6000/- for renovation purposes. But
hardly sufficient to construct even a s:
apartment. The housing scheme, caught i
trap of red tapism, is struggling to tal

5.6.7 In December 1983 the Director Board of t
Corporation decided to entrust the work
out the problems of the industry and pre
it in a comprehensive way to the Governm
Study Group. Accordingly the Asian Inst
Development and Entrepreneurship, Cochin
entrusted with the task of preparing a P
Report on the industry and draw the atte
the Government to the sorry state of the
industry. This Institute went into the
aspects of the industry and prepared a r
with its recommendations to rejuvenate ti
The Institute presented this report to ti
on 15.6.1984. It was resolved that copi
the report would be distributed to the c
authorities and a meeting of Government
tatives, Ministers and Members of the As:
would be convened to discuss the problems
industry and find out ways and means of s

The Corporation is yet to convene such
What is more, the report is lying in cc
in the files of the Corporation.

5.6.8 The Government of Kerala, under the "So
Forestry Scheme" cultivated reeds in 10
in the catchment areas of the river val
in Trichur and Quilon in 1982-83. This
proved to be a success and in 1983-84,
hectares were brought under reed cultiv
During 1984-85 the Government proposes
cultivation to over 2000 hectares. The
Research Institute at Trichur has been
a lot of research in evolving good vari
reeds. However the Bamboo Corporation
be unconcerned with these regeneration
It is doing precious little in this dire
While it seems to be very keen in increa
quota of reeds allotted to it and in gai
monopoly control over the existing reed
the Corporation is not taking any intere
the cultivation of good quality reeds.
indeed a serious administrative lapse.

5.7 Schemes beyond Means

In an attempt to improve the lot of the backward people attached to it, the Bamboo Corp ventured upon its diversified project to manufacture laminated bamboo boards from reed mats. This project estimated at a cost of Rs. 105.74 lakhs is yet to put out the products for which it has been commissioned. Several impediments are standing in the way of commencement of production. Though the Corporation has started the construction of the factory the scarcity of the availability of sufficient buffer stock of raw materials prevented it from beginning production.

There is no doubt that the project has immense scope. The demand for plywood has so greatly outstripped supply that wood technologists were looking out for an effective alternative to plywood. Bamboo boards were found to fill this gap effectively. Bamboo boards have found favour with several consumers. It was this success that prompted the Corporation to launch this scheme. The fact remains that the project is far beyond the financial capacity of the Corporation. On the one hand the Corporation is falling back upon its reserves to sustain its financial requirements while on the other hand it is drawing up project costs which it can ill-afford.

The Corporation is entirely dependent on Government for funds to construct this project. In 1981-82 the Corporation spent an amount of Rs. 1.5 crore for the project. This was mainly towards the expenses on planning, designing and for preparing an estimate. In 1982-83, the Corporation's expense on this project on its resources has been estimated at Rs. 16,44,346. In 1983-84, this expense from internal sources is expected to increase still further and has been put at Rs. 20.5 crore. The Corporation has moved several public sector banks to finance the Bamboo Board Project. As the project is yet to commence, nationalised banks are reluctant to advance working capital for this project.

A look at the current liabilities of the Corporation is itself an indication of the fact that this project is certainly beyond its means. The current liabilities of the Corporation from 1977-78 onwards are given in table 5.1.

Contd.....

TABLE - 5.1²³

Current Liabilities of the Corporation

<u>Year</u>	<u>Amount</u> (in rupee)
1977 - 78	9,39,653.88
1978 - 79	11,94,457.36
1979 - 80	29,00,735.51
1980 - 81	17,50,874.00
1981 - 82	26,66,027.09
1982 - 83	34,92,264.44

Moreover the debt-equity ratio of the Corp has also shown a steady decline which again goes that this project at such a huge cost was certain for. A glance at the capital structure of the Co brings out the startling reality that the Corpora have ventured upon this project after a significant improvement in its debt-equity position. We can clearly understand the falling trend in the debt-ratio of the Corporation from Table 3.4 in chapte

23 Kerala State Bamboo Corporation
Report and Accounts - 1977-78 - Pa
" 1978-79 - Pa
" 1979-80 - Pa
" 1980-81 - Pa
" 1981-82 - Pa
" 1982-83 - Pa

A further decline in this ratio is anticipated during 1983-84. It goes without saying that the project to manufacture bamboo boards has turned out to be an over-ambitious one and is proving to be a defying easy solution. In January 1984 the State sanctioned an amount of Rs. 10 lakhs as part of the cost. At the present rate of expenditure the total cost at the time of the commencement of production may be above the original estimate. The most unfortunate thing is that the factory is more or less ready, the installation is almost over, but there is neither working capital nor mats for work to begin. The project is steadily turning into the proverbial "white elephant" for the Corporation.

5.8 Non-developmental Expenditure

5.8.1 Expenditure on items which in no way improve the working of the institution is an important item coming under the heading of the Bamboo Corporation. For the last three years the problem of raw material shortage has considerably reduced the work of the Corporation. Main depots which are statutorily required to function for six days a week, have rarely worked for more than

five days. However there has been no record in the claim for overtime and holiday wages. Officials are entitled to holiday wages when they work on Government declared holidays. The expenditure incurred by the Corporation under this head is shown in Table 5.2.

TABLE - 5.2²⁴

Overtime and holiday wages

<u>Year</u>	<u>Amount (in rupees)</u>
1977 - 78	3,871.35
1978 - 79	17,797.25
1979 - 80	14,999.00
1980 - 81	20,622.00
1981 - 82	21,853.82
1982 - 83	15,064.50

5.8.2 The Bamboo Corporation has another important item of expenditure entitled "Permanent Allowance". This is to the officials of

²⁴ Kerala State Bamboo Corporation
 Report and Accounts - 1977-78 - Page
 " 1978-79 - Page
 " 1979-80 - Page
 " 1980-81 - Page
 " 1981-82 - Page
 " 1982-83 - Page

Reeds Division who travel everyday to the collection centres to supervise collection. This is over and above the supervisory staff present in the collection centres. The expenditure of the Corporation for this is shown in table 5.3.

TABLE - 5.3²⁵

Permanent Travelling Allowance

<u>Year</u>	<u>Amount (in ru)</u>
1977 - 78	5,512.80
1978 - 79	36,933.83
1979 - 80	12,888.63
1980 - 81	10,532.80
1981 - 82	11,619.25
1982 - 83	14,444.00

From table 5.3 we can see that the expenditure under this head increased over seven times between 1977-78 and 1978-79. During the same period the Corporation which was making a profit contributed

25 *ibid*

for three years between 1975-76 to 1977 incurred a loss of Rs. 3.38 lakhs in 1977. This loss led to the Corporation making to decentralise authority, whereby the under this got reduced steadily from 1977 onwards.

