CHAPTER – II

REVIEW OF LITERATURE

2.0. Many studies have been made in India on the handloom industry and its problems. Some are dealing with the handloom industry at the all India level, but some studies are based on state or district level. The present research study is based on the importance of the handloom industry, employment and income potentialities, socio-economic conditions and welfare schemes as well as the problems of the handloom industry. The following reviews try to highlight the needs, significances and scope of the selected research topic.

2.1. IMPORTANCE OF HANDLOOM INDUSTRY

I.M. Desai (1978) in his study clearly indicated its commitment to the development of cottage and small scale industries including the 3.8million handlooms which provide rural employment to over 10million weavers in this industry. This revolution in rural India will not merely assure continuous employment to the handloom weavers but
also help in sustaining and reviving the rich folk arts and crafts of our age and old culture which should be given rightful place of dignity and prestige in the society

K.Chellappan (1984) in his study stated that clothing occupies the second position among the three absolute necessities of human life. His work concentrates on the history of the industry which dates back to 5,800 years, its socio-economic importance, the problems faced by this Industry and also reasons for its nation wide popularity. His work also reveals the structure, organization and wage conditions in the handloom industry. It also suggests the measures suitable for the improvement of handloom industry in India.

Prabin Baishya(1989) has pointed out in his study that the income generated by the industries flows, leaving aside their forward and backward linkages, through two channels, viz, employer and employee where hired workers are engaged and through a one way line where only family labour is used. In the handloom industry income of an enterprise varies according to its size, ie number of looms, type and quality of the fabrics produced and duration of the work.

As reported in the Economic Times, the handloom sector occupies a significant place in the rural-urban technological and social linkage in the Indian economy. Despite a number of policy measures formulated for its development, the handloom sector has not grown sizably. This is because of the overlapping role of various textile sectors, unorganized structure of handloom sector, lack of adequate marketing and infrastructural base for their growth and promotion⁴.

Subathra (1994) has pointed out in her study that, India adopted a developmental model based on protection of domestic industry against foreign competition; the creation of a public sector, and a degree of protection for the small-scale, labour-intensive industrial production in the ‘decentralised sector’ against large-scale capital-intensive production in the domestic ‘formal sector’. This development strategy was followed for thirty years since ‘independence’ with the variation in policy, although a major change in the direction of a more export-oriented strategy emerged late in the 80s. While Nehru’s policy of mixed economy aimed to protect traditional industries and bring up modern industries, Narashimha Rao’s government followed Rajiv Gandhi’s policy of clearing the way for liberal economy. This had meant curbing all restrictions over ‘Protected Interests’⁵.

According to B. Subburaj,(1995) among the hundreds of small scale and cottage arts and crafts in India, the handloom weaving, perhaps the most important craft, occupies a pride place. It is the largest cottage industry with more than 30.22 lakh looms spread throughout the country\textsuperscript{6}.

R.Doraiswamy (1996) in his study reveals that, the handloom fabric continues to have its own demand as it cannot be fully matched by power loom in design and texture. At the same time, as the labourers can earn relatively high working on power looms, it is difficult to find skilled labour to work on handlooms, which require physical work\textsuperscript{7}.


Dr. Sailendra Narain (2000) while dilating on this subject pointed out that the handlooms sector forms a part of India’s rich heritage and exemplifies the richness and artistry of the weavers. The Handloom (Reservation of Articles for production) Act 1985 aims at protecting the interests of weavers. Under this act, 11 textile articles are presently reserved for exclusive production by handlooms units. In order to help in formulation of effective schemes for the benefit of handloom weavers, NCAER was assigned the task of undertaking a census of Handlooms in 1995-96 by the ministry of Textiles.8

Babu, (2001) identifies some major developments that have shaped the evolution of handloom silk weaving industry after independence, which applies to cotton handloom weaving too. They are highly supportive state policy in terms of restrictions on mill sector, reservation of a part of mills spindlage to produce measures for handloom clothes and reorganization of production structure through the creation of co-operatives.9

2.2. PRODUCTION OF HANDLOOM PRODUCTS

The 1985 Report of the Directorate of Handlooms and Textiles, Madras reveals that the state government had made a provision of Rs. 84.50 cores to the handloom sector. The total production during this period shot up to 725 million meters\(^{10}\).

According to the Assistant Directorate of Handlooms and Textiles, this department accepts that 50 percent of the total production of the district could be marketed through co-operative societies and other similar established marketing organizations of the district \(^{11}\).

