CHAPTER III
SILK INDUSTRY- AN OVERVIEW

3.1. Introduction

Silk is a high value-added product and it always ranks comparably higher than any other textile fibre known in human history or in use in present times because of its appreciation in terms of consumer preference, unit values, fashion significance, employment generation, income generating opportunities in producer communities and the intangible value related to the preservation of mankind’s cultural heritage. Over the centuries, silk has been recognized for its unique characteristics of comfort, luster and glamour. The most loved fibre, the world over, silk spells luxury, elegance and class with its unparalleled grandeur, the silk fabric has reigned as the undisputed "queen of textiles" over the centuries.

3.2. Global Silk Scenario

In comparison with other natural textile fibres in use worldwide, silk occupies only a very small slice of world production, consumption and demand. In pure volume terms, the share of silk in the global fibre market is thus dwarfed by the two other major categories, namely, cotton and wool. Though the volume of silk trade is comparatively low, the value of international trade in silk and silk products is significant. The world demand for silk is on the increase particularly since the past two decades. However, the traditional silk producing countries like Japan, Korea and Brazil have drastically cut their production. In all these countries, silk production which is highly labour intensive industry has been slowly replaced by the highly profitable electronic industry.
3.2.1 Global Output of the Major Textile Fibres

The global output of the major textile fibres of different categories between 1985 and 1999 are given in Table 3.1.

**TABLE 3.1**

Global Output of the Major Textile Fibres

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton</td>
<td>17540</td>
<td>20830</td>
<td>19200</td>
<td>19200</td>
</tr>
<tr>
<td>Synthetics</td>
<td>12515</td>
<td>16440</td>
<td>20200</td>
<td>28200</td>
</tr>
<tr>
<td>Cellulose Fibres</td>
<td>2999</td>
<td>2860</td>
<td>3000</td>
<td>2700</td>
</tr>
<tr>
<td>Wool</td>
<td>1673</td>
<td>1940</td>
<td>1600</td>
<td>1400</td>
</tr>
<tr>
<td>Silk</td>
<td>59</td>
<td>75</td>
<td>100</td>
<td>79</td>
</tr>
</tbody>
</table>

Source: International Trade Centre, Silk Review, 2001

The above table shows that the major fibres are cotton and synthetics. Together they account for close to 90 per cent of all fibre production. These two fibres are followed by cellulosics (6.8 per cent) wool (3.7 per cent) and silk (0.2 per cent).

3.3 World Raw Silk Production

Silk production in the different countries is given in Table 3.2. In addition to the following countries, 30 more countries, such as, Vietnam, Indonesia, Philippines, Iran, etc are also now taking up silk production. All the developing countries are now exploring the possibilities to take up silk
production primarily due to two main reasons i.e. labour intensiveness and high foreign exchange earnings.

<table>
<thead>
<tr>
<th>TABLE 3.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Raw Silk Production (Mulberry)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>4850</td>
<td>64613</td>
<td>59000</td>
<td>52700</td>
<td>49430</td>
<td>55990</td>
<td>60000</td>
<td>62560</td>
<td>64100</td>
</tr>
<tr>
<td>India</td>
<td>690</td>
<td>12884</td>
<td>129954</td>
<td>14048</td>
<td>14260</td>
<td>13944</td>
<td>14432</td>
<td>15842</td>
<td>14617</td>
</tr>
<tr>
<td>Japan</td>
<td>43150</td>
<td>3240</td>
<td>2580</td>
<td>1920</td>
<td>1080</td>
<td>650</td>
<td>557</td>
<td>431</td>
<td>394</td>
</tr>
<tr>
<td>Brazil</td>
<td>30</td>
<td>2468</td>
<td>2270</td>
<td>2120</td>
<td>1821</td>
<td>1554</td>
<td>1389</td>
<td>1485</td>
<td>1607</td>
</tr>
<tr>
<td>Korea Rep</td>
<td>1820</td>
<td>946</td>
<td>506</td>
<td>272</td>
<td>210</td>
<td>200</td>
<td>165</td>
<td>157</td>
<td>154</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>180</td>
<td>1320</td>
<td>2500</td>
<td>2000</td>
<td>1500</td>
<td>923</td>
<td>1100</td>
<td>1260</td>
<td>1260</td>
</tr>
<tr>
<td>Thailand</td>
<td>260</td>
<td>1313</td>
<td>1144</td>
<td>1039</td>
<td>900</td>
<td>1000</td>
<td>955</td>
<td>1510</td>
<td>1510</td>
</tr>
<tr>
<td>Vietnam</td>
<td>180</td>
<td>2100</td>
<td>1500</td>
<td>1000</td>
<td>862</td>
<td>780</td>
<td>780</td>
<td>2035</td>
<td>2200</td>
</tr>
<tr>
<td>Others</td>
<td>3400</td>
<td>2967</td>
<td>2766</td>
<td>2117</td>
<td>1684</td>
<td>1250</td>
<td>1952</td>
<td>1692</td>
<td>3814</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>54460</td>
<td>91851</td>
<td>85220</td>
<td>77216</td>
<td>71747</td>
<td>76291</td>
<td>81330</td>
<td>86972</td>
<td>89656</td>
</tr>
</tbody>
</table>

Source: Silk Export & Development, Central Silk Board, 2002

World raw silk production was 76,291 metric tonnes in the year 1999. It was because of the general awareness on the natural fibres and the preference to wear clothes produced from natural fibres. China, undoubtedly, is the mightiest player in world silk market with an annual silk output of around 65,000 metric tonnes. China attained the number one position in silk production in early 70s, snatching it from Japan. It is the largest silk
producer of natural silk. It produces the superior quality raw silk of international standards having a share of 90 per cent of global exports and more than 60 per cent of world raw silk production. Japan’s silk production was 43,150 metric tonnes in 1938 and the same has been reduced to 394 metric tonnes in 2002. The production of raw silk in temperate countries such as Japan and South Korea is declining steadily. In all other countries, the raw silk production is in fluctuating trend. The silk production in India has gone up from 690 metric tonnes in 1938 to 14,617 metric tonnes in 2002.

3.4. Silk Industry in India

Silk industry in India is an agro-based cottage industry providing gainful employment to 65 lakhs people spread over 45,000 villages. Silk industry is ideally suited to the rural development of the country and silk weaving is as old as cotton weaving in India. A large number of handlooms are weaving silk fabrics all over the country especially in Bengal, Punjab, Assam, Uttar Pradesh, Bihar, Tamilnadu and the former princely States of Mysore and Kashmir. There are about 1.32 lakhs of handlooms engaged in pure silk weaving in India. Silk industry is known for more than 2000 years and Indian silk attracted the attention of Europe in the mediaeval period. India, the second biggest silk producer has an ancient silk culture.

Some believe that in India, Himalayas is the homeland of silk. It was on the legendary silk route, which stretched 6000 miles across the heartland of Asia from China to the Mediterranean. In any case, the link between China and Sub-Himalayan regions establishes the cultivation of silk in the Kashmir valley from time immemorial. Fascinated by the elegant nature of silk, princely rulers like Tippu Sultan of Mysore propagated and encouraged cultivation of silk in India. Also, during the times of war, the British administration in India accorded top priority to silk cultivation especially in
the Bengal region. This is because silk was used extensively for the manufacture of parachutes. In many states of India, silk rearing and reeling were introduced only to help the agriculturists with a part time vocation. Karnataka is leading in the production of raw silk, West Bengal comes second. Other States which produce raw silk are Andhra Pradesh, Tamilnadu and Jammu & Kashmir.

