CHAPTER – I

INTRODUCTION

1.0. The Handloom Industry of India is essentially a traditional one. It is also a cottage industry in the best sense of the term, as the work is done largely in the home of the weaver himself. The loom just like the plough symbolizes the ethos of India. In fact, the handloom industry along with agriculture is the mainstay of our rural economy. The handloom textile is unique to mill made textiles and it has a very good glorious heritage, over the years. Handloom goods are no longer the choice of the poor alone, but a favourite of the elite in India and abroad. Next to agriculture the handloom industry accounts most of rural employment and income. It meets about a quarter of the clothing needs of the country.

It is essentially a very big labour intensive and low capital industry. Handloom assumes importance because it not only meets clothing needs of the people, but also gives expression to Indian art and culture, craftsmanship and heritage. The Handloom industry, the largest segment in the unorganized sector, plays a very important role in the country’s economy. The traditional industry, known for excellence in workmanship and value addition the world over employs over seven million weavers and about four million looms. About 27 per cent of the total textile production in the country comes from the handloom sector.

It is agro-based and highly labour-intensive. From very early period, this huge cottage industry was supported by the rulers and petty kings of the country and here lies the birth of co-operative movement of state support in its crude form. This is evident from the fact that even in the early centuries A.D., Indian navigators who sailed to various countries had been exporting locally produced fine variety handloom cloths only with the strong support of their petty kings and local rulers.

The organization, production and the extensive use of handloom products were supported by the local government for several centuries and these facts are referred to many a time by the old writers of the early centuries. Handloom cloth is obtained from cotton. Cotton fibres (yarn) are produced by cotton hand spinning wheels (charkes). Afterwards, these cotton fibres are dyed and woven by a handloom and thus handloom cloths are produced.

1.1. HISTORICAL ORIGIN AND DEVELOPMENT OF HANDLOOM INDUSTRY

The Indian handloom textile industry has an ancient lineage and was renowned since the Indus valley civilization of 3,000 years B.C. During the mogul period, among cottons the muslin of Ducca was the most famous. In silks, the choppahs, bandanas and corahs of murshidabad were particularly fine, and the woolen shawls of Kashmir and Amritar were very popular in Europe, especially France during the mid-nineteenth century. Throughout the century the European demand led to a phenomenal expansion of Indian trade in her cotton and silk manufactures.

7. Census of India 1931, South Travancore (Kanyakumari District), Trivandrum, 1932, p.5.
In the early days of colonialism, from Clive’s victory at Plassey in 1757 to the abolition of the East India Company’s monopoly in 1813, the handicraft industries still managed to export substantially, partly by trading with the company.8

As the handloom industry is an employment oriented industry today, it provides direct employment to about 100 lakh persons for their livelihood in the country in weaving and other connected activities of handloom.9

1.2. HANDLOOM CLOTHS AMONG OTHER VARITIES OF CLOTHS

Cloth of different varieties and special designs can be produced in handlooms in small scales, which cannot be economically done by mills in big manufacturing scales. Handloom cloth is also more durable. Handloom cloth is woven from natural cotton fibre, using handlooms. The same cotton fibre is also used by the power-loom and cloth mills. Synthetic fibres like polyester, terry in and a mixture of cotton and polyester or cotton and terry in fibres are used by the cloth mills to produce different types of cloths.10

To ensure quality yarn to handloom weavers, necessary modernization is proposed to be carried out. Further to meet the increasing demand of yarn, setting up of a growers’ co-operative spinning mills is under scrutiny. Modernization of handlooms is a continuous process. This scheme will result in improvement in quality and quantity of the production, higher earning and employment of weavers and new varieties of fabrics.\footnote{11. M.N. Dantwala, “Helping Hand to Handlooms”, The Tamil Nadu Journal of Co-operation, 1990 Vol.82, pp.146-147.}