According to Mahader Pakrasi, (1993) about 27 percent of the total cloth produced in the country comes from the handloom which earn substantial foreign exchange. Despite carving a lucrative export market for itself, handlooms remain largely village based, practised as an ancestral occupation \(^{12}\).

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2.3. NEED FOR TECHNOLOGICAL ADOPTION IN HANDLOOM SECTOR

According to N.P.Seshdri, (1978) the handloom industry has displayed innate resilience to withstand and adapt itself to the demands of modern time. Today it uses not only the traditional raw materials, hand spun yam and vegetable dyes, but also and substantially mill-spun yarn and chemical dyes. It has changed over from primitive throw shuttle loom. It has taken to modern bobbins. Jacquards and lately to polyster blends from essentially rural habits, the strident twanging of the looms are increasingly heard in urban areas\textsuperscript{13}.

According to A.Rama Rao,(1985) A National Handloom Design Centre- cum-Handloom Museum was also sanctioned for setting up, with a view to collect traditional specimens of textiles and techniques of handloom weaving, dyeing and printing for research, training and product development\textsuperscript{14}.


Nagen.C.Das and Mahapatro (1986) took for their research, the problems and difficulties faced by the states, Orissa and Assam respectively. Besides analyzing the common problems of the industry with special reference to the Orissa state, Mahapatro argued the case for conversion of handloom into power looms to increase productivity. From an analysis of the various problems faced by the industry in Assam State, Das identified competition from cheap mill cloth and artificial fabrics as the most serious one. To save the industry, he recommended the abandoning of the outmoded techniques and introduction of new ones to suit the changing spirit of the time.\footnote{15. Nagen.C.Das and Mahapatro, “Development of Handloom Industry”, Deep and Deep Publication, New Delhi, 1986.pp.40-61.}

According to Noorbasha Abdul (1996) Handloom is one such venerable industrial segment which has been severally affected under the reforms regime and has culminated in large-scale de-employment of weavers and the shrinking of real wages. The large-scale starvation deaths of handloom weavers in Prakasam and Guntur districts of Andara Pradesh in the second half of 1991 triggered a spate of media reports that have focused on the plight of weavers.\textsuperscript{17}

According to R.Doraiswamy, (1996) Technological innovations have brought about several changes in the wearing industry, which was flourishing in Doddaballapur, anekal and Bangalore, are changing for power looms.\textsuperscript{18}

P.K.Premavathy (1999), in her study examined the importance and feasibility of modernization of the handloom industry. She tried to find out the problems of this traditional industry and examined how far modernization can solve such problems with particular reference to Ernakulam District.

\textsuperscript{17}Noorbasha Abdul, “Handlooms in Distress” \textit{Economic and Political weekly}, Vol.XXXI,No.23, June,1996,p.1384-1386

The study revealed that handloom workers are aware of popular designs and modern implements and accessories. Lack of training and finance are the two major factors that limited the adoptions of modern implements in weaving. She pointed out that the development of the industry through modernization will inject new vitality and vigour in the rural and semi-urban areas of Kerala and thereby can reduce the gravity of unemployment \(^{19}\).

2.4. HANDLOOM INDUSTRY FOR EMPLOYMENT GENERATION

According to the High-powered study team on the problems of the Handloom Industry, there was 35,63lakh handlooms in the country. In view of the fact that the potential of one loom is 1.5 persons and assuming atleast one person per loom, this should account for the employment of nearly 3.6 million workers as against about one million workers in the organized cotton textile industry \(^{20}\).

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K. Bharathan, (1983) in his study, which looks into the change in the relative share of workers of the cloth industry of Tamil Nadu comes out with his finding that the industry is losing ground on the basis of employment potentialities. He ascribed it to the ‘inconsistency’ in the policies of the Central and State Governments. He also states that the women constituted about one third of the total workers in the industry in 1961 and were to be found relatively more in the household than in the non-household sector. But in 1971, the share of the women workers has increased to a little above the third of the total workers.\textsuperscript{21}

Ranganathan (1984) says that the fabrics produced in handlooms as could be expected would be costlier to produce as compared to other sector, the extent of difference over powerloom sector being on the average about 22 percent with cotton fabrics. This increased cost of handloom is due to the higher conversion cost, consequent to the very low labour productivity. The labour productivity in weaving alone is extremely low, handlooms requiring more than 100 operative hours to produce 100 metres of fabric, which is labour 12 to 15 times the operative hours employed in the other sectors 22.

