CHAPTER II

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This chapter briefly reviews the studies on different aspects of weavers' co-operatives connected either directly or indirectly with the present study. The review of literature is highly useful to design the present study as it indicates the research gap in the study. The problems of weavers' co-operatives have attracted the attention of many researchers and research organizations. Their experiences may be of relevance and significance to us. Therefore, these studies are discussed and reviewed in this chapter. Some of the important studies conducted on weavers' co-operatives are intensively reviewed here. The divergent perceptual frameworks involving various theoretical issues and problems of silk weavers' co-operatives are scrutinized through the review of literature.

Bhogendranath (1957)\(^1\) traced out the history and development of textile industry. He insisted that the mill sector should act as a complementary force for the betterment of the handlooms. He also suggested the need for the development of a new device which could be operated by power to the handloom sector. He felt that the Indian mills should concentrate their attention on the production of yarn only, leaving the entire weaving to the handloom sector.

Natur and Ghatage (1961)\(^2\) reported that about 30 per cent of the average cost was made up of ginning and pressing charges and nearly 26 per cent of the merchandising charges at the assembling and distributing centers.

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\(^1\) Bhogendranath N.C. *Development of the Textile Industry in Madras up to 1950*, Madras Publication Divisions, University of Madras, 1957

They opined that dispersion of surplus ginning and pressing factories located in and to provide a whole season’s work for the remaining factories and entrusting of some of the merchandising function to farmers’ co-operatives would help in reducing the processing and merchandising costs respectively.


analyzed the burning problems of handloom industry in Tamilnadu along with the policies to be pursued by the state government to achieve the maximum efficiency in production and marketing of handloom products.

**Sivaraman, Chairman of the High Powered Study Team (1974)**

observed that in spite of fairly large amount of assistance provided to the handlooms, this sector remained as the weakest unit in the field of small industries. The hold of master weavers was reported to be continued. This committee had concluded that the non-availability of yarn of right quality at reasonable rates and bottlenecks in marketing of handloom cloth were the main problems.


stated that most of the studies on co-operatives had been conducted only on organized handloom industry. However, none of the studies threw any light on the unorganized sector of handloom industry. A study on the unorganized sector would fill the gap in the available literature apart from unearthing the hidden information on this sector.

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Deivasigamani (1978)\textsuperscript{6} in his dissertation entitled “An Economic Analysis of Sericulture in Dharmapuri District, Tamilnadu” studied the economic aspects of sericulture industry such as cultivation practices and production of silk cocoons.

The Agriculture Credit Department, Reserve Bank of India (1978)\textsuperscript{7} made a study on the credit needs of handloom industry in the co-operative sector. Diversion of production loan for various consumption purposes was reported by this Study. Therefore, besides a time bound programmed for revitalization of the dormant weavers’ co-operative societies, it suggested provisions for consumption loans to the weaver members of the societies as such loans are bound to remove dormancies of weavers’ societies.

A handloom survey was conducted by Directorate of Handloom and Textiles (1979)\textsuperscript{8} identified the major problems faced by the handloom co-operative societies and it offered suggestions to increase production, productivity, and cost reduction by waste control and standardization.

Arulanandam (1979)\textsuperscript{9} made an attempt to study the various aspects of the handloom industry in Tamilnadu. He suggested various measures for the revival of the industry on humanitarian grounds to the economic viability. He identified that lack of standardization, and poor finish coupled with higher price was the major obstacles in marketing the handloom products. He recommended various measures to improve the quality and to reduce the production cost of handloom fabrics. He also suggested that

\textsuperscript{6} Deivasigamani, K., An Economic Analysis of Sericulture in Dharmapuri District, Tamil Nadu Agriculture University, Coimbatore 1977
\textsuperscript{7} Government of India Study Team, Working of RBI Schemes for handloom finance, 1978
\textsuperscript{8} Report of the Directorate of Handloom and Textiles, Handlooms Survey, Tamilnadu, 1979, pp. 20-26
rebate scheme which was beneficial to the co-operative sector must also be extended to the handlooms outside the purview of co-operatives Sectors.

Manoharan (1980)\textsuperscript{10} made an attempt in his study entitled “An Economic Appraisal of Sericulture Enterprise in Salem Taluk” to analyze the cost and returns in sericulture industry and its impact on income and employment. He studied the various operational problems faced by the farmers in the sericulture industry and production of silk.

Department of Handloom and Textiles, Government of Tamilnadu (1981),\textsuperscript{11} in a study on Revival of Handloom Co-operative Societies found that the units, silk and cotton taken up for study, increased their share of selling goods through their own rooms at head offices and branches and that their sales through Co-optex declined over a period of time. Their own shop was affected by fast cash realization of sales as well as by a delay in receipt of payments from Co-optex. As the rebate realization from the State Government took more than 7-8 months, it affected the availability of liquidity of the handloom co-operative societies. The study also recommended handloom varieties and means to reach extensive market.

Srinivasan (1981)\textsuperscript{12} in his article captioned “Analysis of Marketing of Sericulture in Salem District” analysed the cost and returns in processing activities of sericulture industry, marketing practices of silk cocoon and raw silk, income and employment level in processing activities of sericulture industry and the operational problems of production of silk.


\textsuperscript{11} National Productivity Council., \textit{A Study on Revival of Handloom Co-operative Societies in Tamilnadu}, Chennai, 1989.

