CHAPTER VIII

INDUSTRIAL COOPERATIVE MOVEMENT: HANDLOOMS

The Industrial Cooperative Movement in Manipur is almost confined to the Weavers' Cooperative Societies. Handloom Industry is the oldest cottage industry of the State. According to the Handloom Census, 1956-57, there were 2,00,249 looms in Manipur. Of these 2,00,249 looms, 36,534 were fly-shuttle looms, 50,282 throw-shuttle looms and the rest 1,12,433 were loin looms.¹

Although the weavers' cooperative societies as we find today in its modern cooperative form came very late in this State, the practice of spinning of yarn from indigenous raw cotton by the womenfolk in a body and that of making cloth in the loin looms on cooperative basis were indeed very common in the olden days.

The special feature of the handloom industry of this State which persists even today is that there is no a separate class or community of people categorised as weavers as is found in other States of India; but almost

every woman, irrespective of caste or creed or of age is a weaver. The art of weaving is known to each and every woman of the State from the time immemorial. In fact, the art of weaving is regarded as a special and, in some cases, as an essential qualification to be acquired by the womenfolk as their birth right. The use of indigenous cotton and yarn spun from the indigenous country cotton was known to the Manipuri women from the time immemorial. Such a practice is still in vogue in the remote rural areas of the State.

Handloom Industry as a cottage industry, thus, plays an important role in the economic life of the Manipuris. This industry accounted for more than 50 p.c. of the employment of the State in the pre-independence period. But, with the advent of modern machinery and many machine-made goods this indigenous and age-old industry became partly or wholly dependent on the outside sources for raw materials and, thus, the occupational equilibrum of the old was disturbed to a considerable extent. More particularly, after Independence almost all the handloom weavers in Manipur became quite dependent upon the cloth-merchants and other mahajans-cum-traders for their requirements of

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2. Second Five Year Plan for Manipur, Manipur Administration, p.55.
yarn and credit and also, for the disposal of their finished goods. Due to the want of organised cooperation on the part of the weavers, the merchants and mahajans controlled the market forces and, at their own ends, used to control both the supply of yarn and marketing of handloom cloths by dictating their own terms of trade. That is to say, for the yarns they sold they charged high rates and for the finished goods they purchased they offered low prices.

As the demand for cotton yarn could not be met by the supply available locally, procurement of cotton yarn of different counts was made from outside the State right from the beginning of the First Five Year Plan. It is stated in one old report of the Manipur Administration that yarns of counts varying from 20 to 120's were procured from Calcutta and Madura at a cost of some 25 lakhs of rupees annually even before the First Five Year Plan. The shortage in the supply of cotton yarn could not be made up by the indigenous produce of cotton. For, no systematic effort was made by the Manipur Administration to increase production of cotton by introducing quality cottons in the State. No doubt, the Department of Agriculture made some efforts to increase cotton production through introduction
of improved varieties of cotton like 'Parbhani American', but the little increase in production could not meet the increase in demand. Non-availability of raw materials in adequate quantities and at reasonable rates was, thus, a major impediment in the rapid growth of the handloom industry in Manipur in the pre-Plan period.

As a matter of fact, during the pre-Plan period all the cottage and village industries in Manipur, especially the handloom industry were unorganised and run independently by the workers themselves with the help of the members in their families and at their own homes. But, from the beginning of the plan-era the Manipur Administration began to take initiative for organising such industries on cooperative basis. This was in consonance with the policy of the Government of India to establish, on an extensive scale, subsidiary occupations in the form of cottage and small scale industries to secure fuller utilisation of the available manpower in the rural areas of the different States and to achieve decentralisation of economic power.

3. A Report on the Visit of Dr. B.L. Sethi, Secretary, Indian Central Cotton Committee to Manipur (20th & 21st April, 1957), p.3.
The Industrial Cooperative Movement in the State, thus, started from the First Five Year Plan with the organisation of weavers' cooperative societies in the year 1951-52.

Early progress:

From 1951-52 to 1953-54, only 21 industrial cooperative societies of all types including the handloom weavers cooperatives were registered. These societies were mainly confined in the urban areas. In the rural areas it was contemplated that the work of the village and cottage industries was to be taken up by the Multipurpose Cooperative Societies in these areas.

There was no progress of the Industrial Cooperative Movement during the First Plan. Even the scheme for the development of industrial cooperatives was drawn only on the 16th July, 1953 by the Registrar of Cooperative Societies jointly with the Director of Industries. It was pointed out in the scheme that handloom, carpentry, blacksmithy, soap-making, sericulture, village oil industry, pottery, bamboo and cane works, and tanning and leather works, 4.

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4. Registrar of Cooperative Societies, Govt. of Manipur.
being the industries which had taken a deep root in the soil of the State, would have to be organised on cooperative basis. An outlay of Rs. 0.50 lakh was earmarked for the development of these industries excluding handloom on cooperative basis during the First Plan. In the handloom sector alone, an expenditure of Rs. 1.41 lakh was made during the entire First Plan period. The expenditure in respect of the other types of industrial cooperatives was less than Rs. 0.50 lakh. Thus, a total expenditure of less than Rs. 2.00 lakhs was made on the development of the industrial cooperatives of all types during the First Plan,\(^5\) which was quite inadequate to meet the financial requirements of these cooperatives. Lack of funds for development of cooperatives on the one hand and lack of knowledge of cooperation on the part of the workers and artisans on the other as also late initiation of the movement by the Administration were responsible for keeping the Industrial Cooperative Movement in the embryonic stage till the end of the First Plan.

In the beginning of the Second Plan the people of the State began to realise the importance of industrial cooperatives and the growth of the Movement also started

\(^5\) Directorate of Industries, Govt. of Manipur.
gaining some momentum. By the year 1957 when the Territorial Council of Manipur formally came into being some expansions were made in the Industrial Cooperative Movement. Arrangements were made for providing adequate loans and grants to 39 industrial cooperative societies of all types for their working capital requirements. These industrial cooperatives had a membership of 2,201 and a total paid-up share capital of Rs.0.67 lakh. The most striking progress of the Movement was made in respect of handloom cooperatives. By the year 1956-57 there were 25 weavers cooperative societies with 2000 looms within their fold.6 The main event during the Second Plan period was the establishment of the Manipur State Handloom Weavers' Cooperative Society Ltd. in 1955. This apex level weavers' society was established in consistence with the policy of the Government of India and the formulated scheme of the All India Handloom Board. With the establishment of this apex society the handloom industry of the State began to grow rapidly on cooperative lines. So far 78,611 handlooms were registered in the Directorate of Industries by the end of December, 1957 out of the 1,64,956 looms which applied for registration. Arrangements were also made for

providing improved facilities for production and marketing of handloom products. These included opening of new sales emporia at Calcutta and Guwahati, supply of yarn at low prices to the primary handloom weavers' cooperatives, establishment of mobile weaving and dyeing Demonstration Units to demonstrate to the weavers the improved methods of weaving and dyeing in the remote rural and hill areas and, subsidy on the sale of handloom cloths.

Thus, by the fag-end of the Second Plan, i.e. by the year 1959-60, there were 219 industrial cooperatives of all types in the State with a total membership of 9,300 and paid-up capital and working capital of Rs. 3.31 lakhs and Rs. 14.64 lakhs respectively. Of these 219 societies, 172 incurred losses amounting to Rs. 1.54 lakhs by the end of 1959-60. These societies were incurring losses from the beginning of the First Plan. The value of goods sold by these industrial cooperatives was of the order of Rs. 14.76 lakhs in 1959-60. The value of goods sold increased to Rs. 25.05 lakhs by the end of the Second Plan. In the handloom sector alone, as many as 5000 looms could be brought under the cooperative fold.