In the post independent era, right from the beginning, the government of India identified silk industry as an employment-oriented industry suitable for the development of rural India. Government has been giving sericulture industry a prominent place in its developmental plans. This has helped the industry to grow at a faster pace and helped to take deeper roots in rural India as a full time occupation. India, the second largest producer of silk in the world, has unique distinction of being the only country producing all the four commercially known varieties of silk viz. mulberry, tasar, eri and muga. Mulberry silk is the most popular variety in India, contributing more than 87 per cent of the country’s silk production. It is cultivated mainly in five states, viz., Karnataka, Andhra Pradesh, Tamilnadu, West Bengal and Jammu and Kashmir. The muga silk produced exclusively in Assam is India’s monopoly. India has a considerable wealth of non-mulberry silk spread over the hilly tracks of Bihar, Orissa, Madhya Pradesh, Andhra Pradesh, West Bengal and Maharashatra. Most of the silk produced in the country is from Multi X Bi Hybrids which is inferior in quality and cannot meet the international standard as well as the domestic needs of the powerloom sector. Majority of the silk produced in India is consumed for producing sarees mainly on handlooms. Table 3.3 shows the production status of raw silk in India.
Table 3.3 reveals that India assumes the position of a dominant producer of mulberry silk. The total annual production of raw silk in India was 17,305 metric tonnes, of which mulberry raw silk output aggregated to 15,445 metric tonnes during 2005-06. Mulberry sericulture is practiced in almost all the States in the country. Karnataka, Andhra Pradesh, West Bengal and Tamilnadu together account for 98 per cent of the total mulberry silk production in India. Besides earning a livelihood for thousands of rural poor, silk cultivation and silk weaving has become a part of India’s cultural heritage.
Production of Raw Silk in India

Chart 3.1
3.5 Export Earnings of Silk Industry

The agro-based silk industry, besides being an employment generating industry, is also a good foreign exchange earner. Exports of Indian silk goods started with the dawn of the 20th century. It was exported to many lands since long and the industry had its hey-day as well as leanest years. India exports silk goods worth over Rs. 3,000 crores mostly to United States and European countries. The exotic designs and an array of colour combinations of silk materials produced in traditional handlooms and the ability to supply them in short quantities is considered to be the strength of Indian silk industry. The brocades and satins of Banaras, the intrinsic designs of Kanchipuram sarees, the pattolas of Hyderabad, the duions of Bangalore, the head knotted carpets of Kashmir, etc., are the hot favorites of the fashion conscious Europeans and Americans. Germany, Italy, Japan, Spain, and Eastern Europe are also significant importers of Indian silk. Silk imports include silk yarn, silk waste, and silk fabrics, woven both by hand and on powerlooms. Indian silk mainly caters to the domestic saree industry, which has round the year market potentials across the length and breadth of the country. Almost 80 per cent of silk productions go for domestic consumption, the rest goes for export. Table 3.4 shows the export and share of silk export to the total export earnings.
### Table 3.4

India’s Total Export and Share of Textiles and Silk Exports

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Export Earnings Rs.</th>
<th>Percentage of Total Export Earnings</th>
<th>Textiles Export Earnings Rs.</th>
<th>Percentage of Textiles Export Earnings</th>
<th>Percentage of Textiles Share</th>
<th>Silk Export Earnings Rs.</th>
<th>Percentage of Silk Export Earnings</th>
<th>Silk Export Earnings percentage of Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-96</td>
<td>106353.00</td>
<td>-</td>
<td>29807.58</td>
<td>-</td>
<td>28.0</td>
<td>920.03</td>
<td>-</td>
<td>3.1</td>
</tr>
<tr>
<td>1996-97</td>
<td>118817.00</td>
<td>11.7</td>
<td>34957.36</td>
<td>17.3</td>
<td>29.4</td>
<td>983.03</td>
<td>6.8</td>
<td>2.8</td>
</tr>
<tr>
<td>1997-98</td>
<td>130101.00</td>
<td>9.5</td>
<td>38850.64</td>
<td>11.1</td>
<td>29.9</td>
<td>1060.16</td>
<td>7.8</td>
<td>2.7</td>
</tr>
<tr>
<td>1998-99</td>
<td>139753.00</td>
<td>7.4</td>
<td>44536.52</td>
<td>14.6</td>
<td>31.9</td>
<td>1250.55</td>
<td>18.0</td>
<td>2.8</td>
</tr>
<tr>
<td>1998-00</td>
<td>159561.00</td>
<td>14.2</td>
<td>48811.72</td>
<td>9.6</td>
<td>30.6</td>
<td>1755.55</td>
<td>40.4</td>
<td>3.6</td>
</tr>
<tr>
<td>2000-01</td>
<td>203571.00</td>
<td>27.6</td>
<td>55242.00</td>
<td>13.2</td>
<td>27.1</td>
<td>2421.98</td>
<td>38.0</td>
<td>4.4</td>
</tr>
<tr>
<td>2001-02</td>
<td>209018.00</td>
<td>2.7</td>
<td>57192.99</td>
<td>3.5</td>
<td>27.4</td>
<td>2359.56</td>
<td>-2.6</td>
<td>4.1</td>
</tr>
<tr>
<td>2002-03</td>
<td>255137.00</td>
<td>22.1</td>
<td>57384.04</td>
<td>0.3</td>
<td>22.5</td>
<td>2294.05</td>
<td>-2.8</td>
<td>4.0</td>
</tr>
<tr>
<td>2003-04</td>
<td>291582.00</td>
<td>14.3</td>
<td>60469.72</td>
<td>5.4</td>
<td>20.7</td>
<td>2779.19</td>
<td>21.1</td>
<td>4.6</td>
</tr>
<tr>
<td>2004-05</td>
<td>375339.53</td>
<td>22.7</td>
<td>63024.17</td>
<td>4.2</td>
<td>16.8</td>
<td>2879.56</td>
<td>3.6</td>
<td>4.6</td>
</tr>
<tr>
<td>2005-06</td>
<td>456417.86</td>
<td>21.6</td>
<td>77316.24</td>
<td>22.7</td>
<td>16.9</td>
<td>3194.20</td>
<td>10.9</td>
<td>4.1</td>
</tr>
</tbody>
</table>

Source: Monthly Statistics of Foreign Trade of India, DGCI&S, Kolkata, 2006

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Table 3.4 gives the export earnings of silk industry, its share in India’s total export earnings in terms of percentage, and India’s total export earnings. India’s total export earnings have been increased to 4,56,417.86 crores in 2005-06 from 1,06,353 crores in 1995-96. In all the years total export earnings have increased. Export earnings from silk industry have increased from 920.03 crores in 1995-96 to 3,194.20 crores in 2005-06 and they have been fluctuating during the years.

### TABLE 3.5

Item-Wise Export of Silk Goods  

<table>
<thead>
<tr>
<th>Year</th>
<th>2003-04 Rs.</th>
<th>2004-05 Rs.</th>
<th>2005-06 Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silk yarn, fabrics</td>
<td>1954.11</td>
<td>2008.33</td>
<td>2228.88</td>
</tr>
<tr>
<td>Readymade garments</td>
<td>699.52</td>
<td>746.29</td>
<td>842.06</td>
</tr>
<tr>
<td>Silk carpets</td>
<td>120.22</td>
<td>123.65</td>
<td>103.36</td>
</tr>
<tr>
<td>Silk waste</td>
<td>5.34</td>
<td>1.29</td>
<td>19.90</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2779.19</strong></td>
<td><strong>2879.56</strong></td>
<td><strong>3194.20</strong></td>
</tr>
</tbody>
</table>

Source: Monthly Statistics of Foreign Trade of India, DGCI&S, Kolkata, 2006

Table 3.5 reveals the item-wise export of silk products in India from 2003-04 to 2005-06. Natural silk yarn, fabrics, made ups, etc. show the increasing earnings from year to year and it accounts for Rs. 1,954.11 crores in 2003-04 and Rs. 2,228.88 crores in 2005-06. Readymade garments account for nearly 25 per cent of the total silk goods exported in the year 2005-06. Silk carpets recorded export earnings of Rs. 103.36 crores during the year 2005-06. Silk waste, which is the raw material for the spun silk industry is also exported and the export of silk waste during 2005-06 amounted to Rs. 19.90 crores.
Chart 3.2

Item - Wise Export of Silk Goods
3.6. Silk Industry in Tamilnadu

Agriculture is the primary occupation of about 70 per cent of the rural population of Tamilnadu. Around 34 per cent of the state's population resides in urban areas while the remaining population resides in the rural areas. With change in science and technology, agricultural practices have undergone radical improvements since independence. The change is visible not only in agricultural practices but also in the type of crop grown in the recent years. Secondary and tertiary sectors have also grown in great proportion.