5.8.3 The Corporation's policy of employing casual labour has also been a major item of expenditure. It was only in 1982-83 that the Corporation up this policy and made most casual labour permanent employees. The expense which Corporation had to bear in making daily payments is given in table 5.4.

TABLE 5.4²⁶

	<u>Daily Wages</u>
<u>Year</u>	<u>Amount</u>
1977 - 78	79,990.
1978 - 79	1,56,342.
1979 - 80	2,53,512.
1980 - 81	2,080.
1981 - 82	2,130.
1982 - 83	Nil

In the first two years since it gained autonomy in 1978 the Corporation employed a very large number of casual labourers. That is the reason why the wage bill exceeded the one lakh rupees in both the years. In 1979-80 the Corporation registered its highest accumulated loss since its inception, i.e. Rs. 11.75 lakhs. This was a major set-back for the Corporation and it took drastic steps. Consequently the Director decided to reduce casual labourers to the minimum. At the same time moves were initiated to make the casual labourers the permanent employees of the Corporation. This is also evident from the fall in the expenditure on daily wages. Such permanent employment is reflected upon the working results of the Corporation. Along with the reduction in the expenditure on casual labour there also took place a reduction in the total wage bill. When casual labour was completely done away with in 1982-83 the Corporation registered a profit for the first time since it gained autonomy.

5.9 Increasing Liabilities

5.9.1 A close look at the working of the Corporation reveals that the current liabilities of the

Corporation have shown an increasing trend except in the year 1980-81. This was only because the Corporation did not receive from the State Government the advance for share capital. In all other years, as table 5.1 reveals, there has taken place a steady increase in the current liabilities.

The liabilities of the Corporation include, inclusive of the advance received from the Government towards share capital, apart from loans it got from the latter. At the end of March 1983 the total amount of loans received from the Government by the Corporation was Rs. 19.9 lakhs. But, to the credit of the Corporation it has made repayments to such an extent that the balance under Principal stood at Rs. 19.9 lakhs only. The increase in the liability by about Rs. 19.9 lakhs between 1981-82 and 1982-83 is due to the work in progress under the Corporation.

5.9.2 While on one side the liabilities of the Corporation are recording a steady increase, on the other side there has been an equally steady increase in the outstanding debts due to this institution. The sundry debtors of the Corporation have been

classified into unsecured and considered
and considered doubtful.

The debts to the Corporation regard
unsecured and good have shown a fluctuat
trend as table 5.5 reveals.

TABLE - 5.5²⁷

Unsecured and considered good debts

<u>Year</u>	<u>Amount (</u>
1977 - 78	17,76,58
1978 - 79	25,76,16
1979 - 80	29,88,89
1980 - 81	25,17,77
1981 - 82	38,79,74
1982 - 83	28,47,50

At the same time the debts considere
have shown an upward trend, though in the
1980-81 and 1981-82 they have been at a c
low level. Debts considered doubtful are
which are outstanding for a period exceed

27 Kerala State Bamboo Corporation
Report and Accounts - 1977-78 - P
" 1978-79 - P
" 1979-80 - P
" 1980-81 - P
" 1981-82 - P
" 1982-83 - P

six months. These are the loans given to
 need workers for purposes other than for
 of needs. Those loans which are sanctioned
 purchase needs are deducted at the time
 making payments for mats. In all its annual
 statements the Corporation is making provision
 for doubtful debts, thus showing a "NIL"
 balance sheet under this head. But this
 mean that the Corporation's outstanding
 are declining as Table 5.6 will show.

TABLE - 5.6²⁸

Debts outstanding for a period exceeding

<u>Year</u>	<u>Amount</u>
1977 - 78	32,121
1978 - 79	40,255
1979 - 80	40,255
1980 - 81	25,218
1981 - 82	25,940
1982 - 83	64,653

Thus the Bamboo Corporation is moving
 all its inherent shortcomings and the sev

28 *ibid*

insurmountable problems. For the sake
multitude depending on it for their liv
and considering its immense potential a
the unique position it enjoys as the on
Corporation of the type in the whole co
it is essential that allround efforts s
initiated to tone up its working and he
to solve the problems it faces and to o
its shortcomings.

* * * * *

6.1.2 The Corporation has 38 sub-depots which either thrice a week or on alternate days. However, the number of persons attached to each such depot is almost the same as the number of persons attached to a main depot. It is irregular raw material supply which is standing in the way of the development of sub-depots. If reed allotment is raised, most sub-depots can be raised to the status of main depots. In many areas the lack of sub-depots is being sorely felt. A rise in reed material allotment would increase the quality of work in the sub-depots and facilitate their upgradation. As main depots work six days a week, the reed workers get ample relief. As a result, they lead a hand-to-mouth existence, though the workers attached to sub-depots are often hard pressed. A quantitative increase in the reed allotment can be the solution to this state of affairs.

6.1.3 For bringing about this quantitative increase, the Corporation should be given exclusive rights of reed areas in the forest ranges. At present the Corporation has exclusive rights in the Neitheeta forest area of Trichur Circle.

The Government should be entrusted with the authority to renew the contract. The Forest Department is in the best position to supervise whether the parties concerned honour the contract. If this plan is followed, there is no doubt that the Bamboo Corporation will have surplus reeds. It can very well supply these reeds to the paper mills if they, by any chance, face shortage. Moreover the diversification project of the Corporation viz. the "Bamboo Board Project" will also get deliverance if reeds are available in sufficient quantities.

The Government will also benefit from this plan. At present the paper mills are paying a paltry sum to the Government for the reeds collected. The Bamboo Corporation has been exempted from this payment. If contracts are signed, it will spare the Government the cost incurred to protect these ranges. Moreover, the paper mills can more effectively resist illegal poaching than the Government which has several political interests. The present atmosphere of hostility among the various users of reeds can be reduced and instead of being competitors, they will be

6.1.12 The 'close-up' period of the Forest Department should not be applied to the reed forests as these are the only source of livelihood to the workers. Only the timely interference of the Kerala Chief Minister led to the Bamboo Corporation getting exemption during 1984. But this is restricted only to one year. The Corporation will have to move the Government once again for exemption in the years to come. This involves many procedural problems and during 1984 exemption was received only by the first of August. From the 15th of June to the end of August the reed cutters were barred entry into the reed forests. This exemption should be made permanent, one taking into consideration the role played by the Corporation as a promotional agency.

6.1.13 Smuggling of reeds should be prevented at all costs. Many reed cutters employed by the Corporation are also guilty of this offence. They seem to be indulging in this in connivance with some private traders. The Bamboo Corporation authorities should not hesitate to take stringent measures to prevent its own employees indulging in this sort of malpractice. Steps like transfer to other

the Government in primary societies. This was made necessary when it was found that they could not even pay the membership fee of Rs. 20/- per head. The members were now to remit only one rupee and the balance per share was granted by the Government share capital loan⁶.