\textsuperscript{12} Srinivasan, P.G., \textit{Analysis of Marketing of Sericulture in Salem District}, Tamilnadu Agriculture University, Coimbatore.
Batra (1982)\textsuperscript{13} studied the global exports of garments and concluded that the garment exports could be increased in a better way and modern methods of production and marketing emphasis, quality control, product diversification and more fuller utilization of quota would go a long way to boost the exports of readymade garments.

Kamat (1982)\textsuperscript{14} stated that whenever the tradition-bound-Indian weavers showed willingness to change their production in favour of fabrics and patterns that would meet the needs of the discriminating foreigners, they enjoyed the benefits. Since quality control assumes enormous importance in export marketing for pleads for dependability and stability in quality and adherence to deliver schedules in his opinion, the Handlooms Export Promotion Council, the Handloom and Handicraft Corporation and the Indian Fabric Co-operative Marketing Society have a great role to play in developing handloom sector in the matter of readiness for swift changes in new fabric in tune with the changing international pattern.

Shanmughasundharam (1982)\textsuperscript{15} in his study entitled "Weaver's Co-operative Societies in Coimbatore District -A study of utilization by members" made a detailed study on the progress of Weavers Co-operative Societies in Coimbatore District and on the utilization by the members. The relation between personal and socio-economic factors of the individual members on their utilization of their respective Weavers Co-operative Societies and the impact of institutional factors on the utilization of Weavers Co-operative Societies by the members were also studied.

Rama Mohan Rao (1983) in his work, "Development of Handloom Industry, A study of Socio-economic, Production and Marketing Characteristics of Handloom Sector in Karim Nagar District, Andhra Pradesh", made an attempt to analyse the Socio-economic profile of the weavers in Handloom Industry in Karim Nagar District, by bringing out the utilization and idle capacity per loom in the industry, to study the production trends and marketing systems in Handloom Industry, to evaluate the performance of the Primary Weavers Co-operative Societies and to suggest suitable measures to improve the Handloom Industry.

Chidambaram (1985) in his work entitled “A Study of the Handloom Pure Silk in Tamilnadu” portrayed the production and marketing practices of pure silk in handloom sector along with socio-economic conditions of pure silk weavers. He evaluated the performance of these co-operative societies which dealt with pure silk product.

Anderson (1986) stated that the textile industry occupies a unique place in India and it was one of the earliest to come into existence, it accounted for 14 per cent of the total exports and it is the second largest employment generator after agriculture. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it is a major contribution to the country’s economy.
Das (1986)\textsuperscript{19} found that most of the traditional weavers in the State of Assam had already left their practice of weaving and changed to other professions and trade, still majority of the looms were outside the co-operative fold, certain non-government agencies played a vital role in the development and preservation of this industry.

Hanumappa (1986)\textsuperscript{20} edited a book titled “Sericulture for Rural Development” which contains some papers. The papers cover both macro and micro issues of sericulture development. Those dealing with the macro aspects analyze not only the issues related to the future prospects of sericulture development, but assess the extent of success achieved in developing infrastructural facilities, cocoon markets and extension services in the last five years in Karnataka. On the other hand, the papers dealing with micro aspects focus on the field problems of various farmers, and throw light on the vast employment and income generating potentialities of sericulture activity in rural areas.

Manjeet (1986)\textsuperscript{21} in his paper entitled “Tasar Potential in India: Its Economic Utilization though Improved Innovation and Appropriate Technology” concluded that Tasar silk accounts for less than 7 per cent of the total natural silk produced in the world. However, the high cost of production compared to mulberry silk is a disadvantage. Improvement in productivity will make Tasar culture economically more competitive than traditional suppliers like Hong Kong, South Korea and Taiwan and non-traditional suppliers like Pakistan, Bangladesh, Sri Lanka and China.

Sarnadharan (1986)\textsuperscript{22} in his study, "Impact of the working of Handloom Weavers Co-operative Societies on the Socio-economic development of the Handloom Weavers in Kerala" made an attempt to evaluate the role of Handloom Weavers Co-operative Societies in improving the Handloom Industry in Kerala. The impact of economic and social aspects on the members and the non-members and their economic conditions are also studied.

Thiammaiah and Naga Bhushana (1986)\textsuperscript{23} studied the performance of the silk exports and prospects of Indian silk goods. They concluded that India’s silk goods exports were picking up in Middle East Countries like United Arab Emmerities, Kuwait and South Omen. However, exports to other industrialized countries have declined considerably. These trends indicate some scope for exporting to the Middle Eastern Markets.

Benjamin and Manjeet (1987)\textsuperscript{24} have stated that sericulture holds high promise as labour intensive occupation especially for people in rural and semi urban areas, besides providing employment in ancillary units. It is estimated that an acre mulberry provides gainful employment for five persons all through the year in operations connected with cultivation and maintenance like seed production, silkworm rearing, cocoon production, reeling, weaving, printing, finishing and processing of silk fabrics.

Chandrasekara Reddy (1987)\textsuperscript{25} in "An economic evaluation of sericulture-some empirical evidences" reveals that mulberry cultivation and silk production are increasing at a rapid rate particularly in the Southern


\textsuperscript{23} Thiammaiah and Bhushana, Past Performance and Future Prospects, Indian Silk, April- May 1986, pp.29-36.