Tamilnadu is considered as one of the traditional sericulture states of India. Progress achieved in sericultural development in Tamilnadu in the past 50 years is highly significant. When the states were reorganized on linguistic basis in 1956, sericulture was practised in limited pockets of Coimbatore and Dharmapuri districts in the state with Mulberry cultivation in an area of 500 hectares only. Then with the implementation of many developmental schemes in the state sericulture activity was introduced into the plains of the state. To encourage development of the activity in the state, the government upgraded the sericulture wing functioning under the Department of Industries and Commerce to function as a separate Department of Sericulture headed by a Director, from the year 1979 with its headquarters at Salem. After formation of the department, infrastructure facilities like seed farms, cocoon markets, silk reeling units, Sericulture Training Centres and Silk Exchange were established.

At present 22,900 farmers are practising sericulture in Tamilnadu, cultivating 25,105 acres of mulberry. This gives employment opportunities
to 82,000 persons. The annual average silk production in Tamilnadu is 1,027 metric tonnes.

**TABLE 3.6**

**Production of Raw Silk in Tamilnadu**

(Metric Tonnes)

<table>
<thead>
<tr>
<th>Year</th>
<th>Production of raw silk</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002-03</td>
<td>489.54</td>
</tr>
<tr>
<td>2003-04</td>
<td>285.00</td>
</tr>
<tr>
<td>2004-05</td>
<td>443.00</td>
</tr>
<tr>
<td>2005-06</td>
<td>738.80</td>
</tr>
<tr>
<td>2006-07</td>
<td>643.55</td>
</tr>
</tbody>
</table>

(upto October 2006)


Table 3.6 highlights the production of raw silk in Tamilnadu from 2002-03 to 2006-07 (upto October). Raw silk production during the year was fluctuating.

Today, in India, handloom industry holds a prime place for three obvious reasons viz., (i) it provides the largest employment among the traditional industries, next only to agriculture, (ii) handlooms have maintained one-forth share (23 per cent) of total textile production in the country and (iii) the textile industry, including handlooms, is a major foreign exchange earner of the country. It earns more than 35 per cent of the total exports revenue made in our country. The major handloom states in India are West Bengal, Tamilnadu, Uttar Pradesh, Andhra Pradesh, Assam and Manipur. These six states account for 75 per cent of handloom weaving in the country.
Chart 3.3
Production of Raw Silk in Tamilnadu

Year
Production of Raw Silk (tonnes)
489.54  285   443   738.8   643.55
Tamilnadu currently produces more than 1000 tonnes of silk and is among the leading silk producing states in India. It is well known for its traditional silk sarees and dhoties woven on handlooms. The silk weaving sector of Tamilnadu comprises mostly of Handlooms. Kanchipuram, Arni, Kumbakonam, Salem, Coimbatore, Madurai and Tirunelveli are important weaving centres in Tamilnadu. The handloom silk weaving industry is an important cottage industry in the state. Next to agriculture, the handloom provides a major source of employment to the people in the state. According to the Silk Processing Committee Report 1985, there were about 40,000 silk handlooms in Tamilnadu. The number of textile societies operating in Tamilnadu is given in Table 3.7.

The table shows the number of weavers' societies operating in Tamilnadu. Of the 1233 handloom weavers’ societies, 70 are silk weavers’ co-operatives, 950 are cotton weavers’ co-operatives, and 140 are powerloom co-operative societies. Erode has maximum number of cotton handloom weaver societies, and Kanchipuram has the highest number of silk weavers co-operatives societies.
# TABLE 3.7

**Number of Weavers’ Co-operative Societies in Tamilnadu as on 31.10.2007**

<table>
<thead>
<tr>
<th>Name of Circle</th>
<th>Silk</th>
<th>Cotton</th>
<th>Powerloom</th>
<th>Industrial</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kanchipuram</td>
<td>23</td>
<td>48</td>
<td>-</td>
<td>3</td>
<td>74</td>
</tr>
<tr>
<td>Thiruvallur</td>
<td>-</td>
<td>55</td>
<td>36</td>
<td>-</td>
<td>91</td>
</tr>
<tr>
<td>Vellore</td>
<td>7</td>
<td>69</td>
<td>1</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Trichy</td>
<td>-</td>
<td>25</td>
<td>-</td>
<td>-</td>
<td>25</td>
</tr>
<tr>
<td>Karur</td>
<td>-</td>
<td>33</td>
<td>-</td>
<td>1</td>
<td>34</td>
</tr>
<tr>
<td>Cuddalore</td>
<td>2</td>
<td>62</td>
<td>-</td>
<td>-</td>
<td>64</td>
</tr>
<tr>
<td>Kumbakonam</td>
<td>16</td>
<td>27</td>
<td>-</td>
<td>-</td>
<td>43</td>
</tr>
<tr>
<td>Thiruvarur</td>
<td>7</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Salem</td>
<td>12</td>
<td>41</td>
<td>5</td>
<td>8</td>
<td>66</td>
</tr>
<tr>
<td>Thiruchengode</td>
<td>3</td>
<td>64</td>
<td>35</td>
<td>10</td>
<td>112</td>
</tr>
<tr>
<td>Coimbatore</td>
<td>-</td>
<td>70</td>
<td>37</td>
<td>6</td>
<td>113</td>
</tr>
<tr>
<td>Erode</td>
<td>-</td>
<td>163</td>
<td>21</td>
<td>13</td>
<td>197</td>
</tr>
<tr>
<td>Madurai</td>
<td>-</td>
<td>38</td>
<td>8</td>
<td>2</td>
<td>48</td>
</tr>
<tr>
<td>Dindigul</td>
<td>-</td>
<td>36</td>
<td>1</td>
<td>2</td>
<td>39</td>
</tr>
<tr>
<td>Virudhunagar</td>
<td>-</td>
<td>60</td>
<td>2</td>
<td>8</td>
<td>70</td>
</tr>
<tr>
<td>Paramakudi</td>
<td>-</td>
<td>72</td>
<td>-</td>
<td>1</td>
<td>73</td>
</tr>
<tr>
<td>Tirunelveli</td>
<td>-</td>
<td>48</td>
<td>-</td>
<td>5</td>
<td>53</td>
</tr>
<tr>
<td>Nagercoil</td>
<td>-</td>
<td>39</td>
<td>-</td>
<td>8</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>70</td>
<td>950</td>
<td>146</td>
<td>67</td>
<td>1233</td>
</tr>
</tbody>
</table>

3.7. SUPPORTING AGENCIES

3.7.1. Central Silk Board

The Central Silk Board is a statutory body functioning under the administrative control of the Ministry of Textiles, Government of India. It was formerly Commodity Board constituted in April 1949 under an Act of Parliament. The Central Silk Board is entrusted with the overall responsibility of developing silk industry covering the full gamut of sericultural activities in the country. It is an organization, triannually constituted with 36 members, including the Chairman and the representatives are drawn from both the houses of Parliament, sericultural states and expert’s preference representing both industry and trade. The Central Silk Board was established in 1949 under trying circumstances with the express purpose of correcting the structural deficiencies and providing the much needed research and development support to the board. The board also has in a short span of four decades achieved a lot in this field.

Functions of Central Silk Board

1. Promoting the development of silk industry by such measures as it thinks fit.
2. Undertaking, assisting and encouraging scientific, technological and economic research.
3. Devising means for improving the method of mulberry cultivation, silk worm rearing, developing and distributing silkworm seeds, silk reeling, quality and production of raw silk.
4. Improving the marketing scope of raw silk
5. Collection of compilation of all statistics for sericulture movement in India.
6. Advising the government of India on all aspects relating to the development of silk industry including import and export of silk products.

