CHAPTER - VII

SUMMARY AND RECOMMENDATIONS

SUMMARY

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SUMMARY AND RECOMMENDATIONS

The goal of all development efforts is to raise the level of well-being of all the citizens of a country. On the other hand, there is growing evidence that ethnic fragmentation has adverse effects on growth.

Economic growth is a powerful force for poverty reduction. The onset of modern economic development opened the possibility that growth could significantly improve the living standards of poor people and everyone else. The state and pace of India’s development show many troubling signs at the beginning of 1990s with the introduction of new economic policies. The dream of achieving economic growth through the new economic policies remain elusive. The progress of reforms has been blocked by special interest group in numerous areas.
It has been strongly felt that the rule of law and the absence of corruption contribute to growth by providing a fair, rule based environment in which firms and households can invest and grow. Hence, institutional factors are very important for growth. In fact, strong institutions can have powerful indirect benefits. Moreover, the participation, involvement and contributions of the people are decidedly important.

One of the instruments for development is co-operatives. Co-operatives have helped rationalize distribution patterns, increase purchasing power, promote consumer protection, narrow the housing gap. They have contributed to the modernisation of small scale production in agriculture, fisheries, handlooms, handicrafts, etc. In a wider sense, co-operative growth has, thus, become an effective stimulant to economic growth. According to Henry W. Wolff, co-operation represents one of poor people's best and most useful and most trustworthy allies in the battle for progress and economic and social emancipation.

In short, the role and vision of co-operatives has been visualised on the basis of analysis of social, economic, cultural and technological trends that are happening in the world.
In India, the introduction of Co-operative Credit Societies Act in 1904 marked the beginning of the co-operative movement. The movement, now, has made remarkable progress in various segments of Indian economy with a total number of 5,45,354 co-operative societies and membership of 236.226 million. It has covered 100 percent villages and 75 percent of rural households and working capital of Rs. 34,00,555.7 million. It has generated employment for 14.39 million person.

The attention of the public authority was given to the handloom sector from time to time. The sector gradually received the attention of the government particularly after independence in the plan process. The first step for credit support to the handloom sector was the organisation of weavers co-operatives. Through these co-operatives weavers were helped to get credit, raw-material, marketing support, etc.

The number of weavers co-operatives in the country is 20,023 in 1999-2000 with a membership of 2.01120 million. The weavers co-operatives during the year 1999-2000 had Rs. 2,195.2 million as share capital of which government participation was 17.91 percent. Altogether, 5,896 weavers co-operatives were profit making societies.
Similarly, the handloom sector plays a very important role in the economy of Manipur. Manipur is lagging much behind the national average in case of per-capita income and in the recent few years the gap between per capita of the state and the nation has widened further. The state is heavily dependent on imports from outside for almost all items of everyday. The strengths of the state have been identified as rich cultural heritage, well-developed handloom industry, high literacy rate, above national average, high entrepreneurial drive among womenfolk and most attractive export import trading point at Moreh.

In the handloom industry, the number of weaver households, according to the census of Handloom of India (1987-88), is 1,92,435, of which 37,552 weavers work with looms in urban areas and 1,51,312 in rural areas. The total number of looms available in the State were 2,70,261 of which 1,39,207 were commercial looms and 1,31,054 domestic looms. Out of the total 2,70,261 handloom only, 68,646 were found under the umbrella of co-operative sector covering only 25.40 percent. The percentage of commercial looms were 51.51 percent and the remaining 48.49 percent were domestic looms.
With the organisation of weavers co-operatives in the State in the year 1951-52, a new era of handloom industry began. As on 31st March 2003, there are 1382 handloom weavers co-operative societies with 1,63,570 members and paid up share of Rs. 192.41 lakhs and Rs. 623.97 lakhs working capital respectively.

The percentage of Handloom Weavers Co-operative Societies to the total co-operatives is 25.12 . The percentage of membership weavers co-operatives to the total membership is 32.72 in the year 1999-2000. The percentage of share capital to the total is 9.85 in 1999-2000 and the percentage of working capital 3.22.

The percentage of share of the weaving co-operative societies of Manipur in the national total is 6.5 in 1999-2000.

The productivity per loom of Handloom Weavers Co-operatives under study is 0.43 metres against the national average of 5.12 metres in 1987-88.