As per the method of working of the rehabilitation scheme, the Central Societies make bulk purchase of beedi leaves, tobacco labels etc, and distribute them to the primary societies on credit. The primary societies beedies, label and pack them, and return to the Central Society for marketing. The wages required for the payment of wages are borne by the Central Society. The Central Society reserves to itself the right of marketing beedies received from the primary societies.

Under the above set up, the societies were working on 1.3.1969 taking about 3000 out of the total 12,000 unemployed⁷.

⁶ ibid - Page - 380

⁷ ibid - Page - 381

CHAPTER - VI

CONCLUSIONS AND RECOMMENDATIONS

The Kerala State Bamboo Corporation enjoys a prominent position in Kerala's economy. It has been entrusted with the responsibility of developing the bamboo industry in Kerala. It was established mainly to better the conditions of the traditional workers dependent on the bamboo industry for their livelihood. But, today, owing to various problems and shortcomings the Corporation finds it difficult to save the industry from the verge of collapse. There is no doubt that the bamboo industry has to be provided with a strong administrative and economic support. The strengthening of this industry, which is feeding thousands of economically and socially backward people, is a historical necessity. As the Bamboo Corporation is the nexus of this industry toning up its working conditions is a must for the progress of this industry. The several problems it faces have to be solved for the good of the industry. The following recommendations are made to improve the working of the Bamboo Corporation and to revitalize the industry as a whole:

6.1 Solution to Raw Material Scarcity

The smooth working of the Bamboo Corporation is being hampered by the scarcity of raw materials. This is the most important problem faced by this institution. This problem has both quantitative and qualitative aspects. Both these aspects are equally important and require an urgent solution.

6.1.1 The quantity of raw material allotted to the Bamboo Corporation is far from sufficient. It is true that through the years this allotment has been raised. But the present quota of 2 tons per worker is hardly sufficient to meet the requirements of the workers depending on it. Therefore, it is essential that this quota is appreciably raised. The minimum requirements of a reed worker has been estimated at 3 tons per year. There are 12,000 families engaged in this occupation and under the guardianship of the Corporation is a total of 12,000 workers. Hence the reed quota should be raised to 36,000 tons per year. This would enable the Corporation to supply reeds continuously to all reed workers.

If the reed supply is raised to 36,000 tons per year, all categories of reed workers will have

employment for at least 300 days per year. A mat weaver family required on an average 300 reeds per day. Three tons of reeds have been allotted to 1500 numbers. If the Corporation is given the above allotment, it will not have sufficient reeds to provide a mat weaver family with its minimum requirement. There are 2500 reed cutters attached to the Corporation. Each reed cutter on an average, is able to cut 30 reeds per day. The present allotment of 25,000 tons works out to 180 lakh numbers of reeds. From this it can be seen that a reed cutter has to work on an average for only 240 days per year. If the allotment is raised to 36,000 tons, the reed cutter will be employed for almost the whole year. 36,000 tons in terms of numbers has been estimated at 270 lakhs¹. This number would give the reed cutter employment for an average 345 days per year. Besides, the present quantum is insufficient to supply the depots with even 15 days worth of raw material. The increased quota would enable the depots to function more effectively and for more days in a month.

¹ Kerala State Bamboo Corporation - Report and

Quilon Forest Circle and High Range Forest Circle. To augment the present supply essential that the Corporation gets exclusive collection rights over the forest ranges Sholayar, Vazhachal, Kuttampuzha, Kollathundathil, Adimaly and Goodrickal. In Corporation has estimated that in order to have an uninterrupted supply of reeds to the trade workers under it, it requires the exclusive collection rights of at least four forest ranges. Besides, these forest ranges should be kept under the protective control of the Corporation. If this is done many of the problems connected with the quantitative aspect would be overcome.

The reed cutters of the Corporation select those reeds which are ideal for mat making. They believe in "select felling". If the reeds are cut in this manner, a reed forest will last for 32 years. If the Corporation is given the exclusive responsibility of forest ranges, the reed forests will not disappear as quickly as at present. Moreover ecologists have also emphasised the important role played by reed forests in maintaining

ecological balance in nature. Therefore all the more essential that steps are i to entrust the Bamboo Corporation with responsibility of maintaining the reed areas in the state.

6.1.4 Raw material shortage also has an impor qualitative aspect. Only reeds of size AIV, AIII, AII, AI, A and B are fit for making. Reeds of quality lower than the mentioned ones are also used for mat mak there is greater wastage and the number can be woven consequently becomes lower. paper mills are not concerned about the reeds. Without any distinction they are down reeds to convert them into raw mate The result is the reeds which the Corpor authorities collect are very often of in quality. These can be used only for bas The Corporation does not deal in baskets only markets mats. Hence the mat weaver often put to difficulty to dispose of the other than mats. For no fault of theirs, weavers are subjected to difficulties fol

the supply of inferior quality reeds. immediate attention of the authorities focussed on this problem.

One way of overcoming this problem the Corporation to take charge of the purchase and sale of bamboo baskets and wares. The Corporation should establish contact with the Handicrafts Development and sell these products to the latter. Handicrafts Development Corporation has all over the country and its products are popular, especially with the foreign tourists. Besides this institution is committed to all artisans who indulge in handiwork. products made by the reed workers other will thus get a market too. However the of the Handicrafts Development Corporation also riddled with red tapism.

6.1.5 Another way of solving the problems of the workers arising out of quality aspects will for the Bamboo Corporation to take steps strengthen the Co-operative sector. In Wadakkancherry the largest Co-operative is

is the Chelakkara Harijan Welfare Society by bamboo workers. This Co-operative has direct contact with several private basket companies with whom it is traditional wares made by its members. This society has the patronage of the Corporation. To assist the bamboo workers in other areas, the Corporation should take steps to organize co-operative societies. These societies should be given responsibility to market all products made of reeds, except mats which are directly supplied to the Corporation. This would enable the workers to earn a living even when low quality reeds are supplied to them.

6.1.6 Sri. C.T.S. Nair of the Forest Research Institute has evolved many steps for improving the cultivation of reeds. The catchment areas of river conservation projects are the ideal spots for reed cultivation. Under the "Social Forestry Scheme" of the Government reeds are being cultivated in areas covering 500 hectares in Trichur and Quilimangal. The Corporation lacks the initiative in reed cultivation. In fact the Corporation is in the best position to do this work. The Government should entrust this work to the Corporation.

The personnel of the Reed Collection Cent are experts in assessing the quality of reeds cut. Their services should be ut reed cultivation and protection. A wel ordinated 'Action Plan' prepared jointl quality control officials of the Corpor and the forest researchers of the Fores Institute will go a long way towards im the quality of reeds supplied to the ma

6.1.7 Though the Bamboo Corporation Director taking a lot of interest in bringing ab improved uses of bamboo mats, it has dc little in improving the quality of raw The Corporation does not have a "Resear Development" Division. Almost all publ enterprises indulging in the operations type done by the Bamboo Corporation hav R & D Section. Systematic and orderly is essential to rejuvenate this industr present set-up the five existing divis the Corporation are not in a position the research activities. Whatever res work that has been carried out has tak under the overall supervision of the D

General Manager. Particular attention has been given for finding out new uses for mats and for improving the quality of the raw material. A "Research and Development" Division has been started to overcome the problems arising from poor quality.