The Central Silk Board undertakes regional specific researches, produces and distributes silkworm seed materials, conduct field trials, transfers the technologies developed in the research station to the field and improve the quality aspect of cocoon and silk, training staff, farmers, reelers, etc. as per specific needs. For all the schemes under implementation in Tamilnadu, Central Silk Board is assisting the state by providing 50 per cent of the funds required for the schemes.

3.7.2. Tamilnadu Zari Limited, Kanchipuram

The Tamilnadu Zari Limited, Kanchipuram, is a public sector undertaking established for manufacturing and supplying of quality zari to Silk Weavers’ Co-operative Societies at reasonable prices. It is an ISO 9001 certified company. During the year 2003-04, the company produced 74,268 marcs and sold 67,662 marcs of zari. The company tested 4325 zari samples received from the Surat zari manufacturers and traders for supply of zari marcs to the Silk Weavers’ Co-operative Societies. To build up the confidence and credibility among the customers about the quality of zari in silk fabrics, it was felt that there was a need to develop a method of testing zari by non-destructive testing methods. Therefore, the company installed "X-Ray Fluorescence Analyzer" in collaboration with Technology Information Forecasting and Assessment Council at a cost of Rs.22.84 lakhs. This analyzer has been devised and specially calibrated to test the quality of zari samples and zari fabrics. This analyser gives the contents of each metal used in the manufacturing of zari separately.
3.7.3. TANSILK

TANSILK, the apex Co-operative Silk Marketing Federation, was registered on 17th April, 1978 and it started functioning with effect from 9th September, 1978. The federation is unique in its set up, in which both producers and consumers are members. The elected Board of Directors manages the federation as per the Tamilnadu Co-operative Societies Act and Rules. Presently the Government of Tamilnadu has superseded the Board and appointed a Special Officer to manage the Federation. The Federation is functioning for the welfare of the above said members. The main objects of the Federation are to procure raw silk yarn and twisted silk and market the same to its members like silk weavers’ co-operative societies and other bulk consumers in the quasi government sector. It purchases raw silk from the silk reelers through the Anna Silk Exchange at Kanchipuram and supplies it to its twister members for conversion as warp, weft, i.e. the ready silk. The ready silk is supplied to the silk weavers’ co-operative societies, Khadi and Sarvodaya Sanghs according to the demand. The Government of Tamilnadu has directed Handlooms, Handicraft, and Textiles & Khadi Department, that all the Silk Handloom Weavers’ Co-operative Societies should purchase their silk requirements only from TANSILK.

3.7.4. Anna Silk Exchange, Kanchipuram

Development of silk reeling industry was sluggish in Tamilnadu since raw silk production and trading was mainly concentrated in and around Bangalore. The difficulty in marketing of raw silk was the main reason for this slow growth of silk reeling in Tamilnadu. The major silk consuming centres like Arni, Kanchipuram, Kumbakonam and Salem were drawing their silk through traditional customized trading channels from Bangalore. In order to facilitate marketing of raw silk produced within the State, Anna Silk
Exchange was established. All the silk lots brought are first tested for quality at the Silk Conditioning and Testing House, Kanchipuram. Then the floor price of each silk lot is fixed based on the average silk price in Karnataka and the quality of the respective lot. Then silk lots are put up for auction. TANSILK, Silk Weavers' Co-operative Societies, twisters and other consumers participate in the auction. The exchange ensures spot payment to the reellers. The Anna Silk Exchange has stabilized the silk reeling industry and has encouraged more investment in the reeling industry by private entrepreneurs. It increases transactions in the cocoon markets, eliminated middlemen such as financers and commission agents, and has been able to establish a direct link between the producers and the buyers of silk in Tamilnadu. A market fee of 0.75 per cent of the value of silk transacted is collected from both sellers and buyers. This is remitted to the Sericulture Development and Price Stabilization Fund and is subsequently utilized for provision of amenities in marketing centres and for the development of sericulture industry. Till date only the organized sector of silk weaving industry has been participating in the exchange. The private silk weavers and the master weavers have not transacted in the exchange so far in a substantial manner. This is because they mostly get the silk yarn supplied on credit while the exchange demands spot payment.

3.7.5. Weavers' Service Centres/ Indian Institute of Handloom Technology

Weavers' Service Centre and Indian Institute of Handloom Technology constituted a Research and Development Wing in the Office of the Development Commissioner for Handlooms. 24 Weavers' Service Centres and 4 Indian Institutes of Handloom Technology have considerably strengthened the handloom industry by providing technically-trained manpower, development of new designs, improvement in weaving and
processing techniques, up-gradation of skill, etc. throughout the country. The decentralized training programme was introduced in 1987 with an objective to generate gainful employment by upgrading the skills to enhance the productivity and income of weavers. Under this programme, assistance is provided towards the cost of material, looms, accessories, equipments, stipend to the trainees and honorarium to the master trainers. The implementation of the scheme is made through the Weavers’ Service Centre in co-ordination with the state governments.

3.7.6. All India Handloom Fabrics Marketing Co-operative Society Limited

The All India Handloom Fabrics Marketing Co-operative Society Limited, Delhi is a national level co-operative society presently governed under the Multi-State Co-operative Societies Act, 1984 and comes under the jurisdiction of the Central Registrar of Co-operative Societies, New Delhi. The procurement of handloom products from Apex, Regional and Primary Handloom Co-operative Societies and the promotion and marketing of handloom fabrics both within the country and abroad are the main objectives of the society. To achieve these objectives, the Fabrics Society has set up 25 Retail Outlets, which are popularly known as “Handloom House”. The society has its export houses at New Delhi, Salem and Chennai. Also, the society has showrooms at Singapore and Mauritius for giving an impetus to the marketing of Indian handloom products in the foreign markets. Membership of the Fabrics Society consists of State Level/Regional Level Apex Handloom Weavers Co-operative Societies, Primary Level Handloom Weavers’ Co-operative Societies and Public Trusts, Government and Government owned/controlled organizations engaged in production and sale of handloom products, etc.
3.8. The Kanchipuram Silk Industry

Kanchipuram is known as one of India’s seven sacred cities. It was the historical capital of the Pallava Kingdom. It was under the Pallavas from 6\textsuperscript{th} to 8\textsuperscript{th} century A.D and later become the citadel of the Cholas. It has been a centre of Tamil learning and culture and religious background for centuries. Kanchipuram is a well-known centre of the finest silk sarees made in the country. It is known as “silk city” because almost 75 per cent of Kanchipuram’s population is dependent on the silk saree weaving either directly or indirectly. The silk weavers settled down in Kanchipuram more than 400 years ago and have given it an enviable reputation as the producer of the best silk sarees in the country. The occasion of marriages for a south Indian bride is incomplete without a Kanchipuram saree. Among the wide range of silk sarees available in India, the Kanchipuram saree holds a special priority because of its strength and this makes it one of the favorites among ladies all over the world. The Kanchipuram silk saree is hand woven with dyed silk yarn with interleaved designs made with ‘zari’, a silk thread twisted with a thin silver wire and then gilded with pure gold technically. The silk thread used for weaving Kanchipuram silk saree is made up of three single threads twisted together. Hence, the Kanchipuram silk saree is usually stronger than its counterparts.

Now, the world has become a global village, and Kanchipuram sarees are available the world over. The sarees in dazzling colours are available in every imaginable design and variety, which makes the job of selection quite challenging. There are around 60000 silk looms in operation in Kanchipuram. The yearly turnover of the town exceeds Rs. 200 crores, with exports of approximately Rs. 3 crores. More than 75 per cent of the Kanchipuram population is engaged in this industry and their spectacular
creations are marketed by a number of co-operative societies, located all over the state.