1.3. HANDLOOM INDUSTRY IN INDIA

Handloom industry is the most important and the largest one in India. Handloom weaving is in vogue from the ancient days and there is a large number of people who are still earning their living by it.\footnote{12. Opcit.}

To provide effective support and protection to this sector, a coordinated national policy has been evolved by the Government of India through which it is hoped to amelio-rate the living standard of the weaver.
As the handloom weaver is at present poorly served in most of these respects, a massive national Handloom Development programme had been launched to ensure adequate and timely supply of yarn, dyes and chemicals at reasonable prices to the weavers and to rid of the feat that his product may not be sold.\textsuperscript{13} In India, handloom societies are concentrated in the small segment and are mainly concentrated in different parts of the country\textsuperscript{14}.

On attaining independence, Government of India rightly recognized the important role that the industry can play well and a number of policy measures were formulated and executed to bring the industry on sound footing.\textsuperscript{15}

India is an agricultural country. But, the age old handloom industry gets the second big occupation in the decentralized sector of the country with 3.8 million handlooms, with an average annual production of 2900 million metres of handloom cloth and this constitutes one third (1/3) of the country’s total cloth production.\textsuperscript{16}


1.4. MAJOR HANDLOOM CLOTH PRODUCING STATES IN INDIA

States like Andhrapradesh, Kerala, Karnataka, Maharastra and Tamilnadu come in the list of major handloom cloth producing in India. But, it is found that among these states, Tamilnadu comes first in terms of its huge size, production, total exports, proportion of population depending on this industry and the vitality of the handloom industry to survive and grow.\textsuperscript{17}

1.5. HANDLOOM INDUSTRY IN TAMILNADU

Tamil Nadu has weavers who have migrated from other states. Many of these migrants are from Saurashtra and Andhrapradesh. Some of the Saurashtrians migrated more than 700 years ago. The Tamil Nadu weavers belong to the mudaliar.\textsuperscript{18}

The Tamil Nadu Handloom weavers’ cooperative society limited popularly known as “co-optex” was established in 1935 under co-operative societies act with the main objective of organizing and promoting the Handloom industry in Tamil Nadu on a commercial basis\textsuperscript{19}.

\textsuperscript{17} “A Survey of Handloom Industry in madras State”, Government of India, 1959, p.15.
In Tamil Nadu, Erode district handloom societies occupy a prince position, particularly handloom bed sheets are most popular in the southern parts of the country. Against this background, it will be worth understanding the performance of leading handloom societies.  

Tamil Nadu occupies the third position in the country with regard to the production of handloom cloth. During the year 1989-90, the approximate production of handloom cloth by the co-operative sector is about 136 million metres with regard to the productivity per loom, the average daily production works out to 4.8 metres per day per loom, as against the national average of 5.1 metres per day. There is a need to improve the productivity of the handlooms substantially.

Tamil Nadu handloom industry produces a wide range of products meant for export mancent. Madras check lungies, Real Madras handkerchiefs, Kancheepuram silk sarees, terry towels, furnishing materials produced at Karur, Chennimalai areas are the product ranges being exported from Tamil nadu.

To increase the earning of the handloom weavers and to alleviate their poverty, the government has set up four co-operative intensive handloom development projects at Kancheepuram, Erode, Salem and Madurai and two export production projects at Karur and Kurinjipadi with all essential infrastructural facilities for production of handloom cloth.\(^\text{21}\)

TamilNadu ranks first in the country in the achievement of the co-operative coverage of handlooms. There are still poor loom less weavers working under the master weavers in the private sector. Government intends providing a package of assistance to these weavers in terms of share capital assistance and state participation in the weavers co-operative societies. There were 1,677 primary weavers co-operative societies as on 28\(^{\text{th}}\) February 1990. \(^\text{22}\)