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Plateau of India; which is related to the market as well as other factors such as the net income, employment, etc.

**Ramana (1987)**\(^26\) has studied the economies of sericulture and agro industry, its market potential and its prospects for growth in the context of world, India and the different States in India. His case study of sericulture in Andhra Pradesh demonstrates that the high employment and income generation potential of sericulture per acre whose productivity is quite higher even as compared to the best irrigated crops. Moreover, they stated that sericulture is eminently suited for development of the thought prone areas.

**Seetharaman (1987)**\(^27\) has made an attempt to evolve a strategy for optimizing marketing, production and financing system for handloom co-operatives in Tamil Nadu. The production, financing, distribution and marketing methods adopted by the handloom sector are analysed in his study. He observes that the independent weaver system and the manufacturing system were mainly followed for marketing of handloom products. In all these channels of distribution, the weaver faces problems like, poor quality of hank yarn, high price of yarn, inadequate work besides competition from power loom and mill sectors.

**Venkatachalam (1987)**\(^28\) in his study entitled, "Export of Handloom Cloth", has made a study of the trade policy and marketing practices, in respect of handloom cloth. The handloom sector has been treated as export-oriented and a detailed study has been made on the processes associated with export of handloom, their prevailing marketing practices and the relevant policies of the Government.


Katti (1988)\textsuperscript{29} has studied the optimization of processing in silk industry. He has drawn a comparison of the cost of production in China, India and other Asian countries. He has suggested the measures to economize the cost of production such as strict quality control, optimization of conditions and processing methods, minimizing production problems, and consistency of properties of processed silk by standardizing processing.

Nagaraja Rao (1988)\textsuperscript{30} has stated that with respect to sericulture in Karnataka, nearly 2.5 lakhs small and marginal farmers are living in about 14,500 villages. The annual production of cocoons would be about 45,000 tonnes, valued at Rs.50 crores. Sericulture, a rival oriented industry supports the farmer population to an extent of 56.8 per cent of a rupee on the value of silk cloth production. Being a foreign exchange earner, it generates more than Rs.200 crores per annum, it is also a means of livelihood for small farmers in the developed area.

Silk is a symbol of Luxury and Class (1988)\textsuperscript{31} Even today no other fabric can match it in luster and elegance. The touch of silk reminds the very thread of history, a shimmering fabric of unparallel grandeur. Mankind has always loved silk. It is the yarn of life extruded by that unassuming caterpillar in a continuous filament as long as one and a half kilometers.

Solaiappan (1988)\textsuperscript{32} made an empirical attempt on the silk industry in Tanjore district. He confined his study only to silk co-operatives. He found that there are a number of issues in the management of the co-operative societies such as increased office expenses and misuse of rebate. He

\textsuperscript{31} Silk India Statistical Biennial Journal of Central Silk Board, Bangalore, 1988, p.6.
recommended for the creation of an agency for the procurement and supply of silk yarn by the government and the supply of adequate yarn to the weavers outside the co-operative sector. He argued that while the primary weaver's co-operative societies sell their finished products to the co-optex on credit, why they should not be permitted to sell the goods to the public on credit. He suggested that the working capital requirements of the societies must be met by commercial banks also in line with co-operative banks. According to him, the growth and development of silk handloom industry was much affected by the non-availability of yarn and increased process.

Vasanthi (1988)\textsuperscript{33} focused in her study the economic significance of handloom industry in India, and the role of handloom industry in co-operative sector. She concluded that handloom societies need regular and adequate supply of yarn, introduce more varieties and give incentives to salesmen.

A Study of Intervention in the Handloom Industry (1989)\textsuperscript{34} has advised the weavers service centres to devise the possibilities of improvement in productivity and earnings. The report has conceived the purpose of modernization not as means of attempting to bridge the unabridged cost gap between handloom and power loom, but as means to increase the earnings of the weavers by increasing the value by power loom processing and increasing the productivity by intermediate technology which has no side effects on employment.

Krishna Swami and Dave Surappa (1989)\textsuperscript{35} have studied the fabrics marketing system. They have made an analysis of the structure of the silk

\textsuperscript{34} Intervention in the Handloom Co-operatives, January 1989, Final Report., Institute of Rural Management, New Delhi, p.48
fabrics marketing system and the channels of distribution. According to them, the exporters have mostly adopted product concept. In their study area, none of the exporters considered the modern marketing concept.

Jeyaram (1990)\textsuperscript{36} in his research work entitled “A Study on Handloom Industry with Particular reference to its Problems and Prospects in Coimbatore District” pointed out that the raw material was the important problem affecting the functioning of the handloom industry. Short supply, lack of standardization and increase of yarn prices were the specific problems relating to raw material.

Monograph on Upgradation of Technology of Handlooms (1990)\textsuperscript{37} has suggested that the antiquated equipment and techniques employed in the handloom sector, result in low productivity and poor quality, and it must necessarily be upgraded to enhance competitiveness of the product.

Nanavathi Mahesh (1990)\textsuperscript{38} has made an attempt to study the complete profile of the sericulture and silk industry. Beginning with its obscure history, various activities such as prevalent sericulture practices, post-cocoon processing, weaving, dyeing, printing are clearly explained in her study.