The origin of the Kanchipuram saree dates back to centuries ago, when these sarees used to be woven in temples. Kanchipuram sarees, woven from pure mulberry silk, are found in myriad colours. These sarees have borders and ‘pallu’ in a contrast colour with heavy gold weaving. Kanchipuram sarees traditionally had designs representing simple gold line or gold dots. The designs in these sarees were inspired by the designs in south Indian temples or natural elements like birds, leaves, etc. Some of the best known patterns in Kanchipuram saree borders are ‘Rudraksham’ (representing Rudraksha beads), ‘Gopuram’ (representing temples), ‘Mayilkan’ (peacock eye) and ‘Kuyilkkan’ (Nightingale eye). Kanchipuram silk sarees since then have undergone a transformation.

The Central Geographical Indication Registry approved the application for a ‘Geographical Indication Registration’ of the Kanchipuram silk saree by the Tamilnadu government. As per these norms, any saree sold as a Kanchipuram saree should follow certain set standards regarding weight and zari and the saree should have been produced in the region. Legal action could be taken against anyone who sells a duplicate saree as a Kanchipuram saree. The Tamilnadu Government is planning to allot a special logo for Kanchipuram silk sarees to certify their authenticity so as to protect the interests and welfare of the weavers. Now, the Kanchipuram silk industry operates in two ways (i) through co-operative societies and (ii) through private traders.
3.8.1 Silk Co-operatives in Kanchipuram

Though co-operative movement started in Britain in 18th century, it could find its way into India only in 1934 and the first silk co-operative society got its exact footing only in 1955. The uniqueness of the handloom co-operative movement in Kanchipuram is that it is not only government initiated, but also the All India Co-operative Movement has been largely initiated by government officials trying to organize co-operative societies. The co-operative movement since 1955 in Kanchipuram is an out growth of the local labour movement. It is perhaps no accident that the co-operative form of organization appealed to and has been successful among the silk handloom weavers of Kanchipuram. The first co-operative for silk weavers was established in Kanchipuram in 1942, of course 37 years after the establishment of the first cotton handloom co-operative society. But, this first silk co-operative society was closed in 1946, with an evident difficulty of lack of capital for raw material purchases combined with rising silk prices and poor markets. Then, in 1949, the ‘Kamatchi Amman Society’ was formed. In course of time, more co-operative societies were established and 90 per cent of the weavers have been brought into co-operative fold and about 13000 weavers are getting continuous employment. At present, there are 23 Silk Weavers’ Co-operative Societies functioning in Kanchipuram circle, of which about 18 silk co-operatives are very large. In the private sector, there are over 200 manufacturers in Kanchipuram alone. These private manufactures procure sarees from independent weavers in Kanchipuram and export them to other cities in India as well as abroad.

3.8.2 Production and Sales

The production and sales of silk weavers’ co-operative societies in Kanchipuram Circle are furnished in Table 3.8
### TABLE 3.8
Production and Sales in Kanchipuram Silk Co-operatives

(Rs. in lakhs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Silk Production Rs.</th>
<th>Silk Sales Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-00</td>
<td>9864.00</td>
<td>11794.00</td>
</tr>
<tr>
<td>2000-01</td>
<td>9509.00</td>
<td>10840.00</td>
</tr>
<tr>
<td>2001-02</td>
<td>7053.00</td>
<td>9180.00</td>
</tr>
<tr>
<td>2002-03</td>
<td>5158.20</td>
<td>10318.87</td>
</tr>
<tr>
<td>2003-04</td>
<td>6745.07</td>
<td>8655.47</td>
</tr>
<tr>
<td>2004-05</td>
<td>6510.28</td>
<td>9294.87</td>
</tr>
<tr>
<td>2005-06</td>
<td>5770.71</td>
<td>7988.93</td>
</tr>
<tr>
<td>2006-07</td>
<td>5690.72</td>
<td>8142.92</td>
</tr>
</tbody>
</table>


The above table shows the production and sales of the silk co-operatives in Kanchipuram. Both production and sales by the societies show an erratic change between 1999 and 2007. The value of production has gradually declined from the year 1999-00 to 2006-07. In case of sales, the year 2002-03 has recorded more sales whereas it was low in 2005-06.

#### 3.9. Government Support to the Silk Weavers in Kanchipuram

The Indian government and, in some instances, international institutions, significantly finance the Indian silk industry. Both government and foreign funders have promoted the introduction of bivoltine silkworms...
and multi-end reeling systems foremost to improve the quality of Indian silk and also as a strategy to reduce the use of children in silk reeling. Multi-end reeling systems are power run machines that accelerate and automate the reeling process. According to World Bank, if bivoltine worms and multi-end reeling systems replace the reeling methods currently used, employers will not need the children and the higher quality silk will stimulate exports. Multi-end reeling units require significantly more space and electric power than current reeling methods. There are 30000 to 40000 working reeling units in the country, but only 230 multi-end reeling units, which the Central Silk Board is financing, of that about 130 are in Karnataka and the rest in Andhra Pradesh and Tamil Nadu.

The Government of India heavily control and subsidizes its silk industry through the Central Silk Board, a statutory body under the Ministry of Textiles. The Board researches and regulates silk production and it also provides technical assistance for the industry and controls silk imports and exports. State governments regulate sericulture through their sericulture departments, which licenses cocoon buyers and sellers and silk reeling operations; silk twisting operations must also register but do not need a license.

3.9.1. Deen Dayal Hathkargha Protsahan Yojana

In order to provide financial assistance in an integrated manner to the handloom weavers and strengthen the design segment of the fabric, Government of India had taken new initiatives in addition to the ongoing other schemes and programmes by launching a new scheme, namely, Deen Dayal Hathkargha Protsahan Yojana and set up a National Centre for Textile Design recently. Deen Dayal Hathkargha Protsahan Yojana has been introduced in order to provide necessary assistance for product development,
infrastructure and institutional support, training to weavers, supply of equipment, marketing support, etc. both at macro and micro level in an integrated and coordinated manner for an overall development of handloom sector and benefit of the weavers. The scheme will remain in operation till the end of the 10th Five Year Plan. The scheme could be broadly divided into seven components namely, basic inputs, infrastructure support, design input, publicity, marketing incentive, transport subsidy and strengthening of handloom organizations. Grant portion of the projects is to be shared in the ratio of 50:50 between the central and the state governments. In the case of North Eastern States, Sikkim and Jammu & Kashmir, the sharing would be in the ratio of 90:10 between the central and state governments. In the case of agencies having 100 per cent SC/ST/women/ minorities, the grant portion will be shared in the ratio of 75:25 between the central and the state. The assistance under marketing incentive component is to be shared in the ratio of 50:50 between the central and state governments in respect of all the States. The agencies namely, National Level Handloom Organizations, State Handloom Development Corporations, Apex Handloom Weavers’ Co-operative Societies/Federations, Primary Handloom Weavers’ Co-operative Societies, Self-Help Groups, NGOs recognized by State Handloom Corporations, and Weavers’ Service Centers are eligible to implement one or more of the components of the scheme as per their requirement under the project. The financial assistance provided under various components of the scheme is as follows:

**Basic Inputs:** Financial assistance in the form of margin money at the rate of Rs.4,000/- per weaver shall be provided. A grant of Rs.2,000/- for purchase of new looms, Rs.1,500/- for dobby, Rs.2,000/- for jacquard and Rs.1,000/- for other accessories will also be provided.
**Infrastructure Support:** Financial assistance for infrastructure support will be extended to Primary Weavers' Co-operative Societies for the setting up of Water and Effluent Treatment Plants, Common Facility Centre to carry out warping, pre and post loom operations, etc.

**Design Input:** State Level Handloom Organizations/Apex Societies having a turnover of more than Rs.5 crores and Primary Societies with turnover of more than Rs.25 lakhs in the preceding year will be eligible to get one time assistance in the form of grant of Rs.5 lakhs per institution for provision of designs and installation of Computer Aided Design system to improve the design quality of the products. The Primary Weavers' Co-operative Societies are also eligible to get one-time assistance in the form of grant of Rs.1 lakhs to avail the services of National Institute of Design, National Institute of Fashion Technology, Weavers’ Service Centre, etc.

**Publicity:** Financial assistance in the form of grant subject to a maximum of Rs.5.00 lakhs per institution will be provided for projects involving expenditure towards publicity, advertisement, printing of brochures/catalogues, market research and market surveys/studies as well as production of films for promotion of sales of handloom products / fabrics.

