CHAPTER 3

HANDLOOM WEAVING INDUSTRY—AN OVERVIEW

India has a rich cultural heritage and the art of hand-weaving formed its integral part. History has it that hand weaving was in existence in India for over five thousand and eight hundred years now.\(^1\) The very early Indian religious texts contain umpteen references to the glory that was handloom. In the annals of history the travel accounts of Fasiyan, Huan Tsang, Warthima, Bernier, Garriri, Tavernier, General Ormi and Marcopolo spelt out the glory of the handloom industry in the by-gone days. There are many instances that show that Indian handloom cloths in those days was patronised by many abroad in the East and West. Herodotus of Greece, and scholars like Magasthanese and Pliny had spoken on Indian cloth.

Importance Today

Among the hundreds of small scale and cottage arts and crafts that have survived in present day India, the handloom weaving is, perhaps, the most important. It is the largest cottage industry with more than 30.22 lakh looms spread throughout the length and breadth of the country.\(^2\)


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\(^1\)Annual Report, All India Federation of Cooperative Spinning Mills, Bombay: 1987, p. 471.
Among the cottage industries, handloom weaving occupies a pride of place. In respect of employment, it is estimated that 14 million people are directly employed in this industry. 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. It is further estimated that nearly two third of handloom weavers are in rural areas."

The handloom weaving industry, besides offering full time employment to many weavers, is also the subsidiary means of income to agriculturists. Blennet-Hassett in his monograph on the cotton fabrics of the Central Provinces has stated that spinning is still practised as a part-time among the well-to-do, or as a household duty. A large number of people belonging to weavers' families are also employed.

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5 Reserve Bank of India, All India Rural Credit Survey Committee- The General Report, 1955, p. 40.
either directly or indirectly. Further, at least an equally large number of citizens including yarn merchants, cloth wholesalers, retailers, cotton cultivators, loom manufacturers, dyers, twistiers, warpers, sizers etc., earn their livelihood from this industry. Apart from these, the workers employed in the spinning mills form a sizable segment of the workforce.

With regard to production of textiles, the handloom industry is by no means small. Nearly 3639 million metres of cloth is produced by the handloom sector which formed nearly 37 per cent of the total cloth production of 13,652 million metres during 1989-90. The capacity of this sector to produce a large number of varieties with varied designs cannot be equalled by any other sector.

The handloom Industry is an important source of foreign exchange also. It is the second largest (after oil and petroleum products) contributor to the national exchequer; the foreign exchange earnings of this sector affiliated to Rs.734.41 crore during the year 1989-90.


8 Loc.Cit., 'India's Textile Industry at a Glance Statistics and Observation'.
Further, the significance of handloom industry in India can also be appreciated, taking into account the following facts: (i) its erection cost is much lower, which means lower cost of production of cloth; (ii) it permits frequent change of colour combination and designs in the fabrics produced on it; (iii) its mechanism is rather simple and needs little outside help for servicing or replacing an overworked or damaged part; (iv) the capital required for working it is so nominal that it can be independently worked by a weaver in his own homestead with the assistance of his family members; (v) the capital required for investment in this sector is low, which is hardly one fifth of that of the organised sector; and (vi) the employment potential is very high when compared to powerloom and mill sectors. It accounted for 710 million man-days of employment in 1990-91.

History and Development of Handloom Industry

It is an accepted fact that the handloom industry in India has attained a very high degree of perfection centuries before the 'machine' was invented to weave cloth.

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Despite its glorious past, the handloom industry passed through many vicissitudes down the centuries. The history of handloom industry prior to India's independence witnessed the powerful influence of events such as British rule in India, Swadeshi Movement, the depression of 1930s and the world wars. The handloom industry had to suffer on account of these factors which operated against its interests.

The British exploitation through the East India company and later through direct British rule in India, Impelled the weavers to sell cloths to the East India company for less than the market price. It also resulted in large scale export of India's cotton to Manchester and Lancashire to feed the then newly growing mechanised textile industry of England. In the later period the Indian markets were flooded with English machine-made cloths by withdrawing duties on British machine made goods imported into India and levying duties on India's cloth exports. By pursuing such other discriminatory fiscal and social policies which slowly but surely paralysed the hereditary hand-weaving Industry. The English Governor General Bentinck reported in 1834, thus: "the misery hardly finds parallel in the history of commerce, the bones of cotton weavers are bleaching the
plains of India'.