Pani (1990)\textsuperscript{39} has criticized the textile policy as it does not have a long-term view and clear perspective regarding the role to be played by the mill, power loom and handloom sector. It is now facing a deeper crisis and it may have to face the danger of its liquidation in the coming decade, if the


\textsuperscript{38} Nanavathi Mahesh, Silk Production, Processing and Marketing, Wiley Eastern Limited, New Delhi, 1990.

present trends continue and any amount of government assistance at this stage may not help the handloom sector to overcome the present crisis permanently, since it has become a structural one and it is not possible to reverse the situation.

Ratnam (1990)\(^{40}\) conducted a study titled “A Study of Handloom Industry” in 1990 covering 200 handloom weavers’ co-operative societies in Andhra Pradesh. He observed that one of the factors inhibiting the demand for handloom fabrics was lack of varieties. Lack of diversification was identified as the main reason for the problems faced by the handloom sector. The author stressed that products from handlooms were more expensive. On the basis of the study it was found that the handloom sector could not compete with the mill sector since the latter enjoyed the advantages of low yarn costs as well as high productivity.

Report of the Flow of Credit to Handloom Co-operative (1990)\(^{41}\) mainly dealt with the problems relating to flow of credit for production/marketing of handloom cloth and investment credit for modernization of looms.

Report of the Textile Policy Committee (1990)\(^{42}\) reviewed the progress of implementation of textile industry. It stated that the textile industry had to modernize and restructure itself to match the forthcoming challenges of the growing demand. Technological upgradation was, therefore, to be in all segments of the industry and policy measures and institutional arrangements had to be devised in response.

Sinha and Sanjay (1990)\textsuperscript{43} in their study on "The Development of Indian Silk" examined the growth of silk production in India. They gave an overview of the techno-economic issues, assessed the development impact of the activity and discussed strategies for strengthening its contribution to rural development. The study analysed the production chain for mulberry production viz., sericulture, reeling, weaving and the different production systems employed for silk production. The study also examined the availability of infrastructure for mulberry cultivation in Karnataka. The study also covered the products of Indian silk and their markets particularly the export potentials for Indian silk. The study also focused on the role of Central Silk Board and State government in the development of the industry. Many micro economic issues in silk production such as price trends in mulberry cocoons and raw silk, price stabilization aspects of the government, returns and the value added at various stages of production have been dealt with in detail.

Ganga GJ. Sulochana Chetty (1991)\textsuperscript{44} in her book, "An Introduction to Sericulture", dealt with the history of practicing sericulture. She said that the technique of mulberry cultivation, the method of silk worm rearing and the art of silk weaving originated in China nearly 300 years ago during the period of Emperor Hung Ju.

Rangaswami (1991)\textsuperscript{45} in his article titled "Prosperity 2000-Strategy to Generate 100 Million Jobs in India through Accelerated Development of Commercial, Agriculture and Agro-based Industries" stated that sericulture could double mulberry silk production by established 500 integrated model


\textsuperscript{45} Rangaswami, G. Prosperity 2000-Strategy to Generate 100 Million Jobs in India through Accelerated Development of Commercial, Agriculture and Agro-based Industries, October 2, 1991.
silk village clusters, each cultivating 175 hectares of mulberry, to generate an average net income of Rs.30,000 per family for 250,000 families along with 750,000 additional full time jobs.

Gurumoorthy (1992)\(^{46}\) in his article titled “Modernization in Handloom sector: Felt Need for Survival” stressed the significance of modernization, as all the handloom products are out of date.

Kamat (1999)\(^{47}\) in his book “Managing Co-operative Marketing” discussed the major problems faced by the handloom export-trade. He insisted on the need for change from tradition to modernity in the production methods to suit the need of the discriminating foreign customers. He opined that periodic accumulation of stock and the consequent recession in the Handloom Industry was the result of the reluctance to change on the part of the Indian Weavers.

Vasantha (1999)\(^{48}\) in the study entitled "Time Allocation of Women Weavers in Rasipuram Taluk of Namakkal District" made a detailed study to identify the problems of home-based workers. The concept of time allocation in respect of women weavers was analysed to understand the role of women in the unorganized sector.

Saravanan (1992)\(^{49}\) concentrated his study on the production of handloom products. The study found that a marketing complex might be established in every weaving center with the participation of co-operatives as well as the weaving units. This would be very helpful in increasing their sales. He found inadequate and irregular supply of yarn to be the main


\(^{49}\) Saravanan, S. Production and Marketing of Ammasamudram Weavers cooperative production and sales society, Unpublished Ph.D. dissertation submitted to Bharathidasan University, 1992, p.27.
problem that the society had to face. He recommended government patronage by placing orders with the society.

Silk India (1992)\textsuperscript{50} opined, "It is a gift of nature to humanity conveying the effects of sacrifice. For centuries, silk maintained its unique position in society as a much sought after cloth all over the world. Sericulture demands low investment but yields quick returns which make it an ideal industry or enterprise which fits well into the socio-economic fabric of India.

Balasubramanian (1993)\textsuperscript{51} in his study entitled, "Economic of Textiles Industry in Trichy District" with special reference to Handloom Industry in Karur Taluk" studied the nature and cause of sickness in handloom of Karur Taluk and suggested remedial measures. The study showed that the non-availability of timely credit was the major reason for the sickness along with reasons like risk aversion, lack of interest on the part of the entrepreneur, delayed payments by the buyers, low productivity, traditional technology, lack of ability of the weavers, poor quality of the products and so on.