V.K.Agnihotri,(1985) points out that the handloom weavers in Tamil Nadu constitute roughly six percent of the total working population. Besides, direct employment to weavers, the industry guarantees indirect employment to loom manufactures, dyers, twisters, warpers, sizers, processors, printers etc a part from those engaged in spinning mills 23.


K. Suyambulingam (1986) in his study “Handloom Exports in India” reveals that in terms of employment, the handloom industry of the state is next important to agriculture. This industry provides direct employment to nearly 20 lakhs people and livelihood to another 30 lakhs people. This 50 lakhs associated with the handloom industry is fairly big while compared to the total working population of the decentralized sector of the state $^{24}$.

Shri. Munirhotha (1986) observes that handloom industry of Kanyakumari district employs 1.69 lakhs people in it. So, the total percentage of the total population works out to be 11.88 per cent. Further, he states that the total working population of the district amounts to 5.69 lakhs. So, the percentage of the weaving population to that of the total working population of the district works out to be a flattering figure of 31.88 per cent. This study clearly shows the significance and need of the handloom industry terms of employment potentialities of the district in the days to come and again makes oneself think of the extent to which employment opportunity could be provided by them in handloom industry $^{25}$.

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According to the Census of Handlooms, there were 30.6 lakh weaver households in the country. Of these 26.3 lakhs lived in rural areas and the remaining 4.3 lakhs were in urban areas. The total number of handloom weavers in the country as per the Census were 43.7 lakhs, of which 22.4 lakhs were full-time weavers and the remaining 21.3 lakhs were part-time weavers. The Census of handloom makes two broad classifications in presenting the data on the workforce, one classification is based on the nature of activity, the worker is engaged in as to 1) Workers who are engaged in preparatory stage of weaving, 2) Workers who are engaged in actual weaving. The second classification is based on the duration employment as to 1) Part-time workers and 2) Full time workers.

The book of Tamil Nadu Economy, performance and Issues gives the information that, Tamil Nadu had approximately 27 percent of the 15,14,719 handloom weavers in a country. Typically a household industry, handloom weaving accounted for around 45 percent of employment in household industry in 1971, as against an all-India average of 18 per cent.

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Pupul Jayakar (1988) states that, this sector, with 3 million handlooms is able to produce about 4000 million metres of cloth and provides employment to about 10 million persons 28.

C.K. Renukarya, B. Niranjanraj Urs (1988) reveals that there are nearly 30.20 lakh handlooms in the country producing 3325 million metres of cloth constituting 26.02 percent of the total cloth production in the country. Besides, export of handloom goods earned the country foreign exchange to the tune of Rs. 361.62 cores in 1985-86 29.

According to B. Subburaj, (1988) in respect of employment, it is estimated that 14 million people are directly employed. They, together with their dependents could well constitute 10 per cent of the country’s total population, which could be equivalent to 40 per cent of all the factory workers in India and over two times the textile workers employed in the mill sector. The handloom weaving industry, besides offering full-time employment to weavers, is also the subsidiary means of income to agriculturists and among the well-to-do as a household duty 30.

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Bhishma Narain Singh (1991) States that handloom industry ranks next only to agriculture in providing direct and indirect employment to a large number of rural population. This industry is labour intensive and provides more employment opportunities than most other village industries\textsuperscript{31}.

In the Opinion of N.Ali, (1996) the traditional industries provide employment opportunities to not only one generation but several generations. Due to high employment potential and low capital output ratio, traditional and village industries have a vital and significant role to play in India\textsuperscript{32}.

K.S.Suresh Kumar and C.Ganesh (1998) in their article “The Economic Impact of Handloom co-operatives on weavers” have stated that among the traditional industries in Kerala, the importance of handloom industry is second only to coir, providing direct employment to over two lakh people\textsuperscript{33}.

\textsuperscript{33} K.S.Suresh Kumar and C.Ganesh in “The Economic Impact of Handloom co-operatives on weaves”, \textit{Kurukshetra} Vol.XLVI, No.5, February 1998, p.45.
According to K. Venugopal Rao and M.Chandra Sekhar, (1998) the traditional industry, known for excellence in workmanship employs over seven million weavers and about four million looms

Suresh Kumar K.S.C.Ganesh (1998) pointed out that majority of the handloom weavers in India are self-employed artisans who are carrying on their profession in their own homes with the assistance of their family members in pre-loom and postloom process.