The character of employment remains discouraging with part-time weavers accounting for 72.1 percent, while full-time weavers only 28 percent in 1998-99 in against 62 percent and 38 percent respectively in 1987-88. The picture of employment looks more discouraging in Imphal East where the part-time weavers account for 78 percent. Imphal west records 64 percent.
The low percentage of full-time weavers which is 28 percent indicates the marginal benefit of alleviation given to the weaving occupation, a basic and competitive source of employment and occupation.

The number of weavers, of the range of 26-30 working days records a fairly rising trend from 36 'before' joining in Imphal West to 54 weavers "after joining". In the same fashion, the number of weavers of the range of 26-30 working days record 23 in Imphal East 'before joining' to 28 "after joining". The tempo of raising trend needs to be maintained.

The average earning 'before joining' could be Rs. 499 per weaver per month and it was raised to Rs. 559 'after joining' the society. Imphal East presents another interesting picture in terms of average higher percentage of the members having income above Rs. 2000/- per month. Most of the weavers still apply traditional technology. 82.31 percent of the weavers still use fly shuttle, followed by 15.35 percent accounted for by the loin loom. The application of improved loom appears insignificant accounting for 2.31 percent.
Only 14 percent of the members of the handloom weavers co-operatives under investigation could receive assistance in terms of marketing facility. 12.71 percent in Imphal West and 14.53 percent in Imphal East received financial assistance through the society.

On the whole, the status of handloom weavers co-operatives in terms of enhancement of income level generation of employment, increase in productivity application of modern handloom technology and marketing support system, has not been encouraging.

The textile policy, announced by the Government of India in June 1985 placed emphasis on the development of handloom. It laid greater emphasis on the development of handloom through co-operatives.

In order to preserve the unique role of handlooms and enable them to realise their full potential as also to ensure higher earnings for the handloom weavers, it stressed on the modernisation of looms and provision of technological and other inputs for improving productivity of handloom and quality of finished handloom products.
The significance of handloom industries is undoubtedly recognised in view of the growing problems of unemployment in the State. Its vital role may also be considered in terms of the inherited skill and creativity of Manipuri women in weaving. The role of handloom industry, in terms of generating employment, increasing productivity and income amongst the women labour, force, needs to be re-examined from different perspectives.

Support to weavers cannot be considered in isolation without reference to for modernisation of technology, supply of inputs like yarn and marketing networks. Weavers need to be motivated and trained to take up more ventures to widen their marketing networks.

The investigation shows that the overall picture of handloom weavers co-operatives is rather discouraging and distressing. A fairly large number of these co-operatives are lying defunct and simply adorn the records of the Co-operative Department. Many of the active societies are also non-viable units as they have poor membership, meagre sales and inadequate working capital. These institutions have failed to achieve the degree of self-sustaining capacity for growth.
The investigation shows that much remains to be done in three critical areas in order to make weavers co-operative societies more competitive in response to emerging imperatives. The policy support needs a thorough review. At the same time, the performances of the societies have to be streamlined with new ideas of organisation, efficiency and technology. Besides, the base has to be strengthened and keeping in view the importance of “confidence-building” and “capacity-building”. In fact, the weavers co-operative societies have to be run as “Enterprise” and also identified as a major partner of development of the state economy.

The following recommendations are considered important.

RECOMMENDATIONS:

1. Organisation - Need for revitalisation and re-organisation:

   As most of the handloom weavers co-operative societies are non-viable units, the first imperative necessity is to make them strong and viable units. A scheme for revitalisation and re-organisation should be drawn in the state and more emphasis should be laid on consolidation and viability rather than on expansion and target hunting. The societies which are in a helpless state of affairs, where there is no a helpless
state of affairs and where there is no chance of revival, may now be liquidated. Many of the handloom weavers co-operative societies are dominated by one or two individuals who exploit the weaver members for their own ends. In many cases, majority of the members are not aware of even their membership in the society.

In this regard, utmost care is to be taken by the officials of the Co-operative Department, who are responsible for registration of handloom weavers co-operative societies.

2. **Membership**:
   The membership of the handloom weavers co-operative societies is found to be much more considering the local system. Moreover, the knowledge of the co-operative system is not known to all the members as their participation is very poor. The level of their participation needs to be improved by sensitising and motivating them before enrolment as members. Pre-registration training should be a necessary condition for registration.