The spinning and weaving mills established and promoted in India since 1854 on a continuing basis thrived at the cost of the handlooms. The handlooms began to depend heavily on the mill spun yarn. During 1917 to 1920 (the first world war period) handloom cloth production fell sharply as mills themselves were consuming more yarn to meet the defence requirements. Many spinning mills installed weaving looms and converted themselves into composite mills and started competing the handloom cloth in Indian market.

The Swadeshi Movement in its early phase, did not make much distinction between mill cloths and handloom cloths. This movement in a way harmed the handloom industry as mills started producing traditional varieties of cloth which were the preserve of handlooms for ages. Later in 1929-30, the trade depression also paralysed the handloom industry. Artificial scarcity of raw materials created by number of middlemen like mahajans, master weavers, yarn dealers etc., and the resultant rise in the cost of raw materials had not only beaten but probably severely crippled handlooms.12

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12 Ibid., p. 299.
Jawaharlal Nehru in the Discovery of India, summarised the plight of Indian handloom industry thus: "the Indian textile industry collapsed affecting vast number of weavers and artisans. The process was rapid in Bengal and Bihar and elsewhere it spread gradually with the expansion of British rule and the building up of railways. It continued throughout the nineteenth century breaking up other old industries also".13

Cooperativisation of Handloom Industry

The cooperative form of organisation is the collective endeavour by a group of individuals to work and manage by themselves, the production and distribution for common economic benefits. It provides a substitute for the profit motivated business, ensures equitable distribution of income and wealth, curbs monopolistic concentration and promotes decentralisation in industrial sector and balanced regional development.

In a country like India where capital formation is low, and weavers suffer Inabilities due to poor entrepreneurial and organisational skills, the cooperative form of organisation is the only suitable way for solving the problems of weavers. Further, coverage of more and more

13 Ibid., p. 299
weavers by the cooperative associations would provide an answer to problems of unemployment, under employment and exploitation by master weavers. The weavers could also secure all those advantages of scale of production and competition. Thus the importance of cooperative sector in decentralised textile industry as an instrument of socio-economic and industrial development needs no emphasis.

Realising the significance and suitability of cooperatives for handloom weaving in India, Mr. F.D. Harvell first mooted the idea of forming weavers' cooperatives way back in 1907. The Royal Commission on Agriculture which visited India in the year 1928 observed that, 'For the survival of the village industries in the fast increasing competition, it is essential that they are to be developed on a cooperative basis.' The Cooperative Planning Committee, 1945, The Industrial Policy Resolution of the Government of India, 1948, The Industrial Policy Planning Commission, Second Five Year Plan Draft 1956-60, Government of India, Vol.1, p.10. Planning Commission, Second Five Year Plan Draft 1956-60, Government of India, Vol.1, p.10.


Resolution 1956, The Village and Small Scale Industries (Second Plan) Committee, 1955,¹⁹ and Khadi and Village Industries Committee, 1968²⁰ have all reiterated the role of the Industrial Cooperatives in the process of industrialisation in India. The High Power Study Team on the problems of Handloom Industry (Shri.B. Sivaraman committee) 1974 argued thus: "Handloom being a Village and Cottage Industry scattered over- the villages of India can best develop in the cooperative sector. The scope for exploitation in this sector being vast it is generally accepted that a cooperative getting together of the weavers themselves is the best answer to end the exploitation."²¹ Study Group on the working of Reserve Bank of India Schemes for Handloom Finance (HATE committee), 1978 has endorsed the view of the Sivaraman Committee.

¹A Development Commissioner, Small Industries-Twenty Years of Progress of Small Scale Industries, New Delhi Ministry of Cottage and Small Scale Industries, 1973, p.16.