The 78 primary weavers cooperative societies existing by the end of the Second Plan had a total membership of 5,158 with the paid-up capital and working capital of Rs. 1.68 lakhs and Rs. 4.84 lakhs respectively. These cooperatives could sell handloom products worth Rs. 8.72 lakhs by the end of the Second Plan. It is noteworthy that the Manipur State Handloom Weavers' Cooperative Society alone could sell handloom cloths worth Rs. 3.71 lakhs during the year 1960-61. But the progress of the Industrial Cooperative Movement as a whole was not so rapid. The Movement began to make rapid progress only from the beginning of the Third Five Year Plan.

**Progress in the Post-2nd Plan period:**

The total outlay for the development of village and small-scale industries including handlooms for the Third Plan came to the tune of Rs. 49.39 lakhs. Of this, Rs. 10.00 lakhs was meant for development schemes of handloom industry alone. The total outlay is almost double of the total outlay of Rs. 25.00 lakhs allocated during the Second Plan for development of these industries.

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8. Annual Administration Report of the Cooperative Department (1960-61), Govt. of Manipur.

9. Third Five Year Plan for Manipur, Manipur Administration.
In 1961-62, the initial year of the Third Plan, there were 304 industrial cooperatives of all types with a membership of 12,020 and paid-up capital and working capital of Rs. 4.63 lakhs and Rs. 12.85 lakhs respectively. Their total sales amounted to Rs. 22.59 lakhs. In the handloom sector, there were 93 handloom cooperatives with 6,606 members and paid-up capital and working capital of Rs. 1.40 lakhs and Rs. 5.14 lakhs respectively. These handloom societies could sell handloom products worth Rs. 8.12 lakhs. 10

In 1962-63 there were 331 industrial cooperatives of which 103 were weavers' societies. The value of goods sold registered a marked increase to Rs. 38.13 lakhs, of which the sale of handloom products alone accounted for Rs. 21.63 lakhs. The value of handloom products sold was more than double the amount of Rs. 8.12 lakhs in 1960-61. 11
This shows that the marketing facilities for handloom products were expanding within and outside the State. The Design Centre for Handloom established in 1961-62 began to function properly. The Mobile Team of Weaving

11. Ibid. (1962-63).
and Dyeing also continued to impart training to the weavers in improved methods of weaving and dyeing and in the use of improved appliances.

In 1963-64 the number of industrial cooperatives increased to 352, of which 112 were weavers' societies, 90 processing societies and 1 spinning mill. The sales turnover of these industrial cooperatives was Rs. 36.98 lakhs. The sales turnover of the handloom cooperatives was reduced a little to Rs. 20.38 lakhs. 12 This was mainly due to the inability of the Manipur State Handloom Weavers' Cooperative Society to make bulk purchases of handloom products from its affiliated primaries for want of funds.

In 1964-65 the number of industrial cooperatives increased to 367, but their membership, paid-up capital and working capital fell to 12,688, Rs. 6.19 lakhs and Rs. 15.18 lakhs respectively. The value of goods sold also registered a fall at Rs. 23.97 lakhs. 13 These falls were mainly due to the reorganisation of industrial cooperatives especially in the handloom sector. In order to enable the primary weavers' cooperatives to increase

12. Ibid. (1963-64).
their own resources all the existing members had to increase their share capital contribution to the societies and 75% of the difference between the existing paid-up capital and the enhanced share value was to be given as loan by the State Government. This scheme was intended to benefit 1000 old and 520 new weaver-members per year during the Third Plan. By the end of the Third Plan i.e. by 1965-66 the number of industrial cooperatives rose to 380 with a membership of 14,278, and paid-up capital and working capital of Rs. 7.15 lakhs and Rs. 16.25 lakhs respectively. These cooperatives including handloom cooperatives could sell finished products worth Rs. 27.90 lakhs. 14 In the handloom sector 8,000 looms which accounted for about 4% of the total loomage in the State could be brought under the cooperative fold. 15 But, due to limited provision 50% of these 8,000 looms could not be financed during the Third Plan period. The progress of the handloom cooperatives was, thus, not so impressive up to the end of the Third Plan.

It was with the beginning of the Fourth Plan that more looms were brought into the cooperative fold. During


the first two years of the Fourth Plan, i.e., in 1969-70 and 1970-71, another 1,450 looms were brought under the cooperative fold. 800 more looms were again brought under the cooperative fold in 1971-72, and 500 more in 1972-73. The total outlay on handloom industry for the Fourth Plan was Rs.18.05 lakhs. This was out of the total outlay of Rs.71.22 lakhs earmarked for development of village and small-scale industries for the Fourth Plan. The Fourth Plan outlay of Rs.71.22 lakhs was revised to Rs.131.15 lakhs in view of the intensive development that had to be undertaken in the field of small-scale industries which were born of local resources and potential. The revised Fourth Plan provision for the handloom sector, thus, came to the tune of Rs.29.11 lakhs. The schemes of development included expansion of Handloom Design Centre, quality control scheme, aid for technical improvement, subsidy on transport cost of yarn, rebate on sales of handloom cloth, aid for opening sales depots inside and outside Manipur, training/study tour of weavers, staff subsidy for weavers' cooperative societies, working capital loan to primary weavers' cooperatives and the Manipur State Handloom Weavers' Cooperative Society, construction of

worksheds for weavers under the cooperative fold and expansion of Handicrafts Design Extension Centre. Thus by the end of the Fourth Plan a total of 12,000 handlooms could be brought under the cooperative fold, leaving a large number of looms outside the cooperative sector.

The Fifth Plan envisaged a large coverage of handlooms in the cooperative fold as recommended by the Shivaraman Committee which submitted its report in 1974. As recommended by this Committee 60% of the existing handlooms in the State had to be brought under the cooperative fold by the end of the Fifth Plan. A sum of Rs. 40.86 lakhs was spent for development of handloom industries during the Fifth Plan.

In the initial year of the Fifth Plan, i.e., in 1974-75 the number of industrial cooperatives rose to 772, of which 349 were weavers' cooperative societies. The membership, paid-up capital and working capital of these


cooperatives also increased to 22,916; Rs. 14,00 lakhs and Rs. 40,27 lakhs respectively. The progress in the handloom sector was also impressive. The membership, paid-up capital and working capital of the 349 handloom cooperatives rose to 9,975; Rs. 7.52 lakhs and Rs. 19.26 lakhs respectively. 19

The most significant development during the Fifth Plan was the bifurcation of Handloom Sector/Division from the Directorate of Industries in 1975-76. A separate Directorate for Handlooms was constituted with the appointment of one Additional Director of Industries for Handlooms under the scheme of strengthening of Handloom Industries of the State.

By the end of the Fifth Plan, i.e., in 1978-79 there were 902 industrial cooperatives of all types, of which 440 were handloom cooperatives. The membership of these cooperatives increased to 28,336 and their paid-up capital, to Rs. 19.50 lakhs and working capital, to Rs. 52.73 lakhs. The membership of the handloom cooperatives also registered a marked increase to 14,365. Their paid-up

capital and working capital also increased to Rs. 12.26 lakhs and Rs. 30.96 lakhs respectively.

Though there were impressive increases in the number, membership, share capital and working capital of these handloom cooperatives, most of them were of small size and weak. And, because of their being non-viable units, none of them could obtain working capital finance from the R.S.I. under the R.S.I. Scheme of Handloom Finance. In spite of the departmental efforts for wider coverage of handlooms within the cooperative fold only 15,000 weavers in about 400 weavers societies could so far be brought into the cooperative fold up to the end of the Fifth Plan. It is, thus, quite clear that the recommendations of the Shivaraman Committee could not be implemented in full during the Fifth Plan.