6.1.8 The extermination of reed forests by the large scale paper mills has to be stopped if there is to stage a recovery. For the mat weavers reeds are the sole raw material. They do not know how to make mats from any other forest material. It is true that mats can be made from cane, bamboo and rattan. But these mats are neither durable nor strong. Therefore the mat weavers have acquired skill in manufacturing mats from reeds alone. At the same time there are many alternatives to reeds for paper mills. They can use bamboo or eucalyptus as raw material. If reeds are cut at the present rate there is no doubt that in three or four years reed forests will disappear completely from the mountain ranges of Kerala. This has happened at Kulathupuzha, Neyyattinkara and Anchal divisions, where the Punalur Paper Mills is

started reed collection. Hence immediate measures have to be taken to request the mills to bring about structural modification in their plant and machinery, so that they make use of bamboo and eucalyptus instead of reeds as a raw material. One fact is very clear. If the paper mills continue their present mode of reed collection, they too will soon be confronted with the problem of reed shortage. Unless they initiate steps to remodel their machinery to suit the changing conditions, they may also face closure just like the Bamboo Corporation. The closure of the Bamboo Corporation will leave thousands destitute; a closure of paper mills will leave thousands jobless. The restructuring of the paper mills and making use of other types of raw materials is a matter which requires utmost urgency.

6.1.9 The present "Master Plan" of reed allotment in the Kerala Government needs to be completely overhauled. The calculation that the forests of Kerala are in a position to supply 3 lakh tons of reeds is arbitrary. This estimate was prepared only to get a plant of the Hindustani

Paper Corporation established in Kerala to assure them an annual allotment of ne 2 lakh tons of reeds. The H P C has sta facing the problem of getting raw materi the wake of the hostility of the traditi workers. Moreover in the last two years paper mills have found gradual retardati the movement of reeds. Hence they too a for a change in the Master Plan of reed

The following suggestion is offered wake of the dissatisfaction among all pa concerned in the 'Master Plan'. The for can be divided among the main users and a contract basis for, say a period of fi Though the Forest Department has estimat reed forests cover an area of 66,326 hec it is far less now. In terms of forest there are 15 forest ranges where reeds g The Hindustan Paper Corporation can be g six ranges, the Punalur Paper Mills five and the Bamboo Corporation four ranges. three main users of reeds should be give responsibility of conducting regeneratio operations also. If this is done both t

in a position to move hand in hand as parts of the same organisation, co-operating with one another and supplementing the needs of one another.

During the summer season the reed forests of Sholayar are regularly affected by forest fires. It can be seen that Sholayar is more susceptible to this natural calamity than any other reed forest area. To a great extent the negligence of the Forest Department is the cause for these fires. Instead of taking steps to prevent the occurrence of these fires, the Department officials prevent the entry of reed cutters into these areas. Even the official pass holders of the Bamboo Corporation are prohibited from entry. The Forest Department seems to be more concerned about the consequences than the measures of prevention. It has been found that forest fires are most often caused by the left overs piled together without care. If the reed ranges are properly divided among the principal users, they will take proper care during the cutting of reeds. The contractors of the paper mills are sure to be more judicious during the collection and the mills themselves are sure to take special care to prevent the

collection centres and even suspension of
should be resorted to for preventing this
from spreading. The Corporation has required
the help of the State Vigilance Department
the Forest Protection Force to prevent smuggling.
But it is not sufficiently earnest in its
to balk the recurrence of this evil practice.

6.1.14 Here again the division of the forest ranges
the principal users will help in solving
problem. When reed forests are entrusted
Corporation, it will have to take steps to
them. The Corporation will have to evolve
security force to guard the reed forests.
A "Reed Protection Force" directly under
supervision of the Corporation will go a
towards preventing smuggling operations.
measures against employees indulging in smuggling
operations will also be more effective when
reed forests are under the Corporation's
control.

6.2 Role of the State Government

As a Corporation fully owned and managed by the
Government, the latter must play a more positive role
bring about the rejuvenation of the bamboo industry.

various schemes of the Government initiated towards upliftment of traditional industries just do not reach the bamboo industry. Similarly the several to improve the lot of the weaker sections of the and the persons belonging to scheduled castes and tribes are conspicuous by their absence when we see lot of the workers depending on this industry. They belong to the socially and economically weaker sections of the society. Besides a large number of them are who know no other occupation than mat weaving and cutting. Hence the sympathetic attitude of the Government is the need of the hour.

6.2.1 A majority of the Harijans live in Pathanamthitta district and in the southern outskirts of Alappuzha district. The State Government has established Kerala State Development Corporation (KSDC) for Scheduled Castes and Scheduled Tribes for the upliftment of these unfortunate citizens of the country. But this institution does not have an office in Pathanamthitta district to cater to the needs of the persons there. In Alappuzha district persons depending on bamboo for their livelihood belong predominantly to Harijan groups.

should take immediate steps to open a branch in this district to assist these people. In Trichur district the K S D C has its office at the district headquarters. Most of the Sambavas depending on reeds are at Wadakkancher and the benefits of the K S D C have just been extended to them. An important point is that the Sambavas are all living together and they can start a branch office at Wadakkancher to assist these people.

6.2.2 Government subsidy will go a long way towards improving the lot of the reed workers. Because of the poor capacity of the workers to repay, commercial banks are hesitant to sanction loans to these people. The only loans these people get are those sanctioned by the Bamboo Corporation from time to time and again to purchase reeds. But the amounts are very small ranging from Rs. 100/- to Rs. 500/-. To bring about effective changes in their conditions, the bamboo workers require larger loans which only commercial banks are prepared to offer. Under the "Differential Interest Rate" system, the State Bank of India (S.B.I.) does give loans to these workers. But, in view of the large

repayment dues, the S.B.I. is disinclined to extend this programme in a big way. It is expected that Government subsidy will come in handy for these traditional workers. The Government programme consists of a subsidy of 33 1/3% on loans above Rs. 500/-. This subsidy would reduce the liability of the bamboo workers and also the burden of commercial banks. If the subsidy is regular the commercial banks will be able to expand their activities covering all sections of traditional workers. It is a fact that the scarcity of forms is preventing the eligible persons from getting Government subsidies. Such official lapses should be corrected and all possible steps should be taken to identify and assist all deserving persons under this scheme.