**Strengthen the Handloom Organizations:** Financial assistance will be provided to the State Handloom Corporations and Apex Weavers Co-operative Societies/Federations, with a view to make them viable by enhancing their credit limit/working capital, etc. Under this scheme, a provision of Rs.1,190.01 lakhs has been made in the revised state government budget for the year 2006-07.
3.9.2. National Centre for Textile Design

The National Centre for Textile Design has been set up to provide information on fashion trends, colour and design forecast, etc. for the benefit of weavers, exporters, handloom agencies and all other persons connected with the Textile Sector. National Centre for Textile Design aims to undertake online activities such as trends & forecasts both at national and international levels, to set up an extensive database, a design pool, the virtual museum of heritage textiles, etc. The offline activities envisage organizing special exhibitions on a sustained basis and setting up of a legal cell and providing designs consultancy services. The centre aims to make the weaver, the beneficiary by linking him to the market. The online activities of the centre are to be articulated through its website called "designdiary.com".

3.9.3. The Handlooms (Reservation of Articles for Production) Act, 1985

The Handlooms (Reservation of Articles for Production) Act, 1985 aims to protect millions of handloom weavers from the encroachment made on their livelihood by the powerloom operators and textile mill sector, by reserving certain categories of textile articles for exclusive production by handlooms. To ensure effective implementation of the Act, releases under the scheme ‘Central Assistance to the States for setting up of Enforcement Machinery’ have been made to the various States, namely Bihar, Rajasthan, Kerala, Tamilnadu, West Bengal, Haryana, etc. To implement the Handlooms Reservation Act effectively, separate enforcement machinery in Tamilnadu has been formed with a Deputy Director at Head Quarters, Chennai and 5 field level offices. With a view to protect the 'traditional Indian heritage', handloom products such as "Kanchipuram Silk Sarees", "Bhavani Jamakkalam" and "Madurai Sungudi Sarees" have been registered under Geographical Indications Act.
3.9.4. Training of Handloom Personnel

To impart training in modern management and production techniques, dyeing practices, marketing of handloom products, etc., the office of the Development Commissioner for Handlooms has been conducting various training programmes for human resource development in the co-operative sector for the benefit of personnel engaged in handloom sector at different levels in institutions like NCCT, NCUI and NHDC. The main objective of such programmes is to create consciousness on the latest techniques in dyeing/printing and processing of handloom fabrics and awareness among the members and the functionaries of the handloom co-operatives about their rights and duties and to inculcate in them the spirit of co-operation and enhance their participation in their day to day activities.

3.9.5. Publicity and Exhibition

To provide marketing support to handloom agencies and the individual weavers, the Office of the Development Commissioner for Handlooms assists the state governments to organize the National Handloom Expos/Special Expos, District Level Events, Craft Melas, etc. in different parts of the country. For this purpose, financial support is provided to the implementing agency towards infrastructure, publicity, etc. These activities are supportive to the handloom agencies, weavers and also to the consumer as it provides them an opportunity to purchase the handloom products of various states under one roof. In order to keep pace with the momentum and the acceleration of publicity gained, programmes are drawn well in advance in consultation with the state governments.
3.9.6. Scheme for Handloom Export Development

The importance of the handloom sector in the national economy cannot be over-emphasized. On account of having the advantage of flexibility of small production run, uniqueness, innovation and adaptability, this sector can contribute towards export earnings in a significant way. Export of handloom products has therefore been identified as a “thrust area” for the overall development of the sector. The government is exploring the possibility of making optimal use of the resources to enhance production capabilities of exportable products. In order to give substantial impetus to the export of handloom fabric, made-ups and other handloom items, a scheme for Development of Exportable Products and their Marketing was introduced during 1996-97. Under the scheme, the assistance is available for developing exportable products, building up production capability for export and thereafter marketing it. National and State-Level Handloom Corporations, Apex Co-operative Societies, Primary Co-operative Societies and Handloom Co-operative Societies affiliated to/registered and sponsored by Councils/Corporations, Handloom Export Promotion Council, Association of Corporations and Apex Societies of Handlooms, Handicrafts and Handloom Export Corporation, Indian Silk Export Promotion Council, National Handloom Development Corporation, etc. are eligible for assistance under this scheme. The project cost in respect of the agency sponsored by the state governments is shared by the state government itself or by the beneficiary agency. The agencies sponsored by Central Government like HEPC, HHEC, NHDC, ACASH, etc. are entitled to 100 per cent assistance from the Government of India under the scheme. More than 26900 looms in 340 Weavers’ Co-operative Societies are now engaged in Export Oriented Production. Apart from this, Co-optex is also engaged in direct export. By engaging in the export business, the weavers, apart from continuous
employment also get higher wages. During the year 2005-06, handloom goods for Rs.264.36 crores were exported by the weavers' co-operative societies; total value of export of handloom goods from Tamilnadu being Rs.600 crores.

3.9.7. Project Package Scheme

With a view to provide the requisite inputs in an integrated and coordinated manner to the handloom weavers covering assistance for pre/on/post loom facilities, the Project Package Scheme was introduced in the year 1991-92 and was in operation upto 31st March, 2000. The essential components of the scheme have been merged with the new scheme namely “Deen Dayal Hathkargha Protsahan Yojana. On introduction of the Deen Dayal Hathkargha Protsahan Yojana, the Project Package Scheme stands discontinued w.e.f. 1st April, 2000.

3.9.8. Handloom Development Centre and Quality Dyeing Unit Scheme

With a view to ensure timely supply of yarn of the requisite quality and counts, to provide training in improved dyeing practices and to tie up the marketing of cloth produced in the sector and also to provide adequate working capital to sustain long term production, etc., the Scheme for Handloom Development Centre and Quality Dyeing Unit was introduced during the year 1993-94. This scheme was established to set up 3000 Handloom Development Centres and 500 Quality Dyeing Units in different parts of the country.

3.9.9. Work Shed cum Housing Scheme

The Government of India had introduced the centrally sponsored “Work Shed-cum-Housing Scheme” for handloom weavers from the
beginning of VII Five Year Plan i.e. 1985-86. The scheme was implemented primarily with a view to provide suitable work place to weavers and thereby achieve better productivity. The scheme was implemented by the respective State Handloom Development Corporations, primary societies or any other specialized agency set up by the concerned state government for the execution of such projects. The Government of India has been extending financial assistance for construction of work sheds for the dwelling of the weavers, so as to provide better environment at work place. The Weaver's House-cum-Work Shed Scheme is being implemented by Government of Tamilnadu from the year 1997-98. A provision of Rs.660 lakhs has been made in the budget for the year 2006-07 towards implementation of this scheme.

3.9.10. Mahatma Gandhi Bunkar Bima Yojana Scheme

A new insurance scheme called "Mahatma Gandhi Bunkar Bima Yojana" is being implemented by Government of Tamilnadu from the year 2004-05. Under this scheme, the total premium to be paid to Life Insurance Corporation would be Rs.330/- per weaver per annum, of which Rs.150/- will be contributed by the Government of India, Rs.100/- will be contributed by Life Insurance Corporation of India and Rs.80/- being the weaver's contribution will be paid by the state government on behalf of the weavers. Tamilnadu is one of the few states contributing the premium on behalf of the members enrolled. Under this scheme, a total number of 9,554 weavers belonging to the Weavers' Co-operative Societies have been enrolled up to the year 2006-07. Moreover 8975 weavers outside the co-operative fold have also been enrolled on this scheme for the year 2006-07. In case of death of a weaver enrolled in this scheme below the age of 60 years, the nominee of the deceased weaver is entitled to get the insurance amount and Table 3.9 furnishes the details information about the scheme.
TABLE 3.9  
Amount of Insurance Benefit under Mahatma Gandhi Bunkar Bima Yojana Scheme

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Amount</th>
<th>Enhanced from 1.10.2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural death</td>
<td>Rs.50000/-</td>
<td>Rs.60.000/-</td>
</tr>
<tr>
<td>Death by accident</td>
<td>Rs.80000/-</td>
<td>Rs.150000/-</td>
</tr>
<tr>
<td>For permanent disability</td>
<td>Rs.50000/-</td>
<td>Rs.150000/-</td>
</tr>
<tr>
<td>For partial disability</td>
<td>Rs.25000/-</td>
<td>Rs.75000/-</td>
</tr>
</tbody>
</table>

Under this scheme, scholarship will be paid to the children of handloom weavers (restricted to 2 children) studying in standard IX to XII at Rs.1,200/- per annum per child for a maximum period of 4 years or till they complete XII standard, whichever is earlier. Under this scheme, 17,220 handloom weavers in the co-operative fold alone were enrolled initially and premium has been paid on behalf of these weavers. Towards payment of premium under the scheme, a provision of Rs.163.93 lakhs has been made in the state government budget for the year 2006-07.