Therefore, further intensive efforts were made for revitalisation of the existing primary handloom cooperatives during the Sixth Plan as per recommendation of the Shivaraman Committee. The revised Sixth Five Year Plan


on Handloom in Manipur was drafted on the basis of covering the target fixed by the Development Commissioner for Handlooms in India, that is, effective coverage of 45,000 handlooms under the viable weavers' cooperative societies by 1984-85 out of the estimated 1,00,000 more or less commercial handlooms in pursuance of the recommendation of the High Powered Study Team (the Shivaraman Committee) to cover 60% of the total looms of 2,00,249 by the end of the Fifth Plan.22

Though reorganisation of the existing weavers' societies started from the year 1978-79 onwards along with the organisation of new viable societies, the intensive revitalisation programme started from the initial year of the Sixth Plan, that is, from the year 1980-81.

As a result of the revitalisation programme marked increases could be registered in the number, membership, paid-up capital and working capital of the weavers societies with a wider coverage of looms under their fold. At the end of the year 1980-81 alone there were 508 weavers' societies with 29,145 members, and paid-up capital

and working capital of Rs. 19.79 lakhs and Rs. 49.76 lakhs respectively. These cooperatives could bring about 24,000 looms within their fold. By the year 1984-85 the number and membership of these handloom cooperatives increased to 635 and 21,513 respectively, but their paid-up capital and working capital fell to Rs. 7.36 lakhs and Rs. 26.74 lakhs as against Rs. 19.79 lakhs and Rs. 49.76 lakhs in 1980-81. As shown in table No. 8.2, the share capitals and working capitals of these societies were falling from 1982-83 onwards along with the falls in the number of members. These falls are mainly due to the revitalisation programme undertaken during the Plan period. Many dormant societies were liquidated and, other weak but potentially viable societies were reorganised and revitalised, and in the process the number of weaver-members were falling. Hence, there were also falls in the paid-up capitals and working capitals of the societies. The revitalisation programme, however, could bring about 48,000 looms under about 480 active societies by the end of the Sixth Plan.

The progress of the primary industrial cooperatives of all types including handlooms is shown in Table No. 8.1 below. For handlooms a separate picture of progress is shown in Table No. 8.2.

23. Ibid., p.224.
24. Ibid., p.224.
Table No. 8.1: Progress of Primary Industrial Cooperatives of all types (1959-60 to 1984-85).

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<tr>
<th>Year</th>
<th>No. of Society</th>
<th>No. of Member</th>
<th>Paid-up capital (Rs. in lakhs)</th>
<th>Working Capital (Rs. in lakhs)</th>
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N.A.: Not Available

Source: Annual Administration Reports of the Department of Cooperation, Government of Manipur.
Table No. 8.2: Progress of Primary Weavers' Cooperative Societies (1959-60 to 1984-85).

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<th>Year</th>
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Source: Same as at Table No. 8.1 above.
Assessment:

Table No. 8.1 in the above clearly shows the impressive increases in the number, membership, paid-up capital and working capital of the industrial cooperatives of all types including handloom cooperatives during the last 26 years. Similarly, Table No. 8.2 also shows the increases in the number, membership, paid-up capital and working capital of the handloom weavers' cooperatives during the years excepting certain falls in the membership, paid-up capital and working capital of these cooperatives in the last three years of the Sixth Plan.

But, looked into their over-all performance, it cannot be said that these industrial cooperatives including handloom cooperatives have made tremendous progress. Of course, these cooperatives have made some progress during the last three Plans, but the achievements made are much less than what is contemplated. This is particularly true of the handloom cooperatives. The Sixth Plan of the State envisaged to cover as many as 60% of the existing 2,00,249 looms in the State. But, so far, only 48,000 looms accounting for 23.97% of the existing looms were brought within the cooperative fold upto the end of the Sixth Plan. There is a view that the figure which was collected during
the handloom census, 1956-57 does not indicate the actual position today and, that the number of looms operative in the State is likely to be significantly lower because of the general decline of the handloom industry in the State. The progress of the handloom cooperative societies is, thus, quite unsatisfactory.

There are many reasons for this. Most of these handloom cooperatives suffer from lack of efficient managerial personnel. There is also paucity of qualified staff in the Handloom Division of the Department of Industries. This has resulted in ineffective technical, managerial and administrative supervision, guidance and control over these cooperatives.

Though much has been promised by the Reserve Bank of India and other financial institutions for providing adequate credit to these cooperatives, these cooperatives cannot avail themselves of such facilities. For, most of them are not economically viable units. Many of them have not fulfilled the norms for a viable primary weavers' society as worked out by the Shivaraman Committee at 100 members and 50 looms (fly shuttle) with a working capital of Rs.1,000.00 per loom for cotton and Rs.2,000.00 for
silk/wool. A viable society as proposed here shall have to own one office-cum-workshed and employ a paid manager to manage its affairs.

There is also no coordination between the primary weavers' societies and their apex level body, the Manipur State Handloom Weavers' Cooperative Society. On the one hand, the primary weavers' societies do not ensure regular flow of their finished products to the apex level society, and the latter, on the other hand, does not ensure regular supply of raw materials and other inputs as also marketing of the finished products of the former.

The high transport charges on the raw materials purchased from outside and on the finished goods to be sold outside have reduced the profit margins of the societies. Besides, the absence of pre-loom and post-loom facilities such as dyeing, printing and calendering has also made it difficult for the societies to produce competitive quality goods.

Suggestions for Improvement:

The following measures shall have to be adopted with a view to making the Industrial Cooperatives, especially
the handloom cooperatives, a successful coopérative endeavor in this State.

1. The organizational efficiency of the weavers' societies should be improved. The Industries Department of the State Government should make necessary arrangements for providing qualified managerial personnel to each of the viable societies on the condition that the latter bear the expenses for the employment of the managerial personnel out of their own funds.

2. Steps should be taken for providing adequate credit facilities to the societies under the R.B.I. Scheme of Handloom Finance through the door of the Manipur State Cooperative Bank. The State Cooperative Bank should make timely application to the R.B.I. (now NABARD) for sanction of the loans through the appropriate authorities of the State Government.

3. The Manipur State Handloom Weavers' Cooperative Society should, as an apex level institution, establish a close coordination between it and its primary societies, and arrange for the timely supply of adequate raw materials and other inputs to the latter. It should also arrange for the marketing of the latter's finished products within
and outside the State by opening sufficient number of sales-depots. The State Government should provide necessary assistance to the apex society to ensure the supply of adequate raw-materials at reasonable prices to the primary societies. As far as possible, it should subsidise the transport charges of the raw materials as well as the finished products.

Quality control measures have to be adopted with the support of the Government. A market survey for the handloom products may also be undertaken for a vigorous sales drive of the finished products through the door of the Manipur Handloom Weavers' Cooperative Society.

4. Arrangements should also be made for proper supervision over the working of the primary societies. Technical and managerial know-hows on the subject should be employed for the supervision and guidance.

5. The State Government may request the NCDC for financial assistances relating to the development schemes like creation of processing units, construction of godowns, show-rooms for sales emporia, etc.