6.2.3 The Government of Kerala has, in its Industrial Policy Resolution, prided its policy of providing maximum assistance to the coir, cashew and other traditional sectors which led to noticeable improvement in these traditional industries. A similar policy towards the bamboo industry is sure of fruiting as the industry also undergoing a renaissance.

for an annual and often belated allocation of Rs. 10 lakhs, the Bamboo Corporation has received no assistance at all. At the same time, the Director Board initiates any welfare scheme in accordance with the guidelines given by the Government, but red tapism often pulls the rug from under the scheme. The welfare measures like the "incentive scheme" should be augmented by the Government with financial assistance. Even in those years the Corporation does not make any attempt, this scheme is being carried out in an attempt to cheer up the lives of the large number of traditional workers. Taking into consideration the dire necessity of the traditional workers, the commendable work done by the Bamboo Corporation in the field of welfare work, it is recommended that apart from the annual share capital contribution, the State Government should give the Corporation an annual grant of Rs. 5 lakhs for welfare work alone. This would ensure the revitalising of this industry.

6.3 Introduction of modern technology and training

The bamboo industry is yet to break the shell of tradition. Highly labour intensive methods are employed

Consequently it tells upon the quantity and quality of the product. It is slow and tiring work and no family is in a position to make more than three mats per day. Right from their childhood they are engaged in this work and they have received neither training nor guidance. The high percentage of depreciation and short longevity have often led to the Corporation finding it difficult to supply reeds in accordance with demand. There is a need for improvement in technology is the need of the hour.

6.3.1 The starting of a new "Research and Development" division would certainly result in improved technology. The Travancore Plywood Industries have confirmed that more durable varieties of mats can be manufactured from reeds. As a first step in this direction, training programmes to be given to the major children of mat weavers who are engaged in mat weaving should be started. The help of the State Industries Department should be requested. To encourage small scale and cottage industries, the Industries Department gives expert training about production processes to those persons in village and small scale industries. The Industries Department gives to these trainees besides tools free of cost. Scheduled Caste and Scheduled

Tribe candidates participating in the training programme are being given stipend at the rate of Rs. 10/- per day². As a good number of mat weavers belong to the backward castes they will be able to avail themselves of these facilities. The training programme for the manufacture of improved varieties of mats can be effectively carried out with the activities in this direction by the Industries Department.

6.3.2 Such training programmes are now easier to implement than, say, two decades ago. The Corporation's welfare scheme of giving educational scholarships to the children of reed worker families has helped most of them to get education at least up to high school level. Besides the State Government's policy of free primary education has helped youngsters to read and write. Hence under changing circumstances training programmes for the new generation of reed workers are bound to be beneficial for the industry as a whole.

6.3.3 Better training will encourage large scale

and specialisation. Today the mat weaver carrying out all the functions involved in the manufacture of mat. Cutting the reed into thin layers, soaking them in water, reaming the soaked reed into thin layers and finally weaving them are the main stages in the production of mat. The entire process takes place in the house of the mat weaver. There is no doubt that some weavers are adept in one of the above stages rather than in all. But for want of an alternative, a mat weaver is forced to undertake all the stages. This reflects upon the quality of the mat weaver. Training will help the weaver to master a particular stage. Besides, a systematic training programme will help the industry to move from the cottage industry to a factory in course of time. It has been the experience of all industries that the transition from the unorganised to the organised sector has brought about radical changes in the very structure of the industry giving those associated with it more and more benefits.

6.3.4 As the products of this industry have such a wide market, efforts have to be initiated to make the industry more and more organised and trans-

from the country to the city. A time-bound programme covering a period of ten years be drawn up to pull out this industry from shackles of tradition. This programme should include the opening of training institutes in areas where the people depending on this are concentrated and the simultaneous start of organised production for the benefit of the trained persons. Once the industry becomes organised, the attitude of the State Government also bound to change. We can see that in the process of industrialisation the State Government is bound to sacrifice the interests of the reed cutters and mat weavers for the sake of the establishment of large scale paper mills. This antipathy should change into sympathy if the bamboo industry becomes more and more organised. The Bamboo Corporation should take the necessary steps and the Industries Department should make the necessary arrangements for training. In the initial stages, the expert views of the Indian Plywood Industries Research Institute, Bangalore, and the Tamil Nadu Plywood Industries Ltd., Punalur, can be sought to formulate a scientific plan of action.

modernising the bamboo industry.

6.3.5 Modernising the bamboo industry can lead to a reduction in the daily workload of the workers. Today these workers engage themselves in long hours of work from "Sunrise to Sunset". Many even work the night under dim light in an effort to increase their output. Organised production will help in abolishing child labour. Besides, the modernised industry will be in a position to give additional employment to a large number of people. Above all, it will enable the industry to absorb many unemployed as clerks and other office personnel.

6.3.6 Modernisation of the transport system is a must. The reeds are being transported either through water on rafts or in bullock carts. These modes of transport are both slow and inefficient. The Corporation is at a loss to change this as these persons are enjoying a traditional monopoly over the transporting system. Such changes are impossible and hence a step by step method is suggested. The traditional transporters should be identified and attached to the Corporation. What is now happening is that when the transporter becomes incapacitated

illness, his son or relative takes his place. This should be stopped forthwith. The change of transport workers should not get the advantage over their fathers' jobs. Once the present generation of transport workers stop working, the system can be effectively replaced by mechanised transport. The assistance of the State Public Works Department should be sought to construct at least non-metalled roads, suitable for rough traffic, to the reed forests. If the Corporation is not taking steps in this direction to avoid the problem of unemployment to these sections. Therefore an action plan covering a period of seven to ten years will have to be formulated along the lines suggested above to overcome this problem of traditional transport.

6.4 Broad-Based and Scientific Wage Policy

At present there is no systematic and scientific wage system in the bamboo industry in Kerala. Though Kerala is in the forefront in agrarian reforms, traditional industries in general and the bamboo industry in particular have had very few reforms in wage fixation. The peculiar circumstances of the bamboo industry have led to the introduction of the piece-rate system. Wages are r

as such. Reeds are given on credit and the mat weavers are obliged to give the mats they produce to the Corporation. The cost of reeds is deducted and the price of mats is fixed. In this system the workers get payments only if they engage in mat weaving. The more mats they weave, the greater is their income. The second largest category of workers, viz. the reed cutters, get payments for their work cut on the basis of quality and size. Here again the reed cutters get greater returns when they cut more reeds. The price of mats and the buying price of reeds are changed from time to time. But there is no proper policy. It is only when the workers agitate that the prices are changed. Hence the relationship between the management and the traditional workers is far from cordial.

6.4.1 To avoid such frequent confrontation between the Corporation and traditional workers and to ensure that a proper pricing policy has to be introduced, the Corporation. At present there is a wide disparity between the buying and selling prices of mats. The buying price of a mat is Rs. 2.25 and the selling price is Rs. 3.45. The Accounts Division of the Corporation has worked out that at this rate the Corporation is deducting all administrative and incidental

is making a profit of only Rs. 0.02ps per
Therefore enhancing the price is just imp

6.4.2 A close scrutiny of the working reveals t
major part of these incidental expenses i
for non-development expenditure. Strict
of the many incidental expenses would hel
reduce non-development expenditure to hal
present rate. Permanent travelling allow
be easily done away with. Besides, the e
of the payment of seigniorage to the Gove
has reduced the Corporation's expenses by
Rs. 6 lakhs. Therefore the price of mats
definitely be raised in the present circu
to at least Rs. 2.50. The demand of the w
is that they should get at least 50% of t
of mat as wages for their labour. The pr.
should be so formulated that workers are
this percentage. In the present inflation
circumstances this demand of the workers :
definitely reasonable.