3. **Raw-materials**:
   The supply of quality yarn for the required counts and quantity to the weavers at reasonable prices all the year round is a prime factor in the present context of Manipur to develop the handloom industry.
The important raw-materials are cotton, silk, polyester, acrylic yarn commonly known as woollen yarn of 1-ply, 2-ply, 4-ply etc., dye stuffs, chemicals, handloom appliances like, shuttles, reeds, wire cotton healds, bobbins, perms etc.

These required raw-materials are mainly are not manufactured or produced in Manipur.

For supply of cotton yarn, the Manipur Spinning Mills Corporation Ltd. should be revitalised to produce at least 50% of the requirement of the State.

The total requirement of all kinds of yarns of the State should be carefully assessed. The responsibility for this task may be entrusted to the Department of Commerce and Industries, to take a lead role.

The existing Yarn Bank needs to be streamlined and considerably strengthened.

4. **Input Support**: The handloom sector largely depends on the organised mill for supply of principal raw-material namely, yarn.
This sector uses the bulk of the yarn in the form of hanks. The Central Government has been making efforts to ensure regular supply of yarn to the handloom sector at reasonable prices through

(a) Hank Yarn Obligation Schemes

(b) Loan assistance to the National Co-operative Development Corporation (NCDC) for setting up of new/expansion/modernisation of weaver’s co-operative spinning mills and

(c) Scheme for supply of yarn to handloom weavers at millagate prices.

There is a growing need for better administration at state level to take fuller advantage of the central initiative.

5. Quality Product:
A separate cell of quality control in handloom section of the Directorate of Commerce and Industries, Government of Manipur should be created.
6. **Marketing**:

The Apex Handloom Co-operative Society and Manipur Handloom Corporation should undertake market survey to assess the quantitative and behavioural trends of consumption.

The organisation of National Handloom Expos by Development Commissioner (Handlooms) should not only be continued but also intensified.

State Governments should also organise similar expositions for primary handloom weavers’ societies.

The export target for handloom should be increased. There should be special incentives for handloom exports. Weavers Service Centre, Manipur should be strengthened with reference to export oriented design development.

National Institute of Design and National Institute of Fashion Technology should play a bigger role to induce export-oriented handloom production. Special financial assistance should be provided to handloom export organisation to establish their own Research & Development units to develop and design export varieties.
7. **Technology:**

Modernisation of looms and creation of processing facilities needs special care. In this regard, one modernisation cell in the department is required to provide the required service to the weavers.

Introduction of modern technology is the need of the hour for producing right quality and quantity. Credit support is needed to weavers for upgradation of technology.

A project approach should be adopted for modernisation. Modernisation should not be designed for improving only the equipments of the weaver but also for covering the entire environment and working conditions of the weavers.

Taking into account the different categories of weavers such as low earners, medium earners and high earners, different packages for modernisation should be adopted with better subsidy for low earners and least subsidy for high earners.

Suitable monitoring systems should be developed to monitor increase in productivity and earnings of weavers.
8. **Credit:**

A task force may be set up to make an in-depth study of the problem of inadequate credit flow to apex and primary societies.

The opening a new line of credit to the primary weavers co-operative societies through Self Help Groups within the society may be attempted.

RBI and NABARD should issue suitable instructions for fixing specific and separate targets in respects of credit for the handloom sector.

Handloom weavers co-operatives may also be financed by commercial Banks/Regional Rural Banks.

9. **Setting up of a separate Directorate of Handloom in Manipur:**

There is need for a separate Handloom Directorate so that special attention may be given to the concerns of weavers.
10. **Human Resource Development**:

Training in modern management techniques of production, marketing, accounting, cost analysis, etc. is an essential input in the handloom development programme. There is also a need for weavers to be trained in design development and market trends.

There is urgent necessity for a long term programme for human resource development for which a separate institution like the Institute of Co-operative Management, is required at state level.

11. **Welfare Programmes for Weavers**:

At the moment, the Weavers' Co-operative Societies do not pay necessary attention to welfare programme for member-weavers and engaged weavers, – like opening of canteen, free medical check up and recreation – centres while there is vital necessity for refreshment of both mind and body after long hours of physical work.

A *policy intervention* in terms of legislation may go a long way in enriching the standard of performance.