3.9.11. Health Insurance Scheme for Handloom Weavers

The Government of India introduced the Health Package Scheme for handloom weavers during the year 1992-93. Under this scheme, weavers are provided financial assistance for the treatment of diseases like asthma, TB(Tuberculosis), inflammation of the respiratory system, cost of testing of eyes and spectacles, supply of drinking water, maternity benefits to women weavers, payment of additional compensation for permanent measures of
family planning and infrastructure for primary health centre care. The
Government of India has introduced a New Health Insurance Scheme for
handloom weavers from the year 2005-06 in the place of earlier Health
Package Scheme. The scheme has been launched from the year 2005-06 and
during the year 2006-07. About 10,605 weavers from the co-operative fold
and 8000 weavers outside the co-operative fold have been enrolled. Medical
claims to the tune of Rs.66.73 lakhs had been settled to 10,257 families of
members belonging to the weavers’ co-operative societies. The new Health
Insurance Scheme for Handloom Weavers is being implemented through
ICICI Lombard General Insurance Company. Under this scheme, the total
premium to be paid to ICICI Lombard General Insurance Company would
be Rs.1000/- per weaver per annum, of which, Government of India’s
contribution will be Rs.800/- and the weaver’s contribution will be Rs.200.
In the state of Tamilnadu, the weaver's contribution of Rs.200/- will be paid
by the state government on behalf of weavers. Under this scheme, each
weaver family will be entitled for medical assistance to a maximum of
Rs.15,000/- per annum. Towards payment of premium under the scheme, a
provision of Rs.420.00 lakhs has been made in the revised state government
budget for the year 2006-07.

3.9.12. Awarding Scholarships

With a view to encourage the wards of the weavers by way of
awarding scholarships to pursue higher studies, Dr. MGR Handloom
Weavers’ Welfare Trust was formed in the year 1986. The trust was formed
from out of the contributions made by the Primary Weavers' Co-operative
Societies and Co-optex from their General Fund and Common Good Fund.
The funds were deposited in the fixed deposits and the expenditure on
awarding scholarships is being met from the interest earned thereon. At
present, scholarship is being provided to one male and one female student
for pursuing their higher studies in 27 disciplines, and for undergoing coaching classes for IAS/IPS examinations. Besides this, cash awards to the students scoring highest marks in 10th and 12th are also being provided.

The wards of weavers are given priority in selection to the 3 years Diploma in Handloom Technology course conducted by the Indian Institute of Handloom Technology, Salem. The Government of Tamilnadu sanctions scholarships to these students as follows; first year - Rs.400/- per month, second year - Rs.450/- per month and third year - Rs.500/- per month. Apart from this, the students are also paid book money at the rate of Rs.60/- per month. A tour allowance of Rs.200/- per annum is also being given to the second year students. At present, the scholarship amount is met out from the Education Fund of the Tamilnadu Co-operative Union.

3.9.13. Rebate Subsidy Scheme

Keeping in view the special status of the handloom sector and its inbuilt disadvantages with regard to price of its products, rebate subsidy assistance is granted by the state government. This is an indirect way of protecting the handloom sector from severe competition and also to safeguard the handloom weavers from the onslaught of market recession for handloom goods. The state government permitted the primary weavers’ co-operative societies and co-optex to allow rebate at the rate of 20 per cent for the sale of handloom cloth throughout the year for the retail and wholesale sales, subject to the limitation of 20 per cent or Rs.100/- per unit for cotton varieties and 20 per cent or Rs.200/- per unit for silk varieties whichever is less. As per the policy of the state government, the excess expenditure over and above the Government of India’s contribution under Marketing Incentive Component of the Deendayal Hathkargha Protsahan Yojana Scheme will be borne by the state government. For implementation
of this scheme, a provision of Rs.102 crores has been made in the revised state government budget for the year 2006-07.

3.9.14. Textile Centre Infrastructure Development Scheme

Two comprehensive projects aiming at providing basic infrastructure facilities such as road, power, water supply, training centre, etc. for the existing textile units to boost production and exports under the "Textile Centre Infrastructure Development Schemes" are being implemented in the textile cities of Kanchipuram and Tiruppur. The total outlay of the Kanchipuram project is Rs.21.81 crores, of which, the Government of Tamilnadu has released Rs.5.00 crores as an advance including their share of Rs.2.71 crores. A Wind Power Project aims to supply uninterrupted power at lower rates to the export units situated at Tiruppur is under implementation at a total cost of Rs.25 crores with 50 per cent subsidy from the Government of India.

3.9.15. Hi-Tech Weaving Parks and Composite Textile Park

Cluster approach is found to be the most appropriate module to attain the economy of scale and to compete in the international market. Therefore, the government has decided to establish three Hi-Tech Weaving Parks namely, Cauvery Hi-Tech Weaving Park, Kumarapalayam; Vaigai Hi-Tech Weaving Park, Andipatti; and Palladam Hi-Tech Weaving Park, Palladam.

3.9.16. Integrated Handloom Training Project

The Integrated Handloom Training Project introduced by the Government of India is being implemented from the year 2003-04 onwards. Under this scheme, training in weaving, dyeing and design development is being given to the weavers and designers, so as to upgrade their skills.
Further, managerial training is also being given to the managers of Weavers’ Co-operative Societies. The training under the scheme is being imparted through Primary Weavers’ Co-operative Societies, Weavers’ Service Centres and Non-Governmental Organizations involved in the handloom sector.

3.9.17. Special Project under Swarna Jayanthi Gram Swarozgar Yojana Scheme

In order to encourage weavers and wards of handloom weavers engaged in the production of ‘low-cost sarees and dhotis’ for the production of marketable varieties and value added products, a comprehensive special project under Swarna Jayanthi Gram Swarozgar Yojana at a total cost of Rs.25.30 crores is under implementation. Under this scheme, assistance for training and capacity building, design development, skill up gradation, technology up gradation, infrastructural development and marketing is being provided. A sum of Rs.11.58 crores has been released with Central share Rs.8.69 crores and state government share Rs.2.89 crores towards implementation of the project. So far, 10,000 designs have been developed and converted into products like sarees, dress materials and shirting, bed linen, curtains, kitchen linen and mats. The looms owned by every weaver under this project are upgraded by replacing old accessories.

3.9.18. The Co-operative Handloom Weavers’ Savings and Security Scheme

To encourage saving habits among handloom weavers, the State government has introduced the "Co-operative Handloom Weavers’ Savings and Security Scheme" from the year 1975. Under this scheme, a weaver member in the co-operative society contributes 8 paise per rupee of wages earned, the State Government is contributing 4 paise per rupee of wages and
the Government of India also contributes 4 paise. Accordingly, the total subscription of 16 paise is being deposited in the government account for which the state government allows 9.5 per cent interest. Out of the 9.5 per cent interest, 6.5 per cent is being credited to the weaver member’s account and the remaining 3 per cent is being utilized for implementing the Old Age Pension Scheme and Family Pension Scheme for Handloom Weavers. As on 31st March, 2006, 70,316 weaver members were enrolled in the scheme.