6.4.3 The Supply Incentive Scheme introduced dur
1977-78 is the only welfare measure which
fitting all the workers. More schemes of t
should be introduced. The Corporation nee

commended for implementing this scheme even when it runs on loss. But the scheme has got held up owing to financial difficulties. Every year the Corporation has increased the percentage under this scheme and even when it has not been able to increase the rate, it has at least maintained the previous year's rate. The Corporation incurs this expenditure from its own resources. From table 3.22 it is clear that the expenditure is on the increase year after year. As it is the Government which both pays and subsidises bonus payments, Government assistance in this direction is essential. In the future, if possible, the State Government should subsidise completely this payment made under this scheme. It would be a great financial relief to the Corporation and it will also be in a position to take more interest in identifying more beneficiaries. Besides the amount so saved can be utilised for other welfare schemes.

6.4.4 During 1977-78 the Corporation started three provision stores to supply provision items to the workers at cheaper rates at Thottakam, Kottai

and Cheranalloor. These provision stores are a great blessing to the workers. However, a dispute with the Civil Supplies Corporation led to these provision stores being discontinued in 1979. But the Civil Supplies Corporation has not expanded its network of provision shops to all centres where these workers are concentrated. As a result the workers are now being put through a lot of difficulties in getting essential supplies. Of course ration shops are present in all rural areas. But these do not supply provision for the workers. The Corporation should take the initiative to set up these hapless workers. If it feels that setting up new shops is difficult in the present circumstances, it can at least persuade the Civil Supplies Corporation to extend its provision stores, popularly known as "Maveli Stores", to all areas where these workers are concentrated.

- 6.4.5 To help the traditional fishermen there exist in Kerala a Fishermen Welfare Corporation which aims to improve the living standards of nearly 10 lakh fishermen inhabiting the coasts of Kerala and living by the fruits of the sea. This

Corporation has done a lot of good work al
An important field in which the Fishermen
Corporation has entered is construction of
houses for the fisherfolk. The HUDCO and
Government are giving all assistance in th
direction. Thanks to its efforts 10,000 h
have been constructed and handed over to t
fishermen. A second stage of 10,000 house
nearing completion. This Corporation prop
supervise the construction of another 10,0
during the next two years. By March 1986
Corporation proposes to complete 30,000 ho

Like all other traditional workers, ho
is a major problem of the workers of the ba
industry. Many workers have received aloan
upto a maximum of Rs. 6,000/-. But this amc
is hardly sufficient for renovation, let al
construction. Therefore, during 1982-83 th
Bamboo Corporation drew up a scheme to cons
100 houses per year for the bamboo workers
collaboration with the State Government, Ce
Government and other housing agencies. It

set apart an amount of Rs. 1 lakh from its surpluses for this purpose. However two after the launching of this scheme, even first instalment of houses are yet to see light of day. There is no doubt that this is much beyond the means of the Corporation. Besides the Corporation has so many other administrative responsibilities that it would be if it does not take upon itself the additional work of house construction. On the other the Corporation can move the Government to a Bamboo Worker Welfare Corporation along lines of the Fishermen Welfare Corporation Corporation can be entrusted with the independent charge of constructing houses for the bamboo workers. Identifying the needy, selection sites, fixing the terms of repayment and other steps necessary for the programme of house construction should be done entirely by this Welfare Corporation. Another such body to relief to the thousands of bamboo workers will greatly alleviate their misery and reduce their problems. Care should be taken that all categories of workers stand to benefit by the scheme of house construction.

6.5 Bamboo Marketing Board

6.5.1 To encourage the marketing of commodities Marketing Boards have been established by the state and national levels. These Marketing Boards arrange the sale of commodities not only at the national level, but also at the international level. Thus we have the Cardamom Board to encourage the production of cardamom and its markets, the Tea Board, the Coffee Board, the Coir Board and the recently established Coconut Board. After the establishment of these Boards a significant increase has taken place in the sale of their respective products. Under the present circumstances in which bamboo mats face such an inelastic demand, the establishment of a Bamboo Marketing Board would go a long way towards further augmenting sales. Besides, the business of the Corporation is bound to increase once the Bamboo Board Project starts production. It has also been successfully established that bamboo boards can be used as an alternative to plywood. This being the case it will be too much to expect the Storage and Marketing Division of the Corporation to undertake all marketing operations.

6.5.2 The accounts of the Corporation have revealed that its sale outside the state is much more than within the state. Bamboo boards are likely to have a wide national demand. Even the international market is a veritable prospect. Therefore the Bamboo Marketing Board can be entrusted with the responsibility of marketing bamboo products outside the state and if the need arises outside the country too. The Marketing Division of the Corporation can look after sales within the state. Sales promotion survey outside the state can be the work of the Marketing Board. This Board should be under the direct control of the Corporation and the Director Board can bring about the necessary coordination between these two sales wings.

6.6 Co-operative Sector in the Bamboo Industry

6.6.1 The Co-operative movement is yet to make headway in this industry. Except for the Welfare Society at Chelakkara, no other is a Co-operative society worth its name. There are several primary credit societies, but none of these is exclusively for bamboo workers.

economic condition of the workers coupled with the indifference of the Government and the helplessness of the Corporation authorities hampered the spread of co-operative principles in this industry. A re-organisation of the bamboo industry along co-operative lines with the Bamboo Corporation as the apex body can provide an effective solution to the present crisis in the industry. It would also make the working Corporation more broad-based and efficient.

6.6.2 A good example of the success of a traditional industry which was crumbling and when organised along co-operative lines, became a very large and efficient institution is the beedi industry. During October 1968 some of the private beedi companies closed down their units in Cannanore district. The Kerala Government decided to implement the Beedi and Cigar Workers (Conditions of Employment) Act 1966⁴. Consequently about 12,000 beedi workers were thrown out of employment in Cannanore. All attempts to persuade the employers to

⁴ V. Karunakaran - Beedi Industry of Kerala - Indian Manager October - December 1980 - Page -

their units failed and so it became a big problem to the State Government to face the situation and rehabilitate the displaced workers. After a series of consultations with the unions and political leaders the Government of Kerala finally decided to rehabilitate the workers on a co-operative basis. Accordingly it was decided to organise 20 co-operative societies and the above 12,000 workers were taken as members.