In view of the dormancy of a large number of the primary weavers' cooperative societies in the State there
is an urgent need for revitalisation of the existing societies along with the organisation of new viable societies. The Department of Industries should, in collaboration with the Cooperative Department, take up such a programme of revitalisation. The recommendations of the High Powered Study Team on Handloom Cooperatives (Shivaraman Committee) relating to the rehabilitation of handloom cooperatives should be implemented in the same line as the scheme of rehabilitation of agricultural credit societies was undertaken following the recommendation of the All India Rural Credit Survey Committee.25 It is desirable that the existing handloom weavers' societies are classified into three classes - viable societies, those which can be made viable through revitalisation, and those which may not be made viable and, therefore, have to be liquidated.

Besides, it is also necessary to continue the scheme of Intensive Handloom Development Project of the Manipur Handloom & Handicrafts Development Corporation. The scheme of Export-Oriented Handloom Production Project should also be implemented.

Recently, a Mechanised Dye-House Project was proposed for this State and for which detailed Techno-Economic Feasibility Report by the North-Eastern Industrial & Technical Consultancy Organisation (NEITCO) has been submitted to the Government of Manipur. Steps should, therefore, be taken to implement the scheme at the earliest possible time.

Besides, the Handloom Design Extension Centre set-up during the Fourth Plan needs expansion in view of the ever-increasing demand for new designs of handloom goods.

The State Government should earmark additional funds for the implementation of all these schemes. In fact, revival of the handloom industry in Manipur will call for supports not only from the Government but also from the Cooperatives themselves. In the cooperative sector, the Manipur State Handloom Weavers Cooperative Society has, as an apex level body, to play a pivotal role in strengthening the cooperative network of the primary handloom weavers' cooperatives at the base level of the structure. Therefore, a detailed study of the working and progress

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of the apex level handloom society is called for. Such a study is undertaken in the following paras.

The Progress and Working of the Manipur State Handloom Weavers' Cooperative Society Ltd.: The Manipur State Handloom Weavers' Cooperative Society was established as an apex level weavers society in the year 1954-55 with the initiative of the Manipur Administration. The main object of establishing this society was to organise and develop the handloom industry in Manipur on cooperative basis and, from a commercial point of view, to broaden the market of the industry both within and outside the State. The apex society was also to function in consistence with the schemes formulated by the All India Handloom Board. The establishment of the society was, thus, after the policy of the Government of India.

The society's main function is to supply raw materials such as yarn, both dyed and undyed, and other appliances to the primary weavers societies affiliated to it and also to undertake marketing of the finished products of these primary weavers' societies. The society aims at giving employment to the weavers in the State by encouraging them to form cooperatives of their own.
At present, the Society supplies imported yarns to its affiliated primaries and individual weavers either on cash or on credit, and also undertakes marketing of the handloom clothes supplied by the primaries to it.

The society started its business operation from the year 1954-55 itself with a small paid-up capital of Rs. 0.05 lakh and a working capital of Rs. 0.41 lakh and with only 22 primary weavers societies and 6 individuals on its membership roll. The Society purchased yarn from M/s Sunderdas Thackersey & Bros., Calcutta for supply to the primary weavers societies and individual members. There was a high demand for the yarn from all sections of weavers and the consumption of yarn also increased considerably. But, for want of adequate working capital, the society could not fully meet the requirements of the weavers. The society could not, therefore, make much profit in the initial year of its working.

As on 30-6-1956 there were 44 members of the Society, of which 27 were primary weavers societies, 16 individuals and 1 State Government. The paid-up capital and working capital of the society increased to Rs. 0.06 lakh and Rs. 0.48 lakh respectively. Its purchase and
sale business also increased considerably. Its purchases were worth Rs.0.52 lakh and sales, Rs.0.65 lakh. But the society incurred a loss of Rs. 0.08 lakh in its business.27

By the end of 1956 the society's membership increased to 64. Its paid-up capital and working capital also increased to Rs.0.08 lakh and Rs. 0.52 lakh respectively. The society's purchases were worth Rs.1.96 lakhs and its sales, Rs.1.94 lakhs, but still it could not make any profit out of its business. This is due to the fact that the society lacked infrastructural facilities for marketing of the finished products of the primary societies. There were poor arrangements for marketing of the handloom products within and outside the State. It was only at the fag-end of the year 1956-57 that the apex society opened one sales-depot at Imphal, the capital town of the State and a proposal for opening another sales emporium outside the State at Calcutta was made. The society also established one dye-house in the same year to meet the requirements of the weavers societies for quality dyed-yarn.

By the year 1957-58 the society's membership increased to 86. Its paid-up capital and working capital

also registered a two-fold increase at Rs.0.12 lakh and Rs.0.90 lakh respectively compared to those in the initial year. It could make purchases of the value of Rs.1.90 lakhs and sales of the value of Rs.1.80 lakhs. The production of handloom cloths increased and was standardised than before. This was due to the incentives and facilities given to the weavers by way of supply of yarn on credit, cash advance for payment of wages, etc. The society could make some profit in the supply of yarn due to the inclusion of dyeing charges at the time of supply of yarn to its members. It could make a profit of Rs.0.03 lakh in the year 1957-58.

From the year 1957-58 onwards the apex society began to make a good progress in its business. The general progress in the working of the Manipur State Handloom Weavers' Cooperative Society can be seen from the table given below.

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<table>
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<tr>
<th>Year</th>
<th>No. of members</th>
<th>Share capital</th>
<th>Working capital</th>
<th>Purchases</th>
<th>Sales</th>
<th>Profit (+) or Loss (-)</th>
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<td>28</td>
<td>0.05</td>
<td>0.41</td>
<td>0.14</td>
<td>0.02</td>
<td>0.02 (+)</td>
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<tr>
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<td>44</td>
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<td>0.48</td>
<td>0.52</td>
<td>0.65</td>
<td>0.08 (-)</td>
</tr>
<tr>
<td>1956-57</td>
<td>64</td>
<td>0.08</td>
<td>0.52</td>
<td>1.96</td>
<td>1.94</td>
<td>N.A.</td>
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<tr>
<td>1957-58</td>
<td>86</td>
<td>0.12</td>
<td>0.90</td>
<td>1.90</td>
<td>1.80</td>
<td>0.03 (+)</td>
</tr>
<tr>
<td>1958-59</td>
<td>98</td>
<td>0.15</td>
<td>1.03</td>
<td>3.11</td>
<td>3.14</td>
<td>0.20 (+)</td>
</tr>
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<td>1959-60</td>
<td>99</td>
<td>0.21</td>
<td>1.24</td>
<td>1.65</td>
<td>1.83</td>
<td>0.09 (+)</td>
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<tr>
<td>1960-61</td>
<td>101</td>
<td>0.16</td>
<td>1.33</td>
<td>3.41</td>
<td>3.71</td>
<td>0.03 (+)</td>
</tr>
<tr>
<td>1961-62</td>
<td>104</td>
<td>0.16</td>
<td>1.32</td>
<td>3.62</td>
<td>3.94</td>
<td>0.04 (+)</td>
</tr>
<tr>
<td>1962-63</td>
<td>106</td>
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<td>3.03</td>
<td>8.16</td>
<td>7.47</td>
<td>0.52 (+)</td>
</tr>
<tr>
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<td>3.41</td>
<td>9.78</td>
<td>10.15</td>
<td>0.15 (+)</td>
</tr>
<tr>
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<td>3.59</td>
<td>6.15</td>
<td>6.68</td>
<td>0.17 (-)</td>
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<tr>
<td>1965-66</td>
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<td>2.50</td>
<td>N.A.</td>
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<td>0.22 (-)</td>
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<td>2.83</td>
<td>0.25 (-)</td>
</tr>
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<td>2.76</td>
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<tr>
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<td>3.25</td>
<td>2.96</td>
<td>2.98</td>
<td>0.03 (-)</td>
</tr>
<tr>
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<td>177</td>
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<td>10.67</td>
<td>7.90</td>
<td>0.24 (+)</td>
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<td>9.07</td>
<td>0.01 (+)</td>
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<td>245</td>
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<td>7.65</td>
<td>15.10</td>
<td>15.42</td>
<td>0.25 (+)</td>
</tr>
<tr>
<td>1973-74</td>
<td>273</td>
<td>1.62</td>
<td>8.83</td>
<td>19.18</td>
<td>16.53</td>
<td>0.10 (+)</td>
</tr>
<tr>
<td>1974-75</td>
<td>303</td>
<td>1.68</td>
<td>8.23</td>
<td>8.40</td>
<td>8.18</td>
<td>0.43 (-)</td>
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(Table No. 8.3 contd.)