Maheswari (1993)\textsuperscript{52} made a study on the problems of silk weavers in Salem District. She suggested that the government should help the weavers by regulation of inputs, fixation of minimum prices, reservation of the entire silk production for handlooms, fixation of minimum wages for wage earners, exploration of new export market, relaxation of the government restrictions for selling the silk fabrics outside Tamilnadu, procurement of the final

\textsuperscript{50} Silk India, Silk Export Promotional Council, Calcutta, 1992, p.20.
products of the independent weavers and provision of looms and accommodation facilities, to all the wage earners.

Panda (1994)\(^53\) stated that the apex organizations had not been able to improve the socio-economic conditions of the handloom weavers to the desired level and he identified the factor adversely affecting the functioning of the apex organizations.

Somasundaram (1994)\(^54\) in his study titled "Development of Sericulture Industry and the Problems of Silk Weavers with Special Reference to Tamil Nadu" mentioned that majority of silk weavers did not get job satisfaction due to variety of reasons such as meager wages, poor working conditions, inadequate non-monetary benefits, inconsistent work throughout the year etc. He suggested that the government should take necessary steps to overcome these problems and to improve the status of silk weavers; only then the weavers would benefit and get a better job satisfaction.

Geetha (1995)\(^55\) in her study entitled "A Study of Handloom Weavers Co-operative Societies in Salem District, Tamilnadu" reviewed the performance of Handloom Weavers' Co-operative Societies regarding their working conditions, problems and suggestions. The major problems identified by the study were lack of modernization, inadequate quality of yarn and lack of technical knowledge in the weaving process. Suggestions were made in the field of technology and for ensuring the supply of quality yarn.


Ghokale (1995) in his article analyzed the reasons for higher spinning and weaving cost in India. He explained that if interest and depreciation cost could be brought down to the level prevalent in Japan, U.S. and Italy, India too could become one of the most cost competitive countries as far as weaving was concerned. He stated that the weaving cost in the power loom sector was much lower than that of organized mill sector, power loom weaving in India was the most competitive in the world and if this sector undertook export activity, India could get substantial mileage in the world textile trade.

Kannagi (1995) in her study stated that silk handloom weavers’ co-operative society faced several problems such as competition from the private producers of silk, problems in procuring zari, absence of credit sales, less number of sales complexes and branches and the slower rate of growth. As for channels, a direct sale was the most important channel available to the society.

SRUTI (1995) in its study on the artisans of India highlighted the plight of weavers in India. The study observed that though a large number of women were employed in this sector, a very few work on the loom except in the North East. It reported that the basic crisis of handloom workers was the loss of their traditional markets to the industrials and powerloom sectors. This not only affected the handloom weavers, but even more profoundly women and children involved in the pre-loom activities like spinning, earning, sizing and warping. The problems were provoked by shortage of good quality raw materials. The study also pointed out an important

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58 SRUTI, India’s Artisans: A Status Report of Society for Rural, Urban and Tribal Initiative, Delhi 1995, p. 30-47
disadvantage of the industry being its inherent inability to produce cloth of standardized quality and designs, in the era of mass production. The study attributed the reduction in demand for handloom products to the higher price, inability to maintain uniform quality and design and growing preference for synthetics. The study noticing the inadequate dissemination of improved loom technologies, cautioned that mere infusion of technology alone could not make a difference. The notorious role of intermediaries in controlling raw materials, market and even credit has been highlighted in this study.

Venkatesh (1995)\textsuperscript{59} has stressed that with the power looms threatening even the viability of the mill sector, it has now become virtually axiomatic that handlooms can survive only by their uniqueness of designs that are unreliable by the power looms, besides its selling strategy encompassing exports as well.

Elangovan (1998)\textsuperscript{60} in his study stated that competition from private silk merchants had become stiff especially as they allowed credit sales to customers. The private dealers also had undertaken market survey and identifying changes in fashion to introduce latest designs. He concluded that the rebate, if allowed throughout the period, it would boost sales of the silk society.

Gandhi and Mehta (1998)\textsuperscript{61} in their research article described in detail the various aspects of unorganized sector in the Indian textile industry. The role of power looms, handlooms and hosiery sector in the Indian textile industry were clearly analysed. They stated that the value of decentralized

\textsuperscript{60} Elangovan, R., Working of Thirubhuvanam Silk and Handloom Weavers’ Co-operative Production and Sales Society, Unpublished M.Phil Dissertation submitted to Annamalai University, 1998.
sector was understood in the light of the present day needs and its pros and cons were weighed judiciously.

**Horidra Gogoi and Sharma (1998)** in their study titled “Impact of Weavers’ Co-operative on Members Unemployment” in Assam revealed that employment from weaving as well as total employment of member households was significantly higher than that of non-member weaver household thereby showing the positive impact on the earnings of member weaver households. It concluded that apart from high price of yarn, its irregular supply and non-availability of new design of weaving at low costs were the major marketing problems.

**Varma and Pritan Chandra (1998)** in their book “Indian Textile Industry, 2000 A.D” analysed the problems and prospects of Indian textile industry. They stated the areas of efficiency, inefficiency and related position as to where they stood. They highlighted the major problems of production and marketing of handloom sector such as increasing prices of yarn, non-availability of required count of yarn, lack of innovative designs and designers, lack of training and research programmes, high cost of labour, poor quality of looms, absence of diversified product range, changing taste and preferences and absence of timely and sustained support from the government.