\(^{22}\) Ibid., p.143
1.6. HANDLOOM INDUSTRY IN KANYAKUMARI DISTRICT

In Kanyakumari district at present there are 64 Handloom weavers co-operative societies. It is really a huge figure when compared to the total number of societies which are seen in the neighbouring district of Tamil Nadu. In the same manner there are 9726 handloom weavers hectically engaged in the production of handloom cloth as a basic occupation. The main varieties of cloth that are produced in the district are Dhothies, Towels, Bed Sheets, Sarees and Export Towel. It is estimated that next to Agriculture, the handloom cottage industry functions as the second big occupation in Kanyakumari District. This field also gives employment to a lot of secondary handloom workers as winder, warper, dyer of cotton yarn and marketers.23

The handloom weavers’ co-operative societies were started in this district with the assistance of Tamil Nadu Government for the continuous growth of the handloom industry. This is done through the office of the Assistant Director of Handlooms and Textiles, Government of Tamilnadu Kanyakumari District.

The Assistant Director of Handlooms and Textiles at the district level (Kanyakumari) has the full power and control over the co-operative sector of the handloom industry in the district. The Assistant Director is responsible for the establishment of handloom weaver Co-operative societies, the enrolment of weaver members into these societies, the sanction of working capital, other finance and loans, the supply of raw materials (Cotton fibre or yarn, dyes and chemicals), the supply of handlooms to the loom less weavers, control over cloth production, disbursement of wage to the handloom weavers and marketing the handloom cloths through the district Co-optex (the government cloth selling units). And, the important handloom weaver ‘Welfare Schemes’ such as subsidies to the handloom cloths and small saving schemes to the handloom weavers have been also carried out by the Assistant Director of Handlooms and Textiles at the district level. The Assistant Director of Handlooms and Textiles is answerable to the Director of Handlooms and Textiles, Madras, Government of Tamilnadu, and the minister for the handlooms and Textiles. The Government of Tamilnadu comes at the top.

But, inspite of all there are a few problems in the handloom industry in Kanyakumari District as it is commonly seen in any other industry like shortage of cotton yarn, chemicals dyes, discontinuity in cloth production, discontinuity in employment, low income, marketing problems and low and poor social living conditions of the handloom weavers. 25

1.7. THE SIGNIFICANCE AND NEED OF HANDLOOM INDUSTRY

The handloom industry in India has a long tradition of excellence. The significance of handloom industries is undoubtedly recognized in view of the growing problems of unemployment and underemployment in our country. Its vital role can therefore, be gauged in terms of its share in the total production and employment in the total textile industry of our country. 26

It is also widely known that a significant part of handloom products are marketed as handloom cloths and all this would mean that the performance of the industry is not all that rosy at a macro level. 27

1.8. THE ROLE OF CO-OPERATIVE MOVEMENT AND THE GROWTH OF HANDLOOM INDUSTRY

Development of the Handloom industry on co-operative lines was the cardinal element in all the plans. Co-operation has the advantage of bringing freedom and opportunity of people with benefits of large scale management and organization. Co-operative societies are expected to perform functions of bulk purchase of raw material, raise capital by the issue of shares, procure finished goods from members and minced them on favourable terms.

The first Handloom Weavers Co-operative Society was formed in 1905 after the co-operative societies Act had come into existence. From that time onwards, the number of weavers’ co-operative societies have been increased. 28.

Co-operativisation of Handloom has been one of the major strategies of the government for bringing handloom weavers to an organized forum for production. It has been the policy of the state Government to Channelise all the government assistance to the handloom weavers through the weavers co-operatives.

Organization of industrial weavers’ co-operative societies has been one of the important schemes implemented by the state government for the welfare of the loomless weavers.  

1.9. THE THEORY OF CO-OPERATION 

During the early 19th century the ‘ideal of co-operation’ was put forward as an alternative to ‘Competition’. Producer co-operatives first made a success as a ‘new economic theory under production’ by Robert Owen in England. But, producers; co-operative movement was first a great success at the initial stage of its application on the continent of Europe, especially in Denmark in the year 1931. The co-operative movement as a new form of business organization, is a boon to the small producers and individuals for boosting up their produce and sale against the keen competition and exploitation of the big producers. The co-operative movement is distinguished from the ordinary capitalist enterprise and is a business organization of the workers themselves. The ordinary workers and other individuals are allowed to form and run the industry without aid of huge entrepreneur.