The New Textile Policy, announced by Government of India in June 1985\textsuperscript{22} laid great emphasis on the development of handlooms on cooperative lines. The Eighth Plan Sub Group on Handloom reiterated that, 'in order to preserve the unique role of handlooms and enable them to realise their full potential as also to ensure higher-earnings for the handloom weavers, the development of handlooms through cooperatives and Central/State level corporations shall be intensified.'

**Planned Development of Handloom Cooperatives**

Although a real and serious effort was made in the year 1934-35 to bring a large number of weavers into the cooperative fold, the progress was comparatively very slow during the pre-plan period. With the dawn of independence, the Government under the leadership of Jawaharlal Nehru reviewed the position of cottage industries which resulted in the adoption of Industrial Policy resolution by the parliament in April 1948. The focus of the government on cottage and small scale industries was later reflected in


the Directive Principles of the Constitution of India which laid down that, "it is the responsibility of the State to endeavour to promote cottage industries on cooperative basis in rural areas.'

The constitutional direction was reflected in state policies and subsequently in the five year plans. Since independence, through successive five year plans, a host of programmes and schemes along with various kinds of organisational and fiscal interventions have been implemented by Government in order to encourage and support the handloom sector. Allocations made for handloom development, as provided in the central plan, have been channelled through cooperatives. The establishment of specialised central agencies and other regional or state level apex bodies and State and National level federations, have all given fillip to the growth of industrial cooperatives in general and textile cooperatives in particular.


First Five Year Plan (1951-56)

The first plan gave emphasis on the organisation of cooperatives for the handloom weavers, on the recommendation of the Fact Finding Committee 1945, and the Textile Enquiry Committee 1952, the All India Handloom Board was setup in October 1952. The foremost task of the Handloom Board was to organise cooperatives on a massive scale for the weavers, mostly in the rural areas, following the spread of weavers cooperatives in urban and semi-urban areas in the earlier period. The main heads of development were organisation of handloom industry in the cooperative sector, provision of working capital for production and marketing, assistance for marketing of handloom cloth including a direct subsidy, processing, training, research and technical improvements and other schemes.

In March 1955, All India Handloom Fabric Marketing Society was registered for undertaking marketing on a national scale and for establishment of warehouses and emporia in the principal cities. During the first plan a sum of Rs. 11.07 crore was spent for the development of handloom sector and the number of weavers brought into the cooperative fold by 1954-55 was estimated at about 88 lakh and the number of looms included in Cooperatives stood at
10.26 lakh in 1955-56, which represented over 60 per cent of the estimated total number of active looms in the country. 25

Second Five Year Plan (1956 - 1960;)

The approach for cooperativisation continued in the second plan also. The plan envisaged that: the development programme for the handloom industry provides mainly for measures for assistance to handlooms which are brought into the cooperative sector. Weavers in cooperative societies can be given much greater assistance than those working on their own. It is proposed to increase the number of looms in the cooperative fold from one million to 1.45 million .......

Loans will be advanced to weavers to enable them to join cooperatives, and working capital will also be provided. The plan provided for an expenditure of Rs. ISO crore for village and small scale Industries of which Rs. 25.48 crore was spent for development of handloom industry. 27 At the end of the Second Plan (1960-61) nearly 12.69 lakh handlooms were

brought under cooperatives and the percentage of active looms came around 60.7.

Third Five Year Plan (1961-66)

The plan laid stress mainly on fuller employment of weavers, the priority for supply of improved appliances including semi-automatic looms, provision of facilities for processing and training, introduction of improved designs, purchase of yarn from cooperative spinning mills and increased export. Out of a total provision of Rs. 34 crore only Rs. 22.21 crore was spent for handloom development schemes during the plan period. As a result of all these efforts, the actual production of handloom cloth by the decentralised sector, which was 1930 million yards in 1960-61, went up to 2250 million yards in 1962-63.

Three Annual Plans (1966-69)

The principal aim of the handloom programmes during these plans was to bring about further expansion of handloom production through fuller employment of the handloom weavers.


and the introduction of improved techniques. Loan assistance on a more liberal scale was provided to weavers. Further, a higher priority was accorded to the supply of improved appliances and training. Introduction of improved designs and purchase of yarn requirements increasingly from cooperative spinning mills. It was also proposed to revitalise a number of weak cooperative societies and also to set up workshed as common weaving centres on a pilot basis mainly to meet export requirements.