**Adkolis (2000)** in his study on “Use of Bamboo in the Sericulture Sector in South India” has stated that bamboos have become the ideal material for the various needs of equipment for silkworm rearing in silk production. Bamboo is light compared to metal and it is a cheap source of

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64 Adkolis, N.S. *A Study of the use of Bamboo in the Sericulture Sector in South India*, 2000.
use in silk industry. Since the equipment in worm-rearing and silk production requires robe handled by human labour, the advantages of volume to weight ratio makes it popular in use in South India. Besides, bamboo has a very good insulation property and so heat and cold do not affect it much.

Kosgy (2000)\textsuperscript{65} in his book titled “Silk Exports and Development” has discussed a wide range of information on silk exports, textile properties of silk and the active role of Central Silk Board in rendering technical assistance, research and extension for mulberry and non-mulberry sericulture. The book is fully devoted to providing information regarding procedures and guidelines to exporters of silk.

Murthy and Madan Mohan (2000)\textsuperscript{66} in their case study have presented the problems associated with the distribution of handloom goods through Co-optex, Tamilnadu. They have suggested several measures such as revamping of procurement warehouses to six centers instead of 15 regional warehouses; supplying 70 per cent if the requirements of a showroom one month before starting of the season; timely flow of information between regional warehouses and show rooms; and strengthening the information processing through installation of computers in showrooms and warehouses.

Kanshi Ram, the Union Minister for Textiles (2001)\textsuperscript{67} has impressed on the need to concentrate on the innovative products, keeping in mind the changes in fashion, colures and design in overseas market. He has observed that in addition to the launch of Rs. 25,000 crores Technology Up

\textsuperscript{67} Kanshi Ram, An Address at the Export Award Function organized by the Handloom Export Promotion Council, Textile Magazine, 2001, pp.57-59.
Gradation Fund Scheme, a comprehensive scheme for the handloom sector has been launched for taking care of the entire gamut of activities such as product development, infrastructure support, institutional support, training to weavers, supply of equipment and marketing support.

Meenakshisundaram (2001)\textsuperscript{68} in his study on Erode Weavers’ Co-operative Production and Sales Society has found out that there is a considerable decline in handloom products due to competition from organized mill sectors and power loom. He has suggested several measures for the growth and betterment of handloom sector such as diversification of existing product range and tapping the export potential for handloom products; use of quality dyes, opening up of sales through more private agencies in addition direct sales and sales through co-optex.; cutting down overhead expenses.

An article in The Hindu (2002)\textsuperscript{69} states that Silk weaving is practised by a million families in about 60,000 Indian villages most of them being in the three southern states of Tamil Nadu, Andhra Pradesh and Karnataka.

Datta and Ganguly (2002)\textsuperscript{70} in the proceedings of the International Conference on Sericulture (2002) has analyzed the various issues regarding changing pattern of silk and silk goods in the international market, technology up-gradation for cocoon, raw silk and fabric production, role of non-governmental organization and corporate sector in sericulture development and the need for international co-operation among silk production and consuming countries. The conference has stressed on globalization of the silk industry and the interaction between management

\textsuperscript{69} The Hindu, 2002, p. 7.
and technology and trade for further development among silk producing, processing and consuming countries. The conference has insisted on various strategies for promotion of eco-friendly and cost effective technologies in the silk industry.

Karunakaran and Joseph Nelson (2002) have analyzed the factors responsible for the present plight of the handloom weavers. In their opinion frequent price fluctuation of yarn and its shortage have accentuated the crisis in handloom industry. The quality of yarn from private mills is said to be much superior than co-operative mills and this has driven the weavers to the wall. The study also points out that inadequate flow of institutional credit, lack of marketing infrastructure, increase in cotton yarn prices, delayed payment to primary societies by apex society are the reasons responsible for the present condition of handloom industry. The growth of power loom industry posed the greatest danger to handloom weavers. The handloom weavers in southern part of Tamil Nadu have switched over to beedi industry.

Noorbasha Abdul and Badrinarayanan (2002) have stated that the crisis in the handloom industry has its roots in the National Textiles Policy, 1985 which had allowed indiscriminate growth in the number of power looms in the name of promoting the country’s fabric output. They have concluded that failure to make available supply of sufficient yarn at reasonable price top the handlooms as the most impartment factor hitting the handloom sector.

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Sheker Prabha and Francis Sinha (2002)\textsuperscript{73} have made an exploratory study on ‘Raw Silk Market in India’ and analyzed the qualitative and quantitative demand for silk yarn from the main silk weaving centres in the country. They have analyzed in detail the area-wise reputed yarns from traditional regions of Karnataka. The share of charka silk in domestic production has fallen from 55 per cent in mid 80’s to around 30.0 per cent during 2004-05. The relative decline in the use of charka silk is the lack of uniformity denier and its impact on weaving productivity. The study concludes that the future of charka reeling in the context of an expanding silk industry, improvement of denier uniformity along with reeling productivity improvements is imperative.

Chandrasekaran (2003)\textsuperscript{74} has stated that people connected with the silk handloom co-operatives may have good market opportunities for the silk products which may help them to produce more and more silk goods and thereby engaging their members throughout the year.