29. Opcit., p.143

All the business decisions are allowed to take up by themselves. They contribute some capital by themselves and borrow the rest; they elect their own foremen and managers and employ some staff. After paying all expenses, interest on capital, salaries and wages, the profits are divided among themselves\textsuperscript{31}. This is the basic theory of producer’s co-operative movement.

Later, this producer’s co-operative movement spread to other countries all over the world. India showed very great interest on it and the Government of India wanted to popularize it in the rural and semi-rural areas of the country, as the country is industrially very backward. A number of modifications were made, suitable legislations were passed and lot of improvements were also made in the original theory of co-operative movement. On the basic of the recommendations made by the All Indian Rural Credit Survey Committee and Reserve Bank of India, a separate department of co-operative societies were appointed as the Heads of the Co-operative Department of the States and The Deputy Registrars were appointed as The Heads of The Co-operative Department of the districts to begin and efficiently run this new form of business organization, as a movement of the ordinary people of the nation, from 1957 onwards\textsuperscript{32}.


\textsuperscript{32}Dutt and Sundaram, “Indian Economy”, S.Chand and Co, New Delhi, 1980,pp.441-442.
The Co-operative societies are generally divided into credit societies, Non-Credit Societies and Consumer Societies. They are further divided into Agricultural Credit societies and Agricultural Non Credit Societies, Industrial Credit societies and Industrial Non-Credit Societies and Consumer Credit Societies and Consumer Service Societies. Below this classification, comes a host of other forms of primary societies of suit to the formation and running of different types of agricultural and industrial operations on a smaller and marginal levels. The Credit societies give short-term, medium-term and long-term loans and advances at a reasonable interest rate on easy instalments to the members of various Agricultural and Industrial Primary co-operative societies, through the respective state and District Central Co-operative Bank and other credit institutions. The amount would be used by the members for the purchase of machinery, raw materials and productive purpose. The loan amount is given on the basis of total number of members in a primary society, their initial membership capital and other resources of the society. The Non-credit societies facilitate all other arrangements except the financial assistance such as organizing, functioning and marketing the products to the members of various Agricultural and industrial primary Co-operative societies.

33."Source” information collected from the office of the Deputy Registrar of Co-operative Societies, Kanyakumari District, Nagercoil, 2005.
The consumer credit societies give easy short-term, medium-term and long-term loans and advances to the members of various consumer credit primary societies and the consumer service societies create various consumer Primary Societies such as Consumer Super Markets and Consumer Co-operative Departmental Stores and make all the arrangement to avail the necessary and other vital consumer goods to the member consumers at a fair price and also try to avoid shortage of essential articles through a system of rationing. The very important point here to note well is that all the primary Agricultural credit and Non-credit societies and all the Primary Industrial Credit and Non-Credit Societies are affiliated to the office of Deputy Registrar of Co-operative Societies at the district level and to the office of Registrar of Co-operative societies at the state level for effecting better super-vision, control and continuous development. But, all the Primary and Industrial Handloom Weavers’ Co-operative Societies are affiliated to the office of Assistant Director of Handloom Weavers’. Co-operative Societies are affiliated to the office of Assistant Director of Handlooms and Textiles at the state level for effecting efficient co-ordination, supervision, control and progress 34.

1.10. HANDLOOM WEAVERS AND THEIR WELFARE SCHEMES

Handloom Industry plays an important role in providing non-farm sector employment opportunities in the rural areas especially for the handloom weaver and the weaker sections of the society.