The organisation of these societies was supervised. To supervise and co-ordinate the working of the primary societies a Central Society was formed and registered. All the primary societies were admitted as members of the Central Society on the payment of the share capital prescribed. The State Government took shares of the order of Rs. 17.1 lakhs in the Central Society over and above a working capital loan of Rs. 7.1 lakhs sanctioned by them⁵. This working capital besides a share capital of Rs. 2 lakhs in

⁵ ibid - Page - 381

of its existence, all the 12,000 workers rehabilitated. Now the society employs a 20,000 beedi workers. It is known all over country by the name "Kerala Dinesh Beedi" can also take legitimate pride that it is one co-operative society of its kind in the country providing employment to 20,000 beedi workers in the co-operative sector and providing them all welfare measures. The Kerala Dinesh Beedi gives us a classic example of the success of a traditional industry organised along co-operative lines which is really worth emulating.

6.6.3 The bamboo workers are facing the identical problems faced by the beedi workers of Cannanore district 15 years ago. Several problems are impeding the smooth functioning of the Bamboo Corporation. Hence a re-organisation of the present workers along co-operative lines is recommended. The Bamboo Corporation shall function as an apurva like the Central Society of the beedi industry.

The entire body of workers depending on industry should be enrolled as members of primary co-operative societies. In other the depots should be done away with and operative societies should be established societies should be directly under the control and supervision of the Bamboo Corporation. These societies should be manned by the workers themselves or by the bamboo workers who are enrolled in them. Just like the beedi workers the bamboo workers also are quite poor. An initial Government grant as share capital and working capital is essential for its work.

It will be the responsibility of the Corporation to provide the raw materials to the co-operative societies and to arrange for marketing. Therefore the Reed Collection can function directly under the supervision of the Corporation. The co-operative societies should distribute the reeds among its members, collect the produce and return them to the Bamboo Corporation. As in the present case, raw material should be supplied on credit to the societies and the

to be paid to the workers handed over in advance.

6.6.4 Such a procedure has many advantages. They will have more responsibility as they are undertaking the work of distribution of and collection of mats. A sense of rural ship will emerge in each of these areas. their sense of participation is aroused they are sure to break the barrier of tradition look out for better methods. The co-operative societies should be entrusted with the responsibility of providing welfare measures. This would lead to these welfare activities benefiting more workers. Such a re-organisation would also help in workers realising the problems of this industry. It will go a long way towards mitigating the present climate of antagonism between the workers and the Corporation management.

There is no doubt that the introduction of co-operative principles would improve the functioning of the Corporation also. As the basic functions would be performed by the co-operative societies it will be free to concentrate its attention on development activities. Labour unrest which

been one of its major problems will be ab in the present set up. It can take up pr such as regeneration, modernising the pro finding new markets and other development

6.6.5 The accounts of the Corporation reveal th many other public sector Corporations of Kerala Government, the Bamboo Corporation a nominal profit during the last two finar years viz. 1982-83 and 1983-84. This it h achieved with little or no assistance from State Government. Therefore if the worker this industry are properly re-organised al co-operative lines and the Corporation is only with the function of supervision and there is no doubt that in the years to com Bamboo Corporation will make substantial p Once profits are regular, the Corporation able to honour all its tax obligations, I also be in a position to raise its working investment on its own and its share capital Government assistance. At present the Gove investment is quite small when compared to other corporations. An additional investme of Rs. 10 lakhs plus the initiative to organ the workers along co-operative lines would

succeed in solving many of the crises which the industry is facing at present and divert this traditional industry to the path of modernisation.

6.7 Re-organising the Administrative Set up

6.7.1 To improve the efficiency of the Corporation, a re-organisation of the administrative machinery is essential. The progress of the Corporation from 1971 to 1980 is indeed remarkable. The business turnover increased from Rs. 1.88 lakhs in 1971 to Rs. 141.42 lakhs in 1980. This was mainly because the administrative head or the Chairman was an I.A.S. Officer. Smt. Sarala Gopalan, Sri. R.C. Chaudhury and Sri. P.I. Mathew who were Chairmen of the Corporation, were civil servants apart from being efficient administrators. From 22.9.1980 onwards, like many other State Corporations, the Bamboo Corporation started having non-officials as Chairmen⁹. These non-officials were politicians belonging to the ruling front of the state. The Chairmanship of the Bamboo Corporation has thus been reduced to a mere formality.

⁹ Kerala State Bamboo Corporation - Report and Accounts 1980-81 - Page - 3

state of being offered as a carrot to dispoliticians. Unless this state of affairs changed the Corporation's administration continue to suffer. The politicians have lutely no idea about the functioning of Corporation and are mere figure heads.

6.7.2 Many of the members of the Director Board also full-time politicians. They are ch annually. By the time they become aware problems of the industry, their period o comes to an end. To improve the functio the Corporation it is essential that the Board consists of persons who have intim about the bamboo industry in particular tional industries as a whole. The Corpc not have a General Manager, and the Depu Manager is the virtual executive head, e there is a de facto Managing Director. with the post of General Manager was a c but the consequence was the Deputy Gener was overburdened with work. Therefore t the quality of administration it is recd that the General Manager's post is revis

6.7.3 For administrative convenience the Corporate administrative set up is divided into five Divisions. While some Divisions are over some have little or no work. The Mats Division and the Storage and Despatch Division require a lot of co-ordination. To improve efficiency these two Divisions can be amalgamated as "Mats Storage and Despatch Division". The Mats Division should be given the exclusive responsibility of collection and storage of mats and keeping proper accounts of its duties. The Mats Division which is in charge of marketing should be entrusted with the work of sales promotion and publicity. This function till now held by the Storage and Despatch Division can thus be made more effective by the Sales Division. The Mats Division can be conveniently redesignated as "Sales and Marketing Division". The Reeds Division and the Accounts Division can be retained and status quo may be continued. Alongside it a new division under the name "Research and Development" manned by technical experts should be started. Such a re-organisation is sure to give the Corporation a new orientation.

6.7.4 There ought to be changes in the rules of registration for reed workers to become registered employees of the Corporation. At present only a single member of a family is registered, irrespective of the number of members of that family. As a result small families are treated on par with larger families. It would be in the interest of the reed worker families if the eligibility rules are modified. All members of the family who have attained the age of 18 should be registered as members. In the event of such an individual leaving the family, his registration should stand automatically cancelled. To prevent a family from misusing this facility, all the members should be subjected to annual physical verification. The Depot Offices should be given this responsibility. While filling out the form of registration, the reed worker should give a guarantee to the Corporation that he will not misuse this facility extended to his family.

6.7.5 The clash with the Kerala Girijan Federation regarding the competence of the Bamboo Workers' Corporation is finding it difficult to resolve.

obligation of reallocating 30% of its annual allotment to the Girijan Federation for buting raw material to Harijan groups. problem is the Corporation itself is finding difficult to provide sufficient raw material to the workers attached to it. The Director of the Corporation should take immediate impress upon the Government its inability to fulfill this obligation. To tone up its working, the Corporation must be given full freedom to distribute reeds to the persons whom it deems most needy. The Government guideline of requesting the Corporation to give preference to Harijan is being regularly misused by several vested interests. Many basket companies are putting Harijan Co-operatives in front to get reeds from the Corporation and quietly appropriating the entire supply from the Harijans. Hence the directive of 30% allotment is not benefiting the Harijans. Therefore in the fitness of things the Bamboo Corporation should be given autonomous responsibility of reed distribution.