Geetha Devi (2003)\textsuperscript{75} in her article entitled “Impact of Quality Attributes on Mulberry Cocoon Prices in Karnataka” assesses the value of product characteristics and its impact on price of mulberry cocoon. She concluded that the silk ratio is an important variable in deciding the silk price.

Gopal Naik and Babu (2003)\textsuperscript{76} have estimated the demand and supply of high quality of raw silk in India for the year 2003 and projected the demand and supply for the year 2005. The study points out the need for high

\textsuperscript{73} Sheker Prabha and Francis Sinha, Report by Economic Development Associates and Samnha, Karnataka in Collaboration with ITDG, 2002.

\textsuperscript{74} Chandrasekaran, Performance Evaluation of the Silk Handloom Weavers’ Co-operative Production and Sales, Unpublished dissertation submitted to Bharathidasan University, 2003, p. 18-63.


quality silk and the factors influencing quality of raw silk, the need to upgrade techniques and machineries used in reeling. They also made a quantitative estimate of imported high quality silk which is illegally sold in the domestic market. They have suggested various policy alternatives to bridge the gap between demand and supply for high quality raw silk in India.

Gupta and Sudha Babel (2003)\(^77\) in their study on problems of handloom weavers in Rajasthan, found that there are problems such as non-availability of new designs and modern tools to the weavers. The economic conditions of a handloom weaving unit does not depend merely on the quantity and quality of the items manufactured but is also influenced by the intelligent selling of the product to get maximum profit. They have stressed the need for educating and training weavers on production of cloth to suit the changing fashion.

Srinivasan (2003)\(^78\) in his article titled “Silk Sector Shifting Focus on High Yielding Biovoltine Sericulture” has stated that the Indian silk industry is gearing itself by shifting its focus from traditional mulberry silk production to high quality-yielding bivoltine sericulture on a bigger scale.

A Seminar Volume on Silk Industry: Problems and Prospects’ (2004)\(^79\) brought out useful insight into various techno-economic issues relating to silk industry in India in general and Karnataka in particular. The volume addresses itself to various technological and economic issues relating to the development of silk industry. The technological issues pertain to the management problems faced by the silk reelers at the production level. The economic issues relate to the marketing of raw silk, silk waste and other


by-products. The various topics covered under this volume provide very useful insights for policy making.

Kanaka Durga (2004)\(^80\) in her article titled “A Study of Marketing of Handlooms in Andhra Pradesh” analyses the problems pertaining to marketing and other related activities of handloom products, such as procurement, prices, planning, designing, unsold stocks, absence of marketing research, competition, etc. She has highlighted the problems faced by the weavers in production and marketing of their products. She stated that the competition from the large scale sector and powerloom threatens the very survival of the handloom industry. The main reason for this situation is the Textile Policy of 1985, which permits anybody, anywhere in the country to install power loom. The prices of yarn, chemicals and dyes are increasing from time to time; the weavers have been forced to resort to distress sale of their products, resulting in steep reduction in the wages. Non availability of yarn and raise in excise duty on yarn are endemic problems for the weavers. She has revealed the various hidden issues pertaining to weavers in marketing their products.

Nagarajan (2004)\(^81\) has analyzed the marketing environment of handloom products and advocates a strong case for middlemen as otherwise the weaver has to cater to the needs of local consumers only. The middlemen have to carry the cloth and arrange for bulk display as a measure of widening the market. In his opinion, the absence of proper and sufficient facilities to safeguard the interests of weavers leads to existence of middlemen and their inevitable participation in the sales of handloom products.


Subburaj and Joseph Nelson (2004)\textsuperscript{82} in their article titled “An Empirical Analysis on the Product Strategies of Handloom Weavers’ Co-operative Societies” have observed that the weavers’ co-operative societies have simply adopted the design as specified in the production order of the co-optex and that initiatives and efforts of the weavers’ co-operative societies on design development seemed to be very little. The study discloses that weavers tend to resist change in the production of certain fabrics in which they lack skill, although the fabric have ready acceptance in the market. The reason for them is that they are unable to bear the cost of change over from one design to another. They advocate the adoption of modern marketing strategies in tune with market changes.

Alexandar Pravin Durai (2005)\textsuperscript{83} has analyzed the production and marketing problems faced by the handloom co-operative societies in Tamil Nadu. He has stated that the production of handloom goods depends on the availability of required count of yarn, price of raw materials and wages which play a crucial role in determining the cost of handloom products. He has identified several factors which are affecting the handloom production such as non availability of the required count of yarn, increasing price of yarn, poor quality of looms, lack of training and research programmes, lack of innovative designs and high cost of labour. He has also discussed the marketing problems faced by the handloom sector such as competition from power looms and mills, absence of diversified product range, incapability for professional marketing, changing tastes and preference of customer, etc.

Bowonder and Sailesh (2005) have reported that introduction of computer-based designing in Kanchipuram Silk cluster has revived the prospects of this traditional cluster by reducing the production time, offering wider choice of design, visual simulation of design and colour combinations and increasing the earnings of the weavers. The gaining popularity of the technology among the AMF segment is another interesting feature noticed by this study. The study has also attempted a SWOT analysis of the Kanchipuram silk cluster and discusses the success factor of this phenomenon.