The Central and state government have introduced various essential welfare schemes to give financial support, technical guidance, training, marketing assistance and Handloom basic facilities through co-operative societies. Some of the schemes of this nature are savings and security schemes, weavers family pension schemes, weavers old age pension scheme, Rebate scheme, Free distribution of cloth scheme, weavers house Cum work-shed scheme, Weavers Health Package Scheme, Handloom Development Centre and Quality Dyeing unit scheme, modernization of showroom, Namakku (Namakkaka) Namae Thittam, Swarna Jeyanthi Rural-Self-Employment Scheme, Bunkar Bima Yojana Scheme and Integrated Handloom Training Project. Such Handloom weaves co-operative societies and their salient weavers welfare schemes certainly need and promote the real socio-economic conditions of the weavers. This is the major research study made in the present research work.
1.11. THE STATEMENT OF THE RESEARCH PROBLEM AND THE SCOPE OF THE STUDY

Inspite of implementation of welfare schemes, the social and economic conditions of handloom weavers did not improve as it was envisaged. Co-operative coverage is 85 per cent out of the total weavers. The inherent weaknesses of the handloom industry like weak organization, officialisation of handloom co-operatives, inadequate credit from financial institutions, inadequate and poor infrastructure have made it more vulnerable to competitions from the organized mills and the decentralized Power looms sector. The steep increase in cotton yarn prices, heaps of unsold stock, delayed payments to primary societies by the Apex societies and the poor marketing conditions have further deteriorated weavers conditions. This actually poses a real socio-economic problem to the poor and deprived handloom weavers in Kanyakumari District.

Traditionally, a class of handloom weavers are working under the Master weavers for daily wages. These dependent weavers do not have their own looms and are under the clutches of Master Weavers. The first and foremost measure adopted was the restriction of the weaving capacity in the organized Mill sector. The additional cloth requirements were to be met mainly by the handlooms. One of the major problems faced by the handlooms is the inadequate supply of yarn in
hank form. Another major problem of the industry is marketing. There is no clear mechanism to transfer market intelligence to handloom weavers. Technological backwardness is another problem confronting the industry. Another major problem of handloom co-operatives is high cost of production. The competition from Power looms is another serious problem afflicting the handlooms of the different areas. Yet another weakness of handloom industry is its unorganized character. Even though the handloom industry of Kanyakumari District has a long heritage, traditional value and political power in deciding the ruling political party in the region, it is really a mystery to note that the real handloom weavers of the district have a very low living standard. Their social and economic conditions are at a very poor condition. They have to spend more than 70% of their income only on necessary goods and go with the concept of Engle’s law of family expenditure. As such, there is a real research problem in this selected topic and there is ample scope and need for the present research study.
1.12. PLAN OF THE STUDY (SCHEME OF THE STUDY)

A comprehensive Introduction to the study of an Economic Study of Handloom Weavers Welfare Schemes in Kanyakumari District is dealt with in the First Chapter.

The Second Chapter is exclusively devoted to a detailed study of the Review of Literature. This will bring the significance, needs and scope of the research study.

The Third chapter is the Methodology chapter in which all the relevant scientific methods of the research study and details about required data, objectives, hypotheses and other significant analyses of the study are given. This would make the entire research study highly scopeful, precise perfect and useful.

The Fourth Chapter deals with a detailed account of the Ecological complex (Area of Study) in which all the important Environment factors are studied in order to bring the correlation between the important ecological factors and the functioning of handloom industry, especially, the socio-economic conditions of handlooms weavers in Kanyakumari District.

The Fifth chapter will explain in detail the important major Handloom Weavers Welfare Schemes, launched in Kanyakumari District by the Government and the handloom weaver co-operatives. This is a major analysis chapter.
The Sixth chapter will study in details the Socio-Economic Conditions of handloom weavers in Kanyakumari District. This study is purely based on Primary data which will be collected from neatly prepared 220 Questionnaires on the real handloom weavers of the district, which consists of 4 Taluks in total.

The Seventh chapter will describe in detail the Essential Problems of handloom weavers.

The Eighth chapter is the last one consisting of the Conclusions, Major Findings and Policy Suggestions of the present research study.