On account of the adoption of various measures to assist the handloom industry, including the reservation for it of certain lines of production and special measures to encourage cooperatives, substantial progress had been made in the rehabilitation of the industry. The share of this sector in the total cloth production stood at 30.4 per cent in 1968. The number of looms in the cooperative sector increased from 1.32 million in 1960-61 to 1.41 million in 1966-67, and the number of power-loom from about 1.45 lakh to 2.17 lakh. The handloom industry provided employment to nearly 3 million weavers. The value of export of handloom fabrics and products increased from Rs. 5 crore in 1960 to about Rs. 12.6 crore in 1965; but the same declined to about

Rs. 8.2 crore in 1968 owing mainly to shrinkage in the demand for 'Bleeding Madras Kerchiefs'.

**Fourth Five Year Plan (1969-74)**

The Principal objective of the Fourth Plan was that the proportion of cotton handloom in the cooperative fold was to be increased from 40 per cent at the commencement of the plan to at least 50 per cent by the end. Steps were taken to promote the handloom cooperatives which include: meeting the working capital need of handloom cooperatives by the State Cooperative Banks, arranging regular supply of yarn of the counts needed by the societies and also other essential raw materials at reasonable rates, training the weavers in Improved equipments and appliances, enforcing more effectively restrictions on production of specified varieties of cloths already reserved exclusively for the handloom sector, concentrating on production of those varieties of cloth which provide higher earnings and setting up of common service facilities/centres for improvement of quality.

However, most of these measures could not have been fully achieved largely due to the rapid growth of

unauthorised powerlooms, shortage of yarn, inadequate credit facilities, high percentage of dormancy among the handloom weavers' societies and marketing difficulties.

**Fifth Five Year Plan (1974-1979)**

The Government took measures to revitalise the dormant societies in potential areas. Efforts were taken to increase the production of hank yarn as the Government recognised the fact that adequate and timely supply of yarn at reasonable prices is a basic requirement and necessity for the unhindered development of the handloom sector. Licensing policy was also drawn up with a view to creating additional spindleage capacity for this purpose. For rehabilitation and effective development of handlooms outside the cooperative fold, Government of India have sanctioned Intensive Development Projects. A sum of Rs. 55.32 crore was spent during the plan period for handloom development.

Because of package of support programmes that were implemented following the recommendations of a study team in 1973 (Shri B. Slvaraman) during the plan, the employment...

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coverage Increased from 52.1 lakh persons to 61.5 lakh persons and exports (excluding ilik goods) from Rs. 77 crore to Rs. 263 crore. By March 1980, of the 30.21 lakh handloom in the country, 13.17 lakh looms had been brought within the cooperative fold. hut. the effective coverage was estimated at about 9.4 lakh or 31 per cent as against the Fifth Plan target of 60 per cent. Under the RBI scheme for handloom finance for weavers' cooperatives for production and marketing, an amount of Rs. 58 crore was sanctioned in 1979-80. Besides, 25 Intensive Handloom Development Projects with a coverage of about 10,000 looms and 9 new weavers service centres were set up.35

Sixth Five Year Plan (1980-85)

The Sixth Plan gave a detailed direction for the development of handloom industry. The measures envisaged under this plan included among others, bringing 60 per cent of the handlooms under the effective cooperative coverage, assistance through the National Cooperative Development Corporation for setting up of new cooperative spinning mills and expansion of the existing ones, managerial subsidy to nav and potentially viable cooperative societies on tapering

basis in selected areas, assisting loomless weavers to organise themselves into industrial type of cooperative societies and assistance to All India Handloom Fabrics Marketing Cooperative Society.  

During the plan period, Rs. 120 crore were spent for handloom development and production target for handloom sector was fixed at Rs.370 crore.  

About 16 to 17 lakh weavers have been brought under cooperatives. Although the gross coverage was about 60 per cent, the effective coverage of looms in the cooperative fold was around 32 per cent, as many societies had become dormant. Equity capital assistance to apex societies has also been increased from Rs. 85 lakh in 1976-77 to Rs. 356.60 lakh in 1983-84. Under the RBI scheme of handloom finance operated by the NABARD, short term credit limits sanctioned had gone up from Rs. 51 crore in 1978-79 to Rs.232.76 crore during 1984-85.