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<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<td>1975-76</td>
<td>305</td>
<td>1.73</td>
<td>8.69</td>
<td>5.76</td>
<td>6.93</td>
<td>0.27</td>
<td>(-)</td>
</tr>
<tr>
<td>1976-77</td>
<td>316</td>
<td>1.90</td>
<td>8.39</td>
<td>6.40</td>
<td>5.88</td>
<td>0.62</td>
<td>(-)</td>
</tr>
<tr>
<td>1977-78</td>
<td>321</td>
<td>4.46</td>
<td>11.07</td>
<td>4.98</td>
<td>5.43</td>
<td>0.77</td>
<td>(-)</td>
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<tr>
<td>1978-79</td>
<td>352</td>
<td>4.64</td>
<td>10.96</td>
<td>6.75</td>
<td>7.25</td>
<td>0.05</td>
<td>(+)</td>
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<tr>
<td>1979-80</td>
<td>337</td>
<td>9.73</td>
<td>16.05</td>
<td>11.63</td>
<td>7.78</td>
<td>0.09</td>
<td>(-)</td>
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<tr>
<td>1980-81</td>
<td>356</td>
<td>14.85</td>
<td>41.05</td>
<td>19.44</td>
<td>12.89</td>
<td>1.06</td>
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<tr>
<td>1981-82</td>
<td>434</td>
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<td>39.40</td>
<td>31.04</td>
<td>26.29</td>
<td>0.41</td>
<td>(-)</td>
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<tr>
<td>1982-83</td>
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<td>23.16</td>
<td>36.98</td>
<td>17.40</td>
<td>17.58</td>
<td>1.29</td>
<td>(-)</td>
</tr>
<tr>
<td>1983-84</td>
<td>524</td>
<td>23.22</td>
<td>34.72</td>
<td>7.72</td>
<td>6.43</td>
<td>2.20</td>
<td>(-)</td>
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<tr>
<td>1984-85</td>
<td>545</td>
<td>34.49</td>
<td>43.37</td>
<td>19.86</td>
<td>18.32</td>
<td>3.71</td>
<td>(-)</td>
</tr>
</tbody>
</table>

N.A. : Not Available.

Source: Annual Administration Reports of the Manipur State Handloom Weavers Cooperative Society and the Department of Cooperation, Government of Manipur.

Table No. 8.3 above shows that the Manipur State Handloom Weavers' Cooperative Society could make some progress only from the last part of the Second Five Year Plan i.e. from the year 1958-59. In 1958-59 the Society could earn a profit of Rs.0.20 lakh as a first record. This was mainly due to the fact that the Society could...
expand its business in many spheres within this period. As regards the sales within the State the society could make commendable progress. The sales emporium at Imphal could attract a large number of customers within the State. The artistic handloom fabrics also found a wide market outside the State. The All India Handloom Fabrics Marketing Cooperative Society, Bombay, the Assam Government Emporium and many other agencies and traders became the bulk-purchasers of the society's handloom fabrics. The Society started to concentrate its business of dealing in cloths to those which had a foreign taste.

During the Second Plan period the concentration on the clothes having foreign taste was so much that dealing in those having local tastes had to be foregone. The result was that whenever the outside market dwindled, the sale-proceeds fell down suddenly and there was every chance of shattering the whole structure of the business. Clothes having local tastes had, therefore, to be dealt in by the Society in due course. Further, with a view to keeping a standard of all the varieties of cloth produced by the weavers the Society began to take keen interest in supplying specifications to them for each of the varieties of cloth to be produced by them. And, as specification again needed accuracy of measurement, texture,
colour shades, design, etc. the society began to think of these developments. Since the demand for dyed yarn was very big the society was running a dyed-house under its own management. Moreover, as the demand for printed cloths was very high and since dyeing was intimately connected with printing, efforts were also made for printing of cloths. Because the society experienced many difficulties in disposing of cloths due to bad finishing and lack of calendering, efforts were also made to take up proper finishing and calendering works for the clothes produced by the weavers. Over and above these, the apex handloom society also planned to take up the scheme of an experimental powerloom before the end of the Second Plan. But, for want of fund, the scheme could not be implemented within the stipulated period.

The society continued to purchase yarn from M/s Sunderdas Thackersey, Calcutta, a dealer of Madura Mills. Yarns of the values of Rs. 0.22 lakh, Rs. 1.27 lakhs, and Rs. 0.58 lakh were purchased from the above dealer in the years 1955-56, 1956-57 and 1957-58 respectively; while yarns of the values of Rs. 0.31 lakh, Rs. 1.26 lakhs, and Rs. 0.60 lakh were sold to the primary weavers societies and 8-class individual members in 1955-56, 1956-57 and 1957-58 respectively. However, the supply of yarns so
far made by the apex society could meet only 25% of the
total consumption requirements of the primary weavers
societies. An important reason for this was that the
total loan amount issued to these primary weavers soci-
eties was greater than the working capital of the apex
society. On the other hand, the apex society could not
purchase all the cloths produced by the primaries because
of low standard of the cloths woven with the yarns pur-
chased from the local shops. The purchases were usually
made in cash on delivery of the goods but, sometimes, it
was also made on credit. The cloths so purchased were
sold within and outside Manipur on consignment basis and
credit.

In the Third Five Year Plan greater efforts were
made for improvement in the working of the Manipur State
Handloom Weavers Cooperative Society. A scheme for
replacing the old uneconomic looms by improved looms was
taken up. The scheme aimed at increasing the production
of handloom cloths. Other schemes such as setting up
one Design Unit, introduction of quality control scheme
were also taken up during this Plan period. The society
also continued distribution of dyed yarn of fast colours

to the affiliated primary weavers societies and individual members. It was also contemplated to set up a mechanised Dyeing Unit in view of the high demand for dyed yarns of fast colours and in view of scaling down of the imitations of handloom cloths that came up in the scene of handloom business by offering many handloom cloths made of yarns of inferior quality in the open market. As there was no institution engaged in collection and revival of traditional designs, methods and patterns, most of the handloom weavers were going to forget the traditional designs of Manipuri Handloom and were, in many cases, apt to produce cheap imitations. It was, therefore, proposed to establish a Research Institute for Handlooms during the Third Plan. Besides, considering the wide market of the finished products, both inside and outside Manipur, and the average income they would bring to the primary weavers, it was also proposed to set up a Yarn Preparatory Factory in the second year of the Third Plan. But, for want of adequate funds and government assistance, the above two schemes could not be implemented during the Third Plan.