According to T.Jyothi Rani and C.H. Premakumari,(1998) the significance of handloom industries is undoubtedly recognized in view of the growing problems of unemployment and under employment in our country. Its vital role can therefore be ganged in terms of its share in the total production and employment in the total textile industry in our country.


Handloom sector plays an important role in the country’s economy. It is the largest activity after agriculture, providing direct and indirect employment to more than 30 lakh weaver households and about 124 lakh persons. This sector contributes nearly 23% of the total cloth produce in the country and also contributes substantially to the export income of the country. The cotton textile industry is generally concentrated in the cotton growing tracts of the drier western parts of the Peninsula and Great Plains. Maharastra and Gujarat are the foremost cotton textile manufacturing states. TamilNadu and Andra Pradesh are important in spindlage, Uttar Pradesh, Madhya Pradesh, West Bengal and Karnataka in both spindlage and loomage capacities.

Krishna Kumar Asha, (2000) has pointed out in his study that based on the estimates available, around 25 per cent of all the handlooms in India are located in TamilNadu, providing employment for more than two million people, including ancillary workers engaged in preparatory processes. “Of the countries total export Tamil Nadu contributes a share of 50 per cent”.


Babu (2001) observes, “Handloom is the largest industry in the unorganized sector in terms of size, income and employment potential. Handloom sector accounts for about 30 percent of the total textile production and about 60 percent of the employment in the text industry”. According to him “Handloom weavers in the country are mainly concentrated in seven states as in Assam, West Bengal, Tamil Nadu, Manipur, Uttar Pradesh, Maharashtra and Andhra Pradesh, Among the south Indian states, Tamil Nadu is the most important in terms of the size of weaver population and share of total production." 

P.B. Nimbalkar,(2002) has pointed out in his study that the Handloom sector provides direct and indirect employment to 6.5 million persons engaged in weaving and allied activities. As a result of Government intervention through financial assistance and implementation of various development and welfare schemes, this sector has been able to withstand competition from the powerloom and Mill sectors production in this sector has reached 6792 million sq.metres in 1998-99. This sector contributed to 19 percent cloth produced in the country and contribution substantially to the country’s export earnings.


2.5. MARKETING OF HANDLOOM PRODUCTS

In the opinion of B. Ramakrishna Rao, and G. Subrahmanyam, (1985) A majority of the weavers in the country are in fact illiterate albeit being adepts in their own line of activity. Because of their inadequate earning from the profession, they are not financially sound enough to carry on the production as well as marketing activities with their limited funds. They have to depend invariably on master weavers for both the business and the subsistence 41.

According to Pupul Jayakar, (1988) to make handlooms more competitive and to improve their marketability, pre-loom and post-loom processing facilities are provided with a provision of 100 percent loan to the state government under a centrally sponsored scheme 42.


V. Rajagopal (1990) in his study, examined the production and marketing structure of handlooms in Kannur and Thiruvananthapuram Districts. He says the location specific studies throw light on the structure and functioning of the industry in particular regions and provide greater insights into the dynamics of the industry. He found that the production in Kannur is centralized. On the other hand, independent weaving household exist in Balaramapuram, which markets their goods by having them in the daily evening markets or in the village fairs. He found that there was marked decline in the number of persons engaged in the weaving. This decline may be possibly have been on account of severe competition from machine made goods. In the present century also, all types of mundu, nerithu and thorth constitute the bulk of the product mix in South Travancore. The industry in this region, was traditionally differentiated in its product mix. While one sector of the industry produced fine varieties the remaining section concentrated on the production of coarse varieties of cloth. Also in this region the industry was essentially oriented towards the domestic market. Also he found that most of the primary co-operatives in Thiruvananthapuram districts do not have any particular production strategy.\(^{43}\)

According to management information system of the Assistant Director of Handlooms and Textiles, during 1994-95 direct sales was 60.1 per cent, co-optex 33.9 percent, Agency showrooms 0.1 per cent, exhibition sales 5.5 per cent and others 0.4 per cent. 

2.6. EARNING OF FOREIGN EXCHANGE THROUGH EXPORTS OF HANDLOOM PRODUCTS

B.Ramakrishna Rao and G.Subrahmanyam (1985) on a rough estimate referred to 10 million workers employed in this industry which produces 3000 million metres of cloth worth Rs.1800 cores per annum shared by the private, public and co-operative sector. Exports of handlooms in the country which were around Rs.1577 cores in 1968-69 rose to as high as Rs.302.91 cores in 1978-79 recording nearly 20 fold increase.