Ibid., p. 190.


39 Ibid., p. 103.
Seventh Five Year Plan (1985-90)

Emphasis was laid on cooperativisation and development of handloom through central/state level corporations, modernisation of looms and provision of technological inputs. Further, ensuring adequate availability of yarn and other raw materials, increasing the production of mixed and blended fabrics on handlooms, providing design support to improve the competitiveness of the product, improving marketing and infrastructure support and strengthening the data base were the other measures contemplated. Handloom (Reservation of Articles for Production) Act 1983, has also been enforced. Spindleage capacity have also been enhanced in cooperative sector to the extent possible.

An outlay of Rs. 168 crore was provided for handloom development. The responsibility for the entire production of controlled cloth has been transferred to the handloom sector by the end of the Seventh Plan. In spite of the impressive performance recorded so far in this field, the fact remains that the number of active looms in the cooperative sector was considerably low. It is estimated that, the effective coverage would be not more than 32

40 Ibid., p.100.
per cent of the total looms in the country.

Eighth Five Year Plan (1990-1995)

A Sub Group was set up in December 1988 to formulate an approach for the development of the handloom sector during the VIII Plan. Since the Sub Group was not satisfied with the performance of cooperatives, it suggested a 'change in strategies' and called for a broad-based approach of State Intervention for weavers. The approach was stated as follows: 42

If State support is to quickly reach a larger segment of handloom weavers, it should be aimed at the sector in general Instead of waiting for weavers to come within the cooperative or corporate fold. Government intervention in the handloom sector has all along been confined to the corporate, cooperative sector leaving the private sector mostly unsupported. More direct intervention is therefore, necessary to supplement the indirect support that devolves upon private sector weavers from state aided schemes.

The Sub Group recommended an average 5 per cent annual growth for handloom sector and production target of 5750 million metres for the year 1994-95, of which 2320 million metres for production in cooperative sector. An outlay of


42Ibid., p.31.
43Ibid., p.220.
Rs. 7.60 crora is envisaged for handloom development in the VIII Plan central budget.

**Handloom Weavers' Cooperatives in Tamilnadu**

The Handloom industry is of particular significance to Tamilnadu which leads all the other states in the production of handloom cloths and possesses the highest number of looms. It is a vital sector in the state economy, next only to agriculture. It provides employment to about 15 lakh weavers directly and livelihood to about 30 lakh people in Tamilnadu. There are 4.27 lakh handlooms in the state out of which 3.58 lakh have been brought under the cooperative fold. In terms of production of cloth, Tamilnadu's contribution is about 500.04 million metres out of the total production of 3948 million metres of handloom cloth in the country during 1987-88. Thus, the handloom industry occupies a very Important place in the economy of Tamilnadu.

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44 Ibid., p.37.
Development Prior to Independence

The first weavers' society in India was started in 1905 at Kanjeevaram in Tamilnadu. This was a "service type" society, worked for sometime but went into liquidation during 1919-20 owing to the severe crisis it passed through during the war. Then a few similar societies were started. During 1927-28 there were 63 societies and most of them did not work properly and the disposal of finished products had always been a problem.

Even prior to the country's independence, a few concrete measures were taken. The recommendations of the Industrial Commission 1916-18, the appointment of Textile Expert by the Madras Government in 1919, the opening of the Textile Institute at Madras in 1922, the Textiles Conference in 1928 and the organisation of the Provincial Weavers' Cooperative Society at Madras (the Cooptex) in 1935 and such other measures of the then Government, brought an amazing growth between 1941 and 1955 in the handloom industry in the State. Despite this, yarn rationing based on number of

49 Ibid., pp. 1-5.
looms resulted in the artificial inflation in the number of looms.  

**Development After Independence**

In consonance with the policies and programmes of the Central Government, Government of Tamilnadu (the then Madras state) took keen interest in the development of the handloom industry and in the promotion of the socio-economic condition of weavers. Government assistance has been extended to stabilise and develop the industry, mostly through cooperatives. Several schemes were implemented for the development of the industry, as a result of which weavers' cooperatives made a substantial progress. There had been a manifold increase in every aspect of their operation, over the years right from 1954-55 in Tamilnadu (See table 3.01).