Tamilnadu is the first state to introduce the Tamilnadu Co-operative Handloom Weavers’ Family Pension Scheme with effect from 1st January, 1992. In the event of death of a handloom weaver member before attaining the age of 60 years, the nominee of the deceased weaver will be paid a monthly pension of Rs.350/- for 10 years from the date of death of the weaver. The Family pension amount is paid out of the 3 per cent interest accrued under the Savings Security Scheme Fund Account. The Government of Tamilnadu has introduced the Old Age Pension Scheme for Handloom Weavers in the Co-operative fold from 1st April, 1997. The members enrolled in the Savings and Security Scheme who attain the age of 60 years are eligible to get Old Age Pension of Rs.200/- per month. The Old Age Pension amount is paid out of the 3 per cent interest accrued under the Savings Security Scheme Fund Account.

3.9.19. Thrift Fund Scheme for Handloom Weavers

The Central Thrift Fund Scheme is a parallel scheme to the Co-operative Handloom Weavers’ Savings and Security Scheme introduced by the Government of India from the year 1985-86. As per the funding pattern of the scheme, apart from the contribution of 8 paise per rupee of wages earned by a weaver, the Government of India contributes 4 paise per
rupee of wages earned by the weaver member synchronizing with the state government's contribution of 4 paise. The weavers belonging to co-operative sector are covered under the scheme. A provision of Rs.660 lakhs has been made in the State Government revised budget for the year 2006-07 under Central Thrift Fund Scheme. The scheme envisages the creation of a fund in the nature of a provident fund involving contribution from the members at 6 per cent of wages earned by them and a contribution of 3 per cent of the wages by the central and state government, totaling 6 per cent. The annual contribution of 3 per cent from central government was earlier subject to a ceiling of Rs.90 per beneficiary. The Government of India has revised this scheme from the year 1992-93 and made it more beneficial for the weavers.

3.9.20. Group Insurance Scheme

The Government of India introduced a group insurance scheme for handloom weavers throughout the country from the year 1992-93 in order to help weaver to meet his socio-economic obligation towards his family and to act as a support system against the uncertainty of his working capacity in old age. Under this scheme, a weaver is provided an insurance coverage of Rs.10,000/- for an annual premium at Rs.120/-. The premium is shared equally among the beneficiary, central government and state government.

3.9.21. New Insurance Scheme for Handloom Weavers

In order to provide relief to handloom weavers in the 50th year of Independence, the Government of India introduced the New Insurance Scheme for weavers through United India Insurance Company Limited for the Ninth Five Year Plan. The New Insurance Scheme provides enhanced coverage against various types of risk at the same annual premium of
Rs.120/-. The share of central government was increased from Rs.40/- per annum to Rs.60/- per annum and consequently the financial burden on handloom weavers towards payment of premium reduced from Rs.40/- per annum to Rs.20/- per annum, hence, the financial burden on handloom weavers will be about six paise per day.

3.9.22. Marketing through Association of Corporations and Apex Societies

The Association of Corporations and Apex Societies of Handlooms, New Delhi was registered in 1984 under the Societies Registration Act to coordinate and promote marketing in the handloom sector. It serves as the nodal agency for supply of handloom goods to be purchased by Central Government Departments/Agencies/Public Sector Undertakings, etc. under single tender system. In addition to single tender system, Association of Corporations and Apex Societies of Handlooms organized and participated in the number of domestic & international events.

3.9.23. Free Electricity Scheme

The state government launched Free Electricity Scheme for the benefit of handloom/powerloom weavers in the State during the year 2006-07. Under this scheme, free electricity is provided to handloom weavers subject to a maximum of 100 units once in two months. The scheme was put into operation with effect from 01st August, 2006 throughout the State of Tamilnadu. In Kachipuram district 8305 applications pertaining to weaver members of the Weavers’ Co-operative Societies and 3350 applications from weavers outside the co-operative fold have been scrutinized and recommended to the concerned Electricity Board for availing the benefit under this scheme.
3.9.24. Handloom Mark Scheme

In order to increase the sales of the handloom cloth both in the domestic and foreign markets, various schemes have been launched by the central/state governments. Introduction of Handloom Mark to the handloom products is one of them. The Handloom Mark Scheme has been launched on 28th June, 2006 so as to preserve the distinctiveness to the handloom products. The scheme was implemented by the Development Commissioner for Handlooms, New Delhi, through the Textiles Committee, designated as the implementing agency for the Scheme. In Kanchipuram Circle, 71 Weavers’ Co-operative Societies have been enrolled under the Handloom Mark Scheme.

3.9.25. Working Capital Assistance

Working capital assistance at concessional rate of interest was provided by Tamilnadu State Apex Co-operative Bank and the District Central Co-operative Banks under NABARD (National Bank for Agriculture and Rural Development) refinance scheme. The Primary Weavers’ Co-operative Societies are being provided with working capital finance at normal rate of interest. The total cash credit limits sanctioned by the NABARD both to the Primary Weavers' Co-operative Societies and Tamilnadu Handloom Weavers’ Co-operative Society for the year 2006-07 was Rs.315.51 crores.

3.9.26. Prize Award Schemes

With a view to encourage the export trade in handloom cloth and to widen their market in foreign countries, the Government of Tamilnadu has been implementing the scheme to award prizes to the best exporters in Tamilnadu. This scheme is being implemented since 1975 onwards. In order
to encourage export production among primary weavers’ co-operative societies, the Government has been sanctioning a sum of Rs.50,000/- every year towards the implementation of this scheme. Under this scheme, trophies and certificates to the best exporters including primary weavers’ co-operative societies are distributed. To encourage handloom weavers for developing new designs, the government is implementing prize award scheme. Every year, the best talented weavers who have developed new designs are awarded prizes as follows: first prize - Rs.5,000/-, second prize - Rs.3,000/-, and third prize - Rs.2,000/- This scheme will encourage the societies to introduce new designs so as to produce marketable varieties. The expenditure for this scheme is being met from the Co-operative Research and Development Fund of the Tamilnadu Co-operative Union.

3.9.27. Integrated Handloom Cluster Development Programme

The Government of India has formulated a new scheme called “Integrated Handloom Cluster Development Programme” for the overall development of handloom clusters. Under this scheme, assistance is being provided for various components such as up-gradation, modification, purchase of handlooms and accessories, setting up of dyeing units, common facility centers, opening of showrooms, conducting of exhibitions/fairs, publicity, providing of design inputs, etc. The maximum assistance for each cluster will be Rs.200.00 lakhs. The Government of Tamilnadu has selected Tiruvannamalai, Trichy and Kurinjipadi clusters for implementation of this programme and the same has been approved by the Government of India.

3.9.28. Design Development

The fashion trend is changing constantly and the sector has to necessarily change its approach. Since producing fabrics as per the
consumers’ requirement is the need of the hour. A Design Intervention Project at a cost of Rs.40.00 lakhs has been entrusted to the National Institute of Designs, Ahmedabad. Under this project, 750 new designs are being developed. For the first time, it was decided to develop designs for each season i.e., summer, spring, winter and autumn.

3.9.29. Product Diversification

Weavers are also being encouraged to change over to marketable varieties and better value-added products such as home furnishings, footmats, made-ups, kitchen materials, other various utility items, etc. To capture and enhance the consumer market, production of marketable/exportable varieties are encouraged and suitable action plans have been put in place by the Handloom Department.

3.10 Conclusion

India has a glorious silk tradition of its own, which no other country in the world can share. Even during the British period, India was producing good quality of local silk fabric, which was exported to U.K.and France and mainly utilized in parachute industries. The real strength of Indian silk is its strong domestic consumption. The commercial productions of non mulberry silks are not only the rich heritages of Indian silk but they made the Indian silk distinct. The exotic designs and an array of colour combination of silk material produced in our traditional handlooms and ability to supply them in short quantities is considered to be unique of Indian silk industry. Thus the brocades and the intrinsic designs of Kanchipuram Sarees are the hot favorites of the fashion conscious in our handloom silk industry.