As on 30-6-1963 the Society had 104 members. Its paid-up capital and working capital were respectively Rs.0.94 lakh and Rs.3.64 lakhs. The Society's purchase
and sales business declined at Rs. 2.49 lakhs and Rs. 2.50 lakhs respectively during the year 1965-66 from Rs. 6.15 lakhs and Rs. 6.68 lakhs respectively during the previous year. The decline in business was mainly due to the preparation of many schemes that awaited implementation upto the end of the Plan. Due to the lack of working capital the Society could not supply the handloom goods promptly when big orders for the same were placed by outside firms. The Society's stock of handloom products was quite insufficient to meet the demand from outside. It did not have adequate funds to purchase handloom cloths from the primary weavers and make buffer stocks for the same. Another difficulty was that the Society could not get the yarns direct from the mills. It made its bulk purchases from M/s Sunderdas Thackersey, Calcutta, a dealer of Madura Mills and, as such, the cost of yarns was very high. The high costs of yarns were, further, augmented by the high cost of transport charges. Hence, the prices of the cloths produced were also high and could hardly compete with the prices of handloom cloths of other States of India.

Besides increasing the costs of yarn, transport difficulties also hindered the progress of the Society.

30. Ibid. (1964-65) and (1965-66).
in some other ways. Indeed, the Society could not observe accuracy of time in its purchase and sale business due to transport bottlenecks. And, as there was no accuracy of time, the import and export business of the Society was checked to a considerable extent. Opening of emporia with adequate stocks to maintain uninterrupted sales might have relieved the Society of its difficulties of transportation and keeping accuracy of time in its business. But, there was no sales depot/emporium outside the State to meet the situation.

Moreover, the Cess Fund (Handloom Development Fund) which all along was being directly allotted to the societies by the Centre was, during the Third Plan, merged in the State Plans. This marked the beginning of trouble for the handloom industry in this State too. For, ever since this merger was effected, most of the States in India did not spend even 50% of the amount allocated for the Handloom Industry, but diverted the same to other State schemes. The solitary exception was the State of Madras which not only spent in full the amount allocated to it under the State Plan, but spent much more on handloom development from out of its own funds.  

The apex handloom society could not make up for the slow progress during the next three years intervening between the Third Plan and the Fourth Plan, that is, during the period from 1966 to 1969. Even if there were increases in the membership and paid-up capital of the Society during the period under review as shown in Table No.8.3, its working capitals did not increase correspondingly. Its purchase and sale business also declined with the fall in its working capitals. Hence, the Society incurred losses during the period.

It was from the beginning of the Fourth Plan that the Manipur State Handloom Weavers Cooperative Society began to make a good progress. In the initial year of the Plan i.e. in 1969-70 the Society incurred a loss amounting to Rs.0.03 lakh. But from 1970-71 onwards the Society could make profits. By the end of the Fourth Plan i.e. by 1973-74 the Society's membership increased to 273. Its paid-up capital and working capital also increased to Rs.1.62 lakhs and Rs. 8.83 lakhs respectively. The Society also made record purchases of the value of Rs.19.18 lakhs and sales of the value of Rs. 16.53 lakhs. The good

progress in business brought a profit of Rs. 0.10 lakh in the Society.

In December, 1973 the Government of India constituted a High Powered Study Team headed by Shri B. Shivar- raman, a member of the Planning Commission. The Committee which submitted its Report in 1974 made many recommendations pertaining to the development plan for handloom cooperatives in Eastern States including Manipur. As emphasised by the Study Team 60% of the existing 2,00,249 looms were to be brought under the cooperative fold by the end of the Fifth Plan. 33 And, many schemes were intended to increase the efficiency and the productivity of handlooms, and of the weavers by providing many facilities such as provision of adequate quantities of yarn, organisation of training, modernisation of handlooms where necessary, advancing of credit to weavers and arrangements for marketing. Further, for exploitation of export potential the Study Team recommended setting up of 50 units of 1000 looms each under an Export Orientation Pilot Production Scheme in important handloom centres which were contributing then to the export market and which had highly

qualified handloom weavers. For every handloom under this project investment for modernising the equipment had to come from the Central Government, and all measures had to be taken for providing processing facilities, extension services, proper maintenance of equipment and ensuring the quality of production. Arrangements for supply of yarn credit and for marketing had also to be made. The Team also recommended setting up of field units to assess the technical problems and to evolve and introduce new equipments and accessories as well as processes in the industry at field level.

The recommendations of the High Powered Study Team could not, however, be implemented in full during the Fifth Plan period. The actual implementation of the above schemes started in this State only from the last part of the Fifth Plan, i.e., from the year 1978-79.34 As most of the existing societies were weak and unviable they could not avail themselves of the facilities of finance from the R.B.I. under the R.B.I. scheme of handloom finance. In spite of the efforts of the Manipur State Handloom Weavers Cooperative Society for rapid development of the cooperatives, much could not be achieved

34. Ibid., p.224.
by way of coverage and increase in production of quality goods. Thus, by the end of the Fifth Plan, that is, by the year 1978-79 there were 352 members of the apex society. Its paid-up capital and working capital also increased to Rs. 4.64 lakhs and Rs. 10.96 lakhs respectively. But its purchase and sale business was not upto the expectation.

The Society, however, continued the programme of reorganisation of the existing potentially viable weavers cooperatives along with the organisation of new viable societies. The Manipur Handloom & Handicrafts Development Corporation established in 1976 also helped the apex handloom society in bringing more handlooms under the co-operative fold.

During the year 1979-80, the Society's membership reduced to 337. Its paid-up capital, however, increased to Rs. 9.73 lakhs and its working capital increased to Rs. 16.05 lakhs. While its purchases amounted to Rs. 11.63 lakhs, its sales were of the order of Rs. 7.78 lakhs only. This indicates the weakness of the Society in its business activities.


36. Ibid. (1979-80).
Some improvement could be seen in the working of the Society during the Sixth Plan period. By the end of the Plan, that is, by the end of 1984-85 there were 545 members of the Society with a paid-up capital of Rs. 34.49 lakhs and a working capital of Rs. 43.37 lakhs. But the Society's purchases and sales were not up to the mark. It could make purchases of the value of Rs. 19.86 lakhs and sales of the value of Rs. 18.32 lakhs.

Causes of the slow progress:

After a careful analysis of the figures given in table No. 8.3 it can be concluded that, although the Manipur State Handloom Weavers Cooperative Society has made some progress in recent years, the over-all progress made by it during the last three decades is not satisfactory, judged from the long period of its existence. Indeed the Society has been working since 1954-55 in the capacity of an apex level handloom society with the prime objective of strengthening the weavers cooperative structure in Manipur. But the Society is still unable to fulfill its avowed objectives. On a careful observation of its working the following factors are found to be the causes of its slow progress.
1. Lack of adequate working fund has been one of the important causes of the inefficiency of the apex society. As the Society is not self-sufficient, it always sought assistance from the Government, both Central and State. Even though the handloom industry accounts for 95% of the industries of Manipur, this industry has always been devoid of sufficient developmental funds. The State Government has sometimes diverted a part of the funds allotted to this industry by the Central Government to other schemes/projects of other departments. Such diversion of funds has adversely affected the handloom industry including the handloom cooperative societies.

2. Lack of experience and training on the part of the weaver-members of primary weavers societies on the one hand and, on the part of the managerial personnel of the apex society on the other has also acted as a handicap in the smooth operation of the business of the Society.

3. Another important factor inhibiting the progress of the Manipur State Handloom Weavers' Cooperative Society and the primary weavers societies at the base level is inefficiency of management. Most of the primary societies

37. Director of Industries, Government of Manipur.
are managed by untrained and inexperienced personnel who do not know even the simple rules and procedures of book-keeping.

4. Lack of proper inspection and supervision over the affairs of the weavers societies including the apex society has also been responsible for the inefficient management of these societies with ultimate failure in their production plans.

5. For want of adequate funds the Manipur State Handloom Weavers' Cooperative Society cannot fully meet the requirements of the primary weavers societies for their yarn, improved appliances and other inputs. This stands in the way of the successful working of the primaries and the apex society.