44.Management Information System of the Assistant Director of Handlooms and Textiles, Nagercoil-1994-95,p.3.

This has been pointed out by the 1986 report of the Directorate of Handlooms and Textiles, Madras. It is evident from the above analysis that the export of the handloom industry in India had experienced 100 percent increase within a decade and it clearly brings out the real significance of this industry in terms of its export 46.

V.V.Swamynathan (1986) shows that export of handloom products had been on the increase by then. It was to the tune of Rs.105cores in 1978-79 and Rs.120cores in 1984-85 and valued at Rs.170 cores in 1986-87. Thus, it is analysed here that the export figure of the state is fairly considerable when it is compared with the export figure of the nation. These views express the fact that the handloom industry is supported by the government for its growth and development, over the years 47.


According to M.N. Dantwala, (1990) Tamil Nadu handloom industry produces a wide range of products meant for export market. Madras check lungies, Real madras handkerchieves, Kancheepuram silk sarees, terry towels, furnishing materials produced at Karur, Chennimalai areas are the product ranges being exported from Tamil Nadu. For the year 1989, the provisional export figure is at Rs.630corers and Tamil Nadu enjoys a major share out of it 48.

According to A.Venkatachalam, (1993) the increasing prices pose a threat to the handloom exporters when they are forced to use the substandard yarn. It is found that the dyes and chemicals are not freely available. In addition to this, procurement of quality at the right time is also seriously affected. Unsystematic methods of processing by the handloom dyers and the traditional method of weaving do not help the development of the export market unlike as in the power loom sector. There is a lack of co-ordination between producers of handloom textiles and merchant exporters with an exception of manufacturer-exporters. Even though the design is the real differentiator between various trading level in textiles, the quality is always an important factor at every level 49.


Prasad (1993) pointed out that the pace of decline of the cotton handloom industry was speeded up during the nineteenth Century. “The exposition of many exactions by the East India Company on the indigenous weavers hindered the smooth working of the industry”. He further explains that during this period the economic conditions of the weavers deteriorated. Exports fell very low while imports from Great Britain gradually multiplied. Large number of weavers had to abandon their hereditary occupation and join public work scheme launched by the Government. Hand spinning, which had until then provided a subsidiary occupation to the agricultural production also began to decline, entailing much under employment. Large imports of English yarn aggregated this crisis\textsuperscript{50}.

2.7. WOMEN IN HANDLOOM INDUSTRIES

Ramesh M.Bhatt (1983) in his study estimated that a large number of women engaged in handloom sector either as weavers or as supportive workers in pre-weaving and post weaving activities. This study was conducted between November 1981 and September 1982 in Mahesena district of Gujarat. About 1010 households were surveyed in 125 villages. The aim of this study was to analyse the potential of women employment in the district. There were 1953 adult women amongst the 1010 house holds. It is estimated that out of 1953 adult women 60 percent were in the age group of 15 to 35 years and about 42.8 percent women were illiterate. Nearly 38.89 per cent of women were engaged in weaving as a subsidiary occupation. The author states that the widespread participated of women in activities pertaining to weaving clearly indicates that there is tremendous growth of employment opportunities for women in the hand-loom industry. The author also observed that at present they are not paid for any pre weaving operation. They do but from weaving they could earn additional income. Besides the study reveals that nearly 89 per cent of the women weavers are engaged in household activities. From this study it is clear that the employment of women in handloom industry is quickly increasing with time\textsuperscript{51}.

\textsuperscript{51} Ramesh M.Bhatt, “Women should be Equal Partners in Handloom Sector”, \textit{Yojana}, Vol.27, No.5 March 16-31, 1983, p.25.
Sahab Deen Maurya (1988) in his book attempted a multidisciplinary approach to the study of Indian Women. He studied histo-political, socio-economic and spatio-cultural aspects of women in life. His study consists of two parts, ie., present nations scene of women’s life and the current patterns of women’s status in different regions of the country. In his study Maurya analysed the functional characteristics of women in rural Uttar Pradesh. There are a number of obstacles and social restrictions that do not allow women to adopt various occupations freely. Besides, some occupations requiring hard physical and manual labour are not favourable for women. In the two areas of Uttar Pradesh, Himalaya hills and Easter Utter Pradesh rural females are more active and are engaged in agricultural activities. The author stated that the cottage and rural industries like handloom industry provide ample opportunities and such industries should be developed in such a way that they could provide more employment to the rural women. He also observed that in the field of textiles, handloom industry occupies a distinctive place in the state.\textsuperscript{52}