**Organisational Machinery of the Government**

The Directorate of Handlooms and Textiles was created for planning, organising and implementing various programmes for promotion and development of handloom industry in Tamilnadu. The Directorate has also been functioning as the 'State Textile Authority' and as such, has the overall

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50 Madras University, A Survey of Handloom Industry in Madras State, 1959, Government of Tamilnadu, p.139.
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<tr>
<td>Number of Primary Weavers' Cooperative Societies</td>
<td>785.00</td>
<td>NA</td>
<td>380.00</td>
<td>1556.00</td>
<td>1677.00</td>
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<tr>
<td>Number of looms within the cooperative fold (in lakh)</td>
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<td>NA</td>
<td>1.57</td>
<td>NA</td>
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<td>Value of production of cloth (Rs. in lakh)</td>
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<td>3484.78</td>
<td>21236.00</td>
<td>21623.00</td>
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<tr>
<td>Value of cloth sold (Rs. in lakh)</td>
<td>468.12</td>
<td>1250.00</td>
<td>3657.63</td>
<td>22729.00</td>
<td>24386.00</td>
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<td>Working capital (Rs. in lakh)</td>
<td>NA</td>
<td>NA</td>
<td>2840.64</td>
<td>16225.00</td>
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NA - Not available


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responsibility for initiating measures wherever necessary for the successful functioning of the textile mills and the powerloom industry, apart from the handloom sector in the state.

The Director of Handlooms and Textiles is the head of the organisation assisted at the State and District level by administrative and technical officers who are in charge of implementation of the various handloom development programmes.

The entire state is divided into 12 circles* each of which is under the administrative control of an Assistant Director of Handlooms and Textiles. The Assistant Director of Handlooms and Textiles is assisted by subordinate administrative and technical staff.

Development Programmes of the Government

With the twin objective of providing continuous employment and an assured income to the handloom weavers in the state, the Government of Tamilnadu have been implementing many handloom development programmes. The programmes formulated and implemented by the Government of

* The Headquarters of the circles are at Kanjeevaram, Tiruchirapalli, Salem, Tiruchengodu, Erode, Coimbatore, Madurai, Virudhunagar, Mana Madurai, Tirunelveli, Vellore and Chidambaram.
Tamilnadu, in collaboration with central Government, NABARD, MCDC and other national level agencies may be grouped into three categories, catering to the three dimensions of development of this sector: (i) measures concerning the structural soundness and viability of the handlooro cooperative sector; (ii), measures relating to schemes and programmes for the promotion of business efficiency; and (ili) the measures concerning the welfare of the weaver and his family.

Measures Concerning the Structural Soundness and Viability

Cooperativisation of Handlooms. For bringing more and more looms into the cooperative fold, a handloom weaver admitted as a member of a weavers' cooperative society is provided a loan towards payment of initial share capital subject to a maximum of Rs.200 per loom for cotton, Ra.35Q for silk and woolen and Rs.1000 for polyester looms. Out of the said amount 90 per cent is being equally shared by the Central and State government. Out of 4.27 lakh handlooms functioning in the state, 2.85 lakh looms have been brought under the cooperative fold, forming 66 per cent of looms against the national target of 60 per cent. 51

The target for 1989-90 was to bring 15,000 weavers into the cooperative fold and against this target, 39,000 weavers have been admitted. For the year 1989-90, the government have sanctioned a sum of Rs.50 lakh as state participation and Rs.15 lakh as share capital under the scheme of cooperativisation.

**Industrial Weavers' Cooperative Societies.** The 1987 handloom census revealed that 27.36 per cent of weavers were loomless which would mean that more than one lakh weavers would have to be provided with looms. With the aim of providing un-interrupted employment to them, Industrial Weavers' Cooperative Societies are being organised. There are at present 189 Industrial Weavers' Cooperative Societies in the State. Out of these, 29 societies are set up exclusively for Adi-Dravidara and 10 societies exclusively for women handloom weavers."