6.8 Bamboo Worker Villages

6.8.1 A project of the Government of Kerala to the lot of fishermen is the establishment of Villages in areas where fishermen are concentrated. At the end of March 1984, there were 222 Fishermen Villages in Kerala¹⁰. A Fishermen village consists of a group of villages brought together to make one unit. In each such village the Government has appointed a Welfare Officer. The Welfare Officer is assisted in his work by a popular committee nominated by the Government. The Welfare Officer acts as a liaison between the village committee and the Government. The committee is concerned with the needs and requirements of fishermen and makes its suggestions. With the approval of the Government the Officer executes the various programmes designed to improve the lot of fishermen. The establishment of these villages has provided a lot of relief to the fishermen who, like bamboo workers, are caught in the net of t

¹⁰"The Hindu"- 11.4.1984 - Page - 12, Col. 3

6.8.2 Just like the fishermen, the bamboo workers live in clusters. The establishment of worker villages is recommended. As they live together in villages, establishment of bamboo worker villages along the lines of Fishermen Villages should not pose any problem. However the initiative must be taken by the Corporation. The Corporation's officials should supervise the work of Project Officers. Popular Committees can be constituted from among the bamboo workers and from among prominent public men involved in improving the lot of bamboo workers and they are bringing their problems to the attention of the Government and to the Director Board of the Corporation.

6.9 IRDP and Bamboo industry

6.9.1 As per the Integrated Rural Development Programme (I R D P), the Central Government is proposed to spend Rs. 362 crores during the Seventh (1985-90) period in the villages of Kerala in an attempt to change their very outlook¹¹.

¹¹ "Mathrubhumi" - 23.2.1985 - Page - 4 Col. 3

Extension Officers are visiting each and every household in the villages in an attempt to identify the most needy. This work is expected to be completed by 15th March 1985.

- 6.9.2 As per this plan all those persons who have an annual income of less than Rs. 3,500/- would be deemed to be below the "poverty line"¹². The programme is to bring above the poverty line at least 3000 persons per block. Villages will be assisted through loans and subsidies to start their own projects. In the present circumstances each beneficiary is eligible for a subsidy of a maximum of Rs. 3,000/-, while no upper limit has been fixed for sanctioning loans. If implemented properly, the bamboo workers should be the first who should receive top priority. Even though a large number of bamboo workers live in Koonjara and Angamaly blocks of Ernakulam district, not any worker of these blocks benefited from the IRDP in the Sixth Plan. The Bamboo Corporation should take the initiative to bring to the

12 *ibid*

of the Central Government the sad plight of the bamboo workers and see to it that the benefits of IRDP reach these workers at least in this plan period.

Developing the bamboo industry will go a long way towards not only improving the lot of nearly 12,000 socially and economically backward families of the state, but also in rejuvenating an industry which has immense potential to grow. In a country like India where capital is scarce and labour is abundant, an industry like this should be given maximum encouragement. In Kerala where per capita saving is one of the lowest and density of population one of the highest, labour saving and labour using industries should be given topmost priority. The bamboo industry should have all the merits to be raised from the status of "traditional industry" to that of a "priority industry". The bamboo industry is one in which capital investment is very small, but labour content is very high. The only investment a bamboo worker makes is a pen knife. The illiterate state in India, Kerala, is facing

intensity of the unemployment problem more than any other state. In these circumstances any programme aimed at increasing employment with the minimum of investment should give the bamboo industry an important place. Projects for development in the Seventh Plan should include the revitalisation of this industry. The working of the Bamboo Corporation should be so re-organised as to make it more dynamic and effective. Restructuring the Corporation in the lines suggested above will certainly give a boost to this otherwise distressed traditional industry.

* * * * *

A N N E X U R E

SCHEDULE

SURVEY OF BAMBOO WORKERS IN KERALA

I General Particulars

- | | | |
|------|---|---|
| 1.1 | Name of Respondent | : |
| 1.2 | Location Code | : |
| | Place | : |
| | Village/Ward | : |
| | House No. | : |
| 1.3 | Religion of the Household | : |
| 1.4 | Mother Tongue | : |
| 1.5 | Category of Employment | : |
| 1.6 | Age | : |
| 1.7 | Marital Status | : |
| 1.8 | Educational Status | : |
| 1.9 | No. of Members in
the Household | : |
| 1.10 | No. of persons in the
household employed in
bamboo work | : |
| 1.11 | No. of years experience
in the employment | : |

II Economic Particulars

- 2.1 No. of Mats manufactured per day :
- 2.2 No. of Reeds cut per day :
- 2.3 Average daily income from Mats/
Reeds :
- 2.4 Other sources of income :
- 2.5 Any other occupation other
than bamboo work :
- 2.6 Whether the respondent has
received regularly the benefits
of supply Incentive Scheme :
- 2.7 Has the respondent benefitted
from Workers' Welfare Scheme ? :
- 2.8 Whether the respondent has
received loans from the following
sources :
- a) I.R.D.P. :
- b) State Bank of India :
- c) Other Nationalised Banks :
- d) Corporation :
- 2.9 Amount of loan received at a time:
- 2.10 Whether the respondent has been
in a position to repay the loans :
- 2.11 Is the respondent aware of the
many welfare schemes of the
Corporation ? :
- 2.12 Other economic benefits received
from the Corporation :
- 2.13 Whether there is any change in
the economic condition after
the Corporation was started :

III Impact of the Corporation

- 3.1 After the Corporation was started is there improvement in the availability of raw material :
- 3.2 Opinion about the cost of raw material :
- 3.3 Do you think that the raw material supplied is sufficient ? :
- 3.4 Is the Corporation making efforts to supply the raw materials ? :
- 3.5 How far is the nearest depot from your house ? :
- 3.6 Opinion about the price paid for the Mats/Reeds :
- 3.7 Whether the payment is prompt:
- 3.8 Has the Corporation been able to instil the feeling of security in you ? :
- 3.9 Attitude of the officials towards your problems :
- 3.10 Behaviour of the Corporation officials :
- 3.11 Role of the Corporation in times of the following needs :
- a) House construction/renovation :
 - b) Marriage of children :
 - c) Education of children :
 - d) Accident Relief :
 - e) Eye Operations :

- 3.12 Has the Corporation improved :
your living standard after :
its formation ? :
- 3.13 Do you think that the Cor- :
poration has scope for :
expanding its activities :

IV Drawbacks of the Corporation

V Suggestions for improvement

SIGNATURE OF R

PLACE :

DATE :

SELECTED

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