Hanumappa (2005) has edited a book titled “Sericulture, Society and Economy” on several aspects of sericulture development in Karnataka under two sections. The first section of the book deals with the growth of sericulture and various issues relating to output, employment, income and rural institutions. The second section covers the issues relating to problems of women engaged in the field silk industry. The book also focuses on the socio-economic profile of rearers and reelers. The book has brought out very interesting results on ‘silk reeling’ based on micro-level survey of silk reeling establishments. It covers both the financial and technological aspects of silk reeling especially in charka reeling.

Nanda Kumar (2005) has observed that internationalization of the Kanchipuram silk cluster requires handholding, training, personal contacts and direct assistance in terms of reaching the cluster with information and communication technology and management techniques. While exports were confined to traditional product lines like sarees, outer skirts in silk and

86 Nanda Kumar, S. Context Analysis for the Kanchipuram Silk SME Cluster. EU INDIA ECCP SME – LEARN-NET Project, JSN School of Management Services, Kanchipuram, 2005, p.85.
cherishers, the channels is through middlemen or merchants/traders of Chennai and Bangalore, which resulted in lesser profits for the cluster. With new additions to product line like scarf, soles, tops, upholstery, curtains, embroidered wall hangings, the possibility of export market expansion is high, says the study. While tracing the historical origins of this traditional industry the study has attempted mapping of stakeholders and good practices in the cluster.

Rosalind Ezhil (2005)\textsuperscript{87} in her article titled “A Twenty –Five Years of Glory Spun in Silk” has stated that the scientists at the Karnataka State Sericulture Research and Development Institute have developed a range of new products like mulberry and organic silk besides indigenous breeding for three new silk worm racers.

Chidambaram (2006)\textsuperscript{88} in his article titled “Budget Boost to Textile Industry” expresses a special appreciation of the current rate of growth of the textile industry, particularly, encouraging response to the Technology Upgradation Fund Scheme (TUFS). He says that yarn depots have to be established in different parts of the country to ensure supply of yarn to power loom and handloom weavers. Besides the introduction of a scheme similar to TUFS to provide interest subsidy on term loans, it has been proposed to handloom sector and power loom sector.

Kanagasabapathi and Rathi Shree (2006)\textsuperscript{89} in their article have stated that 60 per cent of textile owners entered textile business based on their previous experience. About 45 per cent of the organizations have been promoted by the owners themselves, 27 per cent by parents of the present owners and 11 per cent by their relatives. It has further been learnt that

\textsuperscript{88} Chidambaram, P., Finance Minister, \textit{Budget Boost to Textile Industry}, Textile Magazine, March 2006
50 per cent of the respondents have first entered the textile industry as workers. The percentage of influence of the relatives and families to start the business is 17. The influence of friends is a factor behind starting 13 per cent of the units. During the past few decades, many of the traditional weaving families have moved into other businesses due to financial and other problems. They have also observed the non availability of raw material, which is the major problem faced by the handloom industry and marketing and finance related problems come next. They conclude that majority of producers are selling their products only through their agents. Exporters take the major portion of profit, but the producers are not aware of international market conditions and their opportunities.

**Satya Sundaram (2006)**\(^90\) has stated that the handloom cloth is the most suited to our climate and socio-economic conditions. He has emphasized that the handloom cloth is always stronger than the mill made products due to double reeds, proper sizing and lower speed of weaving and thus, the handloom cloth is known for its human touch. He has explained the textile policy relating to handloom and several measures as initiated by the government to safeguard the handloom weavers. He has specified the major problems faced by the handloom sector such as rising of prices of raw materials and the necessity of weaver’s co-operatives to give rebate on sales. The state government has to reimburse the rebate granted, but there is undue delay in reimbursing the rebates. In addition, the independent weavers outside the co-operative fold are not in a position to dispose of their cloth directly to the consumers.

**Sudha Babel, Gupta and Meenu Shrivastava (2006)**\(^91\) in their article have identified the status of handloom weaving units, their setup, 


\(^{91}\) Sudha Babel, Gupta, P and Meenu Shrivastava, Existing Status of Handloom Weaving Units of Rajasthan, Man-made Textiles in India, April 2006, p. 151.
functioning and their problems. They found that the situation of weavers has been pathetic. They have been handicapped due to illiteracy, inadequate finance, marketing bottlenecks and inadequate infrastructural facilities. They have stated the operational nature of units such as functioning under co-operation, under merchant, under middleman, and under independent. They highlighted the problems of the handloom sector such as shortage of finance, inadequate marketing, poor supply of raw material, non availability of technical workers and transport problems. They conclude that the present status of handloom weaving units of Rajasthan is in a critical condition, while the know-how is available in abundance the weavers are handicapped by certain conditions.

Rajula Devi\textsuperscript{92} has analyzed the problems faced by the handloom sector while competing with mill sector and the need for the introduction of new varieties in handloom sector.

Bharathan\textsuperscript{93} has argued that the State of Tamilnadu has remained the most important handlooms’ region in the country. According to him, the industry forms an important part of the industrial profile of the state in terms of employment both in rural and urban areas. The urban share in total employment in this industry was considerably higher than the rural share at the all India level and female participation in this industry was very low, however this rate in the state was higher than that national level.

\textsuperscript{92} Rajula Devi, A.K., A Study on the Problems Faced by Handloom Sector, Tamilnadu Journal of Co-operation.