**Concessional Credit Flow to Handloom Weavers' Cooperative Societies.** With a view to increasing the flow of working capital to this sector, refinance facilities are being provided by NABARD at 2.50 per cent below the bank

52 Ibid., p.2.
53 Ibid., p.3.
rate. Interest subsidy of 3 per cent is provided by the State Government to the financing banks in respect of finances provided to handloom weavers' cooperative societies for production purpose and 1 per cent subsidy for market finance in respect of the Coopex. On this account the Government sanctioned to the Central Cooperative Banks and Tamilnadu State Cooperative Bank interest subsidy of Rs.150 lakh.

Cooperative Spinning mill®. During the year 1975, Tamilnadu Government evolved a system for regular supply of hank yarn to the handloom weavers under the cooperative fold. At present, there are 18 Cooperative Spinning Mills in Tamilnadu with 4.59 lakh installed spindles with a labour force of 12,225. All these Cooperative Spinning Mills produce about 16,000 bales (both hank and cone) of yarn per month ranging from 10 to 100 counts. They meet the yarn requirement of the weavers within the cooperative fold in the state, at the concessional rate, periodically fixed by the Director of Handlooms and Textiles.

Ibid., p.4.

Ibid., pp.18-19.
The Tamilnadu Zari Limited. The main object of the company is to manufacture and supply quality zari (real gold thread) to the Silk Handloom Weavers' Cooperative Societies at reasonable price. The Government have so far invested a paid up share capital of Rs.13.20 lakh in the company. During 1989-90, 13,318 marks of zari have been produced and steps are being taken to produce also the essential raw materials, namely, silver wire.

Textile Processing Mills Ltd. With a view to providing dyeing and processing facilities for yarn and cloth produced by the Handloom Weavers' Cooperative societies and private sector handlooms, the Tamilnadu Cooperative Textiles Processing Mills was started during the year 1973. This is the only processing mills under the cooperative sector.

Input Supply. In Tamilnadu 4.27 lakh handlooms annually need 1.87 lakh bales of hank yarn. 1,677 Weavers' Cooperative Societies are supplied with about 80,000 bales of hank yarn by the Cooperative Spinning Mills per annum. For the weavers under cooperative fold, yarn supply is made through Cooptex at the concessional rate fixed by the

56 Ibid., p.13.
57 Ibid., p.5.
Director of Handlooms and Textiles every month or according to the need, taking into consideration the prevailing market rates. Besides, yarn is supplied on a monthly basis to Cooperative Intensive Development Projects and to the extent possible to the Master Ueavers' Association through National Handloom Development Corporation, at concessional rates. The Power-loom Ueavers' Cooperative Societies/Powerloom complexes have also been provided with the corn yarn at concessional rates for the production of Janatha varieties.

Schemes and Programmes for the Promotion of Business Efficiency

**Intensive Handloom Development / Export Production Projects.** To increase the earnings of the handloom weavers and to alleviate their poverty, the Government have set up four Cooperative Intensive Handloom Development Projects at Kanjeevaram, Erode, Salem and Madurai and two Export Production Projects at Karur and Kurinjipadl with all essential infrastructural facilities for production of handloom cloth. Modernization of looms and providing training to the weaver members in the modern methods of production are the basic programmes implemented by these projects.
Modernisation of Handlooms. To increase the productivity of looms, quality of fabrics and with a view to ultimately increasing the earnings of the weavers, State Government have been implementing a scheme of modernisation/renovation of looms in the cooperative fold since 1980-81. The loom modernization assistance is in the form of two third loan and one third grant. The loan and subsidy amount is being sanctioned to the Primary Weavers' Cooperative Societies /Industrial Weavers' Cooperative Societies. So far 47,038 looms have been benefited under this scheme. During 1990-91 it is proposed to expend Rs.1.50 crore on modernisation of looms.