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2.8. PROBLEMS OF HANDLOOMS

A chronic problem of the handloom weavers had all along been the lack of finance. Jain L.C. (1983) in his study in his serious problems faced by the handloom sector has observed that though banks were nationalized in the name of poor producers like handloom weavers, the latter have not received even 10 per cent of their requirements, while colossal sums of soft loans are being pumped into the mills. If anything, there is a flow of credit in the reverse direction. (i.e) form the handloom weavers to the government due to inordinate delays in reimbursement of rebate and subsidy.53.

According to B. Ramakrishna Rao and Subrahmanyam, (1985) a majority of the weavers in the country are in fact illiterate albeit being adepts in their own line of activity. Because of their inadequate earnings from the profession, they are not financially sound enough to carry on the production as well as marketing activities with their limited funds. New and again, they have to depend invariably on master weavers both for business as well as for subsistence. The performance of the existing institutional infrastructure both for financing and marketing of handlooms is far from satisfactory. Co-operative movement in the industry has also not developed on sound lines. Though there are a very

few societies contributing to the improvement of the socio-economic lot of the weavers, a majority of the societies in the country are found to be in dormant shape. This is further observed that in some handloom centres where the co-operative societies are ineffective and dormant, the master weavers are more active in controlling the entire business 54.

According to Nagen C.Das, (1986) the major obstacle that hinders proper development of the handloom weaving industry despite its long traditional background is its very low production. Though several factors are responsible for this state of affairs, one aspect that has become more prominent is the presence of large number of women weavers and that also, large majority of them are not professionalized which presents the absence of commercial weaving 55.

54.B.Ramakrishna Rao and Subrahmanyam, “Handicaps of Indian Handlooms”, Kurushetra, Vol.XXXIII, No.6, March 1985, pp.11,12,16.
G.Subramanyam, B. Ramakrishna Rao, K.Ramamohan Rao and B.mohana Venkataram (1996) have studied that, the fruits of the industry are actually grabbed by extortionate middlemen and as a consequence majority of the weavers are not showing enthusiasm in this traditional profession. However, they are continuing their present line of activity since they found no other way to sustain themselves. The nation cannot afford to allow the handloom industry to decay rapidly and die a violent death in struggle with the mills because of its effects on unemployed segment of the rural population. Thus, the provision of employment to the traditional weaving communities provides more a social responsibility than an economic necessity\textsuperscript{56}.

According to K.Venugobal Rao and M.Chandra Sekhar, (1998) the inherent weaknesses of the handloom industry like weak organization, officialisation of handloom co-operatives, inadequate credit from financial institutions and inadequate marketing infrastructure, have made it more vulnerable to competition from the organized mills and the decentralized power looms sector\textsuperscript{57}.


C.N.Krishnakutty (2000) in his study reveals that, there is no organized market for the woven products made by the weaver households. For selling, weavers are required to go to each door step and from there to another, even without taking food. In such a situation, low priced selling or product is a common feature. Since it appears that weavers are destined to be born, live and die in poverty, they are forced to sell the products immediately after making them. Such a situation is exploited by consumer 58.

S.Ganesh,(2000) in his study shows that, In handlooms, it can be accepted that there is a need to protect and support the traditional industry which is labour intensive, but some important issues cannot be ignored. Traditional Indian handicraft fabrics were based on vegetable dyes, and were eco-friendly and this is not the case today. Now the hand dyeing processes use chemical dyes, and this results poor health and environment Mandaras in the dye houses 59.

2.9. CO-OPERATIVE AS AN ALTERNATIVE TO DEVELOP HANDLOOM INDUSTRY

A.K. Rajula Devi, (1983) states that on the marketing side, the apex body of the primary societies popularly known as ‘co-optex’ markets about 50 per cent of the fabrics produced in the co-operative sector. It has been directed to procure the entire production of small primaries whose annual sales turnover does not exceed Rs.5 lakhs and 50 per cent of the production of the remaining societies.  