6. Lack of close coordination between the primary weavers societies and the apex society has retarded the progress of both the types of societies considerably.

The apex handloom society has also not established a close link with other marketing, processing and consumer societies.
Besides, the cooperative handloom industry constituted by the Manipur State Handloom Weavers Cooperative Society at the apex level and the primary weavers societies at the base level suffers from a number of deficiencies and inadequacies such as absence of common work-sheds, lack of improved appliances and quality control measures, paucity of expert salesmanship, lack of publicity and propaganda and inadequacy of sales-depots/emporia.

All the factors enumerated above have been jointly responsible for the inadequate performance of the Manipur State Handloom Weavers Cooperative Society in particular and of the whole cooperative handloom industry in general. As a matter of fact, the handloom industry in Manipur, though talked about much for its unique craftsmanship from the olden days, its actual excellence is losing much of its credibility. Even if the handloom industry is the principal cottage industry of Manipur, its progress is lagging behind its counterparts in other States of India. The Cooperative Sector of the industry has been the crux of the problem of slow progress of the industry as a whole.

Suggestions:

After a careful consideration of all the factors which are partly or wholly responsible for the weakness
of the handloom weavers' societies, the following suggestions are made for improvement of the whole cooperative handloom industry in this State.

1. Inadequacy of working funds should not be made a problem of the handloom weavers' societies, whether the primaries or the apex society. It is necessary to strengthen the working capital position of the Manipur State Handloom Weavers' Cooperative Society by sanctioning loans up to 10 times the paid-up share capital plus reserve fund reduced by accumulated losses or up to the over-all borrowing limit fixed in the bye-laws, whichever is less, may be sanctioned to the Society for marketing of handloom cloths.

The Society has to avail itself of the facilities of assistance from the Central and State Governments. The primary handloom weavers' cooperative societies should also avail themselves of the technical guidance and other assistance available from the Weavers Service Centres and other institutions which are catering to the requirements of handlooms.

The Society's share-capital position may be strengthened by admitting more primary weavers' societies and requesting the State Government for additional share capital
contribution. The affiliated primary societies should also increase their share values from the existing rate. In order to enable the State Government to make increased contribution to the Society's share the Central Government may be requested to sanction loans up to 51% of the total paid-up share capital of the Society. Moreover, the State Government may request the NCDC and the NABARD to provide additional funds for handloom development in the State.

Side by side, the apex handloom society should make strenuous efforts for increasing its own funds by attracting deposits and by requesting the affiliated societies to increase their share capital contribution. The financial assistance at the rate of Rs.1,000.00 per loom (cotton) as envisaged by the Shivarman Committee was considered insufficient in the Regional Seminar on Handloom Weavers Cooperatives for Eastern States held on the 19th and 20th December, 1975. The Seminar recommended Rs. 1,500.00 per loom for this. The National Convention on Role of Cooperatives held on the 3rd September, 1975 expressed the same view.38 Therefore, in view of the ever-increasing prices

of raw materials and equipments, it is necessary that the NCOC and the NABARD revise their assistances from time to time in keeping with the increase in costs of production of the handlooms.

As per the rehabilitation programme recommended by the Shivaraman Committee, the State Government has been contributing to the share capital structure of the primary weavers cooperatives @ Rs. 50/- per member by the State share and @ Rs. 40/- per member by the Central share in the reorganised/newly organised societies which have a minimum of 100 members, each owning a loom. Since the working capital requirement of a handloom weavers society has been raised to Rs. 2000/-, it is necessary to raise the quantum of share capital participation per member society to get working capital loan at the enhanced rate of Rs. 2000/- per loom per weaver. 39

Further, in order to enable the apex handloom society to obtain financial assistance from the NABARD under the Guarantee Scheme, the State Government may give the guarantee for at least a period of 3 years instead of

giving it on year to year basis. This will remove the inconveniences of the operation of the Scheme. The Regional Seminar on Handloom Weavers Cooperatives for Eastern States (December 19-20, 1975) also recommended such a proposal.⁴⁰

The State Government has also to see that the funds allotted to the handloom industry by the Central Government are not diverted to the non-handloom sectors. The Seminar of Apex Handloom Weavers Cooperative Societies (1964) resolved, in this regard, to request the Central Government to keenly watch the outlay by each one of the States and not to permit the diversion of handloom funds to the non-handloom sectors/schemes.⁴¹ The Seminar, further, resolved to request the State Governments not merely to spend the allotted sums in their entirety, but supplement the same liberally from their own resources as was being done by the State of Madras.

2. Only theoretical knowledge about cooperative philosophy will not do for the weavers. Practical knowledge


and experience will have to play an important role in the successful working of the weavers societies. It is, therefore, necessary that the Manipur State Handloom Weavers Cooperative Society takes up the programme of giving practical training and guidance to the weavers of the primary societies. Both the members and prospective members should be trained in the use of improved handloom appliances and looms and improved methods of dyeing and printing. Besides reviving the traditional designs/patterns of Manipuri handloom cloths, the weavers should be encouraged to evolve new designs.

The State Government should earmark additional funds to meet the expenses of the training programme. The All India Seminar of Apex Handloom Weavers Cooperative Societies (1964) also supported this view. In the words of the Seminar, "... Apex Weavers Cooperative Societies should run schools to give short-term practical training to the managerial and supervisory staff of the weavers cooperative societies and the cost of running such schools should be met by the Government under the Cass Schemes". 42 The Seminar laid more emphasis on the training of the managerial personnel and did not specify the training

42. Ibid., Resolution No. 3.
needs of the weaver-members. In the context of the present situation when many innovations, both in idea and practice, are witnessed in our handloom sectors, weavers' training has become an urgent need of the hour.

3. The management of the apex handloom society as well as of the primary handloom weavers' societies should be entrusted to the experienced and trained managers/secretaries. The State Government should grant adequate managerial subsidy for this purpose. The apex handloom society must always rely on the services of a competent manager. The manager and the employees of the Society should be well paid so as to arouse their willingness to work sincerely and enthusiastically in the interest of the Society.

Thanks to the Government of India, a scheme for strengthening the weavers societies by employing a full time paid manager/secretary for every society organised newly or reorganised according to the pattern suggested by the Hale Committee, has been implemented under the Centrally Sponsored Scheme since the year 1981-82 in this State. The implementation of the Scheme which

43. Director of Industries, Government of Manipur.
is shared by the Centre and the State on 50:50 basis should be encouraged further.

4. Proper arrangements should be made for close inspection and supervision over the affairs of the weavers societies, both at the primary and apex level. The State Committee observed that the staff available for supervision over the weavers societies is, by and large, quite inadequate. The Committee recommended that the State Government should appoint adequate staff for close supervision over the weavers societies and the same must be attached to the Department which is responsible for formulating and implementing the programmes for Handloom Development. The recommendations of the Committee were accepted by the Government of India, Ministry of Industry vide their Letter No.6(a)/780-Coop. dated the 20th February, 1979.  

The Department of Industries should, therefore, employ adequate supervisory staff, as recommended by the State Committee, to supervise over the affairs of the weavers societies. It is desirable that the apex handloom society employs a supervisory staff drawn from the

Industries Department so that it may expeditiously supervise over the affairs of its affiliated societies.

It is also necessary that the accounts of the apex as well as primary societies are audited in time by the auditing team of the Cooperative Department, preferably at least once in a year. The auditing team and the supervisory staff have to see that the loans advanced to the societies are utilised properly.