Janatha Cloth Scheme. During the year 1989-90, about 600 Weavers' Cooperative Societies with 50,000 looms were engaged in the production of the Janatha Cloth under this scheme, for free distribution of saree and dhothy by the State Government to 75 lakh families with monthly income of Rs.300 and less. During the year 1989-90, Janatha cloth to the extent of 83 million sq.mtrs., were produced and distributed. On account of higher production, employment is provided to the weavers continuously. It is expected that a subsidy of about Rs.17.88 crore will be received from the

Ibid., p.6.
Government of India against the production of Janatha cloth during 1990-91.\textsuperscript{59}

**Market Development Assistance Scheme (Rebate Scheme).** The Government of Tamilnadu have sanctioned a total sum of Rs. 3,347.20 lakh in full settlement of the rebate claims of the Primary Weavers' Cooperative Societies upto the year 1988-89 and Rs. 176.60 lakh in full settlement of the State's share in respect of the claims preferred by the Cooptex upto the period 1988-89. The total expenditure under rebate subsidy was Rs. 60.74 crore during 1989-90.\textsuperscript{60}

**State Prize Award Scheme.** With a view to encouraging the export trade in handloom goods and to widen their market in foreign countries for the handloom goods produced in Tamilnadu, the Government of Tamilnadu have been implementing this scheme from 1st January 1975. A state award of prizes to the top three exporters in cotton handloom fabrics, silk handloom fabrics, cotton handloom ready made garments is being given every year.

\textsuperscript{59} Ibid., p. 8.

\textsuperscript{60} Ibid., p. 10.
Measures Concerning the Welfare of Weaver and his Family

The Government of Tamilnadu have implemented welfare schemes for weavers such as Savings and Security Schemes, Central Thrift Fund Scheme, House-cum-Workshed Scheme, free supply of uniforms to school children of standard I to VIII and Weavers Welfare Government Trust.

Under the Cooperative Handloom Weavers Savings and Security Scheme, a weaver joining the scheme contributes 6 paise for every rupee of wages earned and the government contribute 3 paise. The accumulations under the fund is given seven per cent interest per annum by the government. The entire accumulations under the fund will be paid to the weaver-member on attaining the age of superannuation (55 years). The present coverage of handloom weavers under this scheme is 1.48 lakhs.

The centrally sponsored 'Thrift Fund Scheme for Handloom Weavers' provides some additional benefits to the weavers already covered by the Tamilnadu Handloom weavers' Savings and Security Scheme. Under the scheme, the matching contribution of the Central Government is subject to a ceiling of 3 paise per rupee of wages earned by each weaver and limited to Rs.90 per weaver per annum. The assistance is

Ibid., p.16.
in the form of grant to the State Government and a sum of Rs. 66.10 lakh have been sanctioned for the year 1989-90.

The Weavers' Housing Scheme is being implemented with loan assistance from Housing and Urban Development Corporation and subsidy from the Government. The total cost of House-cum-Workshed works out to Rs.15,000 per unit, of which RS.5000 is subsidy of the Government and the remaining is the loan assistance of the HUDCO. More than 10,000 House-cum Worksheds and 44 weavers colonies have been constructed till the year 1989-90.  

The scheme of free supply of uniform to school children in standard I to VIII was introduced in 1985-86 with the twin objective of helping the poor children to get one set of uniform every year and providing employment to a section of handloom weavers, power-loom weavers and khadi weavers and thereby get additional wages. Under this scheme nearly 80 lakh school children are benefited and nearly Rs.13.68 crore worth of uniform have been supplied during the year 1989-90.  

Ibid., p.16.

63Ibid., p.17.

Ibid., p.18.
Apart from these, Ueavers Uelfat-e Government Trust was formed during 1986 on the eve of Golden Jubilee Celebrations of the Cooptex with the objectives of providing financial assistance to the wards of poor weaver members for pursuing higher studies like medical, engineering, agriculture, chartered accountancy etc. Under this scheme, scholarships have been awarded to 23 students to the tune of Re.51,000, and as on date, a sum of Rs.10.72 lakh is available to the credit of Ueavers Welfare Trust.65

Thus far the historical development, policy perspective and technical, administration, financial and welfare support provided by the Central and State Governments have been explained at length. There is no denying the fact that all these measures will be of no avail, unless the handloom cooperatives strengthen the marketing front.

65Ibid., p.18.