G.K. Mathisuthanan (1986) who discusses this in his article on “A Note on handloom industry in Tamil nadu” ascribes this meagre response of the handloom industry to the co-operative sector, to the ignorance to the weavers towards their coming under the co-operative fold. It is the task of government machinery to inculcate the advantages of co-operatives sector in the minds of handloom weavers so that better response can be had in future. The following statement shows the progress of the Tamil nadu Handloom weavers co-operative society Ltd., Madras. This society was established in 1935 and it gives an impetus to the development of weaver’s co-operative in Tamilnadu.


N.S. Natarajan (1986) who made another study on the industry in the state, speaks of 3.22 lakhs being brought under the co-operative coverage out of a total of 5.9 lakhs looms by 1986-87. It works out to be 54.57 percent. This reveals the fact that Tamil Nadu weavers had adopted themselves into the co-operative fold, still 43.33 percent of hand-loom stand outside the co-operative fold. Calculated measures by the state Government will certainly yield better results 62.

S.D. Maurya (1988) in his study reveals that handloom has been serving the basic needs of the people. It is unique in its individuality and in the production of quality-goods which maintain their own identity. The growth of mill sector has had its impact on the handloom industry. The mill sector is capital intensive with sophisticated methods of production catering to the diversified needs of the people. Though it is difficult for the handloom industry to meet this competition, it has been able to maintain its own identity, due to this organization and structure which is very different from that of the mill sector. In organization the handloom industry is based on Co-operative and private ownership 63.

According to U.M. Shah, (1995) the handloom weavers, mostly belonging to economically weaker section, have been brought into co-operative fold. Though about 21 percent of the commercial looms are actively involved in the co-operative sector, the co-operative coverage is about 58 per cent of the total handlooms in the country estimated about 39lakhs. Progressive co-operatisation of handlooms is a significant achievement of co-operative development in India, which besides ensuring adequate and timely support of yarn and other raw materials has helped in the marketing of finished textiles. To a considerable extent, the handloom weavers have been saved from exploitation through a net work of 151522 primary handloom co-operatives working in different parts of the country 64.

The Journal on Tamil Nadu Journal of Co-operation gives the information that All India Handloom Fabrics Marketing Co-operative Society Limited was set up by the Government of India, at the national level in the year 1955 to organize and develop markets both within the country and abroad for handloom fabrics, madeups, and garments. The society has its retail outlets under the name and style of ‘Handloom house’ in all State capitals and cities within our country. The society also set up handloom houses in Singapore and Mauritius while it exports promotion offices at New York and Frankfurt. The society’s exports are increasing year after year.65

T.R. Gurumoorthy (1995) in his article Market Development Assistance to Handloom Co-operative Societies, reveals that marketing of handloom fabrics is an essential element in the overall administration of the handloom co-operatives. Handloom co-operatives are not so strong financially to compete with the mill sector in the textile market. In order to improve the marketing capabilities of the handloom co-operatives, Central Government provides financial assistance to the handloom co-operatives under “Market Development Assistance Scheme”. The financial assistance extended under this scheme is meant for interest subsidy, rebate, establishment and modernization of showrooms and construction of godowns.66

According to B. Subburaj, (1996) the co-optex and the Government of Tamil Nadu organize exhibitions and primary societies also participate in these exhibitions. It is noticed that the number of exhibitions conducted during the October-December months, is the highest, which suggests the seasonality of demand for handloom fabrics influenced by festival occasions.67

The Tamil Nadu Journal of Co-operation informs that there are at present a total of 1439 primary weavers co-operative societies in Tamil Nadu which account for nearly 4 lakh looms. These weavers co-operative societies exist in rural and semi-urban areas, where there is heavy concentration of handloom weavers. The average annual production of various varieties of handloom goods by these societies is estimated to be 1200 lakh metres. The sales turnover of these societies is around Rs.450crores. The working performance of the weavers co-operative societies during 1995-96 indicates that about 67.8 per cent of the societies were working on profit. Out of 190 organised industrial weavers co-operative societies, 165 are functioning at present with 12,600 looms. They account for a total production and sale of 80.50 lakh metres and 78.00 lakh metres of cloth respectively. Of these 165 societies, 29 industrial weavers co-operative societies have been organized for adi- dravidars. 10 industrial weavers co-operative societies exclusively for women, in order to give more employment to women in rural areas, have been organized.  