5. In order to enable the primary weavers cooperative societies to offer for sale adequate quantities of quality handloom cloths to the Manipur State Handloom Weavers Cooperative Society, the latter must assure adequate supplies of yarn, both dyed and undyed, and other inputs to the former.

There is not as yet an approved policy of the State Government for supply of yarn to the handloom weavers societies through the sole agency of the apex handloom weavers society. As a result, most of the primary societies are left to their choice to purchase yarn from any sources. The State Government should remove this hurdle in the way of supply of yarn by making an approved policy of entrusting the Manipur State Handloom Weavers Cooperative
Society the sole responsibility of supply of yarn to the primary societies. For prompt distribution of yarn and other inputs the apex society should open more yarn-sale depots at suitable places in the State, preferably in every district headquarters or in sub-divisional headquarters. In course of time, a dyeing unit may be attached to each of these depots.

6. Efforts should also be made for providing infrastructural facilities such as common work-sheds, improved looms and appliances to the primary weavers societies with the assistance from the NOCC and the NABARD. As regards construction of work-sheds the weavers societies may take the advice of the Technical & Promotion Cell (T & P Cell) of the Manipur Apex Cooperative Marketing Society, which is at present undertaking construction of work-sheds in the cooperative fold.

As a matter of fact, handloom production in this State might have been improved much if the Manipur State Handloom Weavers Cooperative Society had introduced improved appliances such as Jacquard Looms in the past. The present situation still demands many types of modern improved tools and equipments such as iron reeds, varnished wire healds, drop boxes, roller temples, heald staves, slays, warping frames, etc. for improved looms.
Therefore, efforts for conversion of the Throw Shuttle Looms into the Fly Shuttle Looms should be made and improved appliances provided for the looms. As far as possible, pit-looms should be converted into frame fly-shuttle looms. Introduction of take-up motion attachment of fly-shuttle looms, and other improved methods of weaving such as semi-automatic pedal looms, etc., should also be encouraged.

7. Considering the widespread imitation of handloom products by the private firms in the competitive market there is an urgent need for standardisation of the handloom products in the cooperative sector in this State. The Handloom Design Centre at Imphal should, therefore, publicise the different designs developed by it for quick adaptation by the weavers. The Centre should produce such new designs that the finished products are able to keep pace with the changing fashions.

Besides, the Manipur State Handloom Weavers Cooperative Society should make a detailed study of Quality Control Measures for the handloom products as is done by its counterparts in other States of India. Steps should, thus, be taken for introduction of the Quality Control Scheme in this State. The apex handloom society should open a
Quality Control Cell with the assistance from the Government, and quality control measures should be enforced under the charge of a supervisor. The supervisor must be an expert well trained in the subject. There must not be overlapping of functions between the Quality Control Cell and the Handloom Design Centre.

8. The number of existing sales depots within and outside the State is inadequate. There are at present only 28 sales depots within the State and 46 sales depots outside the State. Necessary arrangements should, therefore, be made for opening more sales-depots both within and outside the State with the assistance from the State Government. Considering the ever increase in demand for Manipuri handloom cloths outside the State, the Manipur State Handloom Weavers' Cooperative Society should attempt, as far as possible, to open inter-State emporia in all the important cities of India. The apex society may request the Central Government and the NASAR for additional funds to meet the expenses incurred in opening such emporia. The emporia should be so planned as to absorb the handloom products of about 500 looms. It is also necessary that the emporia are run by persons who are well trained in management and salesmanship.
Further, the sales of handloom cloths within the State should be facilitated by keeping mobile vans. The apex society has to request the State Government and the Central Government for grant of additional funds for the purpose.

9. The Manipur State Handloom Weavers Cooperative Society has also to incur certain amount of selling costs by way of publicity and propaganda in an attempt to popularise the handloom products of the State both within and outside the State. Necessary grants may be requested from the State Government for this purpose.

10. Even though the Government of India has accepted in principle to subsidise the transport and other overhead costs incurred by the apex handloom society subject to the condition that the rate of subsidy does not exceed 50% of the transport charges from Calcutta to the consuming centres in this State, the Society still suffers from the ever increasing freight charges of yarn and other raw materials. It is, therefore, necessary to subsidise the transport costs to the maximum.

Cooperative societies engaged in cottage industry are by and large exempt from income tax. Every cottage industry, whether handloom or non-handloom, has three stages, viz, procurement of raw materials, production and marketing. The Manipur State Handloom Weavers Cooperative Society which is a federation of the primary weavers societies has as its main function supply of raw materials to the primaries and marketing of their finished products, thus fulfilling two of the above three stages. The Society which is really a service organisation should, therefore, be exempted from income tax, sales tax, excise duty and, other State and Central taxes.

11. The progress of the Manipur State Handloom Weavers Cooperative Society will, of course, depend upon the proper rapport established between it and its affiliated primaries. It should, therefore, arrange for adequate supply of raw materials to the primaries and the latter, in turn, should be contributory to the former in many respects such as timely offer of finished products for sale, etc.

Besides, the Manipur State Handloom Weavers Cooperative Society should also establish a close link with the marketing and consumer societies in the State so as to ensure its prompt supply and marketing business. The Regional Seminar on Handloom Weavers Cooperatives for Eastern States (1975) had recommended in this regard, "The handloom weavers cooperative societies should be linked not only with marketing and processing societies but also with the consumers cooperatives for marketing their products."\textsuperscript{56} The Manipur State Handloom Weavers Cooperative Society may coordinate with the Manipur State Cooperative Consumers Federation and work out schemes for the sale of the products of handloom weavers societies through the net-work of consumer stores.

The apex handloom society should also work in coordination with the All India Handloom Fabrics Marketing Cooperative Society to boost up its export market of handloom cloths. It is also desirable that the Society (apex society) coordinates the activities/functions of the existing emporia so that there is no duplication of available marketing facilities.

\textsuperscript{56} Proceedings of the Regional Seminar on Handloom Weavers Cooperatives for Eastern States (December 19-20, 1975), op.cit., p.58.
The delay in the reimbursement of rebates allowed to the Manipur State Handloom Weavers Cooperative Society should be avoided as far as possible. The State Government has to see that the Society is allowed reimbursement of rebates on the sale of such handloom cloths as are produced by its affiliated societies and that too, out of the yarns supplied by it.

To sum up, the success of the cooperative handloom sector of which the Manipur State Handloom Weavers Cooperative Society is the backbone, the primary weavers societies being the various sub-bones supporting it, will depend, in the ultimate analysis, upon the efforts of the Society to provide maximum of services to its affiliated primaries on the one hand, and upon the latter's voluntary efforts to produce high quality handloom fabrics for sale through their federation, on the other. There must, thus, be an integration between the Manipur State Handloom Weavers Cooperative Society and the primary weavers societies. To achieve such an integration the weak and dormant societies should be reorganised and revitalised according to the pattern suggested by the Hate Committee. As suggested by the Committee, viable weavers societies are to be organised under the Centrally Sponsored Scheme, and a weavers society has to get Rs. 10,800.00 on tempering
basis in a period of 3 years. This scheme of reorganisation which is to be shared by the Centre and the State on 50:50 basis shall have to be continued. And, with a view to strengthening the working of the societies, the scheme for having a full-time paid manager/secretary for every society, which started implementation from 1981-82 should also be continued.

All these efforts will have to be backed by adequate finance. For, finance is the most essential requisite to run a cooperative society. Hence, there is always the need for state patronage and state assistance for the rapid development of cooperative handloom industry in this State. The State Government should always be watchful to the progress of these weavers societies which are contemplated to ameliorate in a big magnitude the ills of rural unemployment and poverty in this State and, strive for their healthy growth and development.