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2.10. HANDLOOM WEAVERS WELFARE SCHEMES TO
PROMOTE THE LIVING CONDITIONS

The Abid Hussain Committee which was to review the
implementation of 1985 Textile Policy suggested the evolution of a fresh
approach towards handlooms. They recommended the inclusion of
Handloom Reservation Act to be placed under the Ninth Schedule of
Constitution to avoid legal challenge of this legislation. In order to
ensure the availability of hank yarn and proper marketing facilities, they
recommended the establishment of an Area Based Handloom Promotion
Agency. In addition to the strengthening of the existing welfare schemes,
the Committee sought the introduction of a General Welfare Fund and a
weavers’ Rehabilitation Fund. Emphasis was also given to boost exports
and increase the productivity of high, medium and low earning weavers.
They were of the view that problems persist in the industry despite, rather
than because of 1985 Textile policy. The Committee observed that mills
met only 40% of their 50% hank yarn obligation to handlooms.69

69. Government of India, Report of the Commission to Review the Progress of
Implementation of Textile Policy, June 1985, Ministry of Textiles.
B. Ramakrishna Rao and G. Subarahmanyam (1987) in their study reveal, there is a necessity to safeguard the handloom weavers working from middlemen. Strict enforcement of minimum wages for handloom weavers is highly essential. A scheme similar to that of provident fund should be introduced in both private and co-operative sectors, if necessary, by enacting legislation for the purpose. The Government should come with heavy hand and should snub the malpractices adopted by the master weavers. Further, it is also necessary on the part of the Government to strengthen the co-operative societies financially and administratively.  

M.N. Dantwala (1990) in his study shows that organization of industrial weavers co-operation societies has been one of the important schemes implemented by the state government for the welfare of the loomless weavers. There are a large number of loomless weavers, struggling hard under the master weavers, on whom they necessarily depend for their livelihood.  


B.Subburaj (1996) in his article “Sales Promotion in weavers Co-operatives” states that rebate is a subsidy granted by the Government to promote handloom sales, with the help of which price concession is granted to the consumers. In Tamil Nadu, usually 20 per cent rebate has been allowed by the government for a period ranging from 90 to 113 days. The amount of rebate so allowed is reimbursed by the Government of India and Government of Tamil Nadu on 50:50 basis. The ‘modus operandi’ of the rebate scheme is subject to government regulations. On an average three-fourth of the rebate days were utilized by weavers co-operatives during festival occasions, like Deepawali, X’mas, Pongal, Handloom Week (during summer) Ugadi, etc. Further, the percentage of rebate days availed during festival occasions, had been on the increase, whereas, the corresponding percentage during non-festival days had been declining.²²

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Shiromani Sharma (1995) has pointed out that various schemes and programmes being implemented for the development of the handloom sector are in the best interests of the handloom weavers. Government has set up various committees to review the existing programmes and schemes and to suggest modifications or additions or alternatives to existing schemes in order to make the package of handloom development programmes more effective and responsive to the requirement of the handloom weavers.\(^{73}\)

The Mira Seth Committee of Handlooms was the major Committee on handlooms after the Sivaraman Committee 1974. The Committee’s Report has been disappointing. It is silent on the severe crisis in the industry in the beginning of 1990s which was due to unprecedented increase in hank yarn prices. Moreover, it does not spell out the increasing competition from powerlooms. It does not even mention the non-implementation of the reservation policy, instead it reduces the number of items reserved for handloom production from 22 to 11. It does not throw light on the fate of the Handloom Development Centre Scheme which was set up in 1993 at a whopping cost of Rs.849.15 crores. It emphasises on training weavers through Weavers Services Centres on Computer Aided Designing and Computer Colour Matching

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to meet the challenges of globalization, without recognizing the fact that the strength of handloom lies in its local demand. The Committee recommends an export oriented strategy for the survival of handlooms thus making it more vulnerable at the hands of the uncertain global market.\textsuperscript{74}

Kanakalatha Mukund and B.Syamasundari, (1998) analyse the position of handlooms in Andhra Pradesh. They observe that state intervention in the form of co-opertivisation, Janata Cloth, Market Development Assistance, etc has ultimately failed and that the handloom weavers are rendered unable to compete efficiently with powerloom sector. They recommend 2 distinct marketing strategies to promote the production of fabrics for an all–India market and to strengthen the local market by reviving the declining handloom industry in Andhra Pradesh.\textsuperscript{75}


\textsuperscript{75} Kanakalatha Mukund and B.Syamasundari, “From World Leader to Decay: Cotton Handlooms of Andhra Pradesh”, \textit{Centre for Economic and Social Studies}, Hyderabad,1998.