CHAPTER - 1

INTRODUCTION

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INTRODUCTION

India has a rich cultural heritage, and the art of hand weaving formed part of it. Besides the arts of hand spinning, hand dyeing and hand printing, hand weaving had also been perfected by the Indian artisans in ancient times. Excavations at Mohenjodaro and Harappa, prove that, Indians as early as 5000 B.C. were experts in the art of dyeing and weaving.

Handloom industry of India, which has a legacy of unrivalled craftsmanship is a cottage industry with decentralised set up. It is a household industry spread throughout the length and breadth of India. Earlier, this industry was not based on caste system but in course of time, it developed on caste basis. Handloom industry occupies an important place in the rural economy of the country. The industry engages largest number of workers, next only to agriculture. From the view point of size, number of handloom weavers constitute 40 per cent of the total factory workers and 2.5 times more than employment provided by the cotton textile mills.

The industry provides employment directly and indirectly to 10 million people: Production of cloth by this
sector amount to one third of country's cotton textiles. Parallel to other sectors the industry also indicate a healthy rate of production over the years. Production of handloom cloth, which was 809 million meters in 1950-51\(^1\) has increased to 4600 million meters in 1984-85\(^2\). Another characteristic of handloom industry is that, it is largely a rural activity. About 75 per cent of total weavers in India, live in villages. It, therefore, assume further significance in our strategy for rural development.

The industry has passed through several vicissitudes in its age long history. The manner in which, it has struggled for existence is exemplary. The industry has the intrinsic vitality to survive and as such, it occupies a place of prominence in the national economy. In the domain of artistic fabrics, handloom has an unrivalled position. Quality, design and grade of handloom fabrics differ from one another. This qualitative edge of handloom fabrics provides strength to the industry to carry on production. Another factor, favourable for handloom is the belief that, hand woven cloth is more durable and therefore, cheaper in the long run. This belief attracts poor people to purchase handloom cloth in preference to mill made cloth. Further, capital costs and running expenses for the weaver are small. In other words, handloom weaving requires less capital investment. Above


all, it is a household industry and all members of the family work together for their livelihood.

In our national economy handloom industry assumes further importance, from the viewpoint of export earning. Right from ancient times, across the centuries, high quality silk products of Kashmir and Kancheepuram, sarees of Bengal and Bangalore, tie and dye decorated fabrics of Orissa and Andhra Pradesh, chanderis of Madhya Pradesh, muslins of Lucknow, Patolas of Gujarat, brocades of Varanasi and cotton sarees of Madras, not only symbolise unique cultural ethos of India, but also earn foreign exchange for the country. The amount of export, which was only Rs. 5 crore by the end of First Five Year Plan,\(^1\) has increased to Rs. 485 crore, by the end of Seventh Five Year Plan.\(^2\)

In Orissa, handloom is the most important household industry. Orissa has a name for production of cotton, silk and tusser handloom fabrics from time immemorial. It's textile products have been enjoying a high reputation for superior craftsmanship. The industry in the state provides employment, directly and indirectly to about 6 lakh people. In this respect, it ranks next only to agriculture. 5.25 lakh weavers with 1.05 lakh handlooms form an important rural labour force as 85 per cent of weavers in Orissa live in villages. In this context it would be proper to highlight the

relevance of handloom industry in the economic background of Orissa. Orissa is one of the backward states of Indian union, exhibiting all characteristics of an underdeveloped economy, such as low productivity of agriculture and sluggish growth of industrial sector. In addition to provision of employment to about 6 lakh people at present the handloom industry in Orissa, with a decentralised set up, has a vast potentiality to generate employment in future. And it is likely to play a greater role in economic development of the state.

1.1 Relevance of the study

Western Orissa has occupied an important place in the handloom map of Orissa. Handloom industry is the most important household industry; in Sambalpur, Balangir, Sundargarh and Kalahandi districts which comprise western Orissa. A large number of persons are employed in the industry. In this respect, it ranks next only to agriculture in the region. Out of total number of weavers in Orissa, 41 per cent of them live in western Orissa only. Out of total looms in Orissa, 46.3 per cent operate in this region. Of the total cloth production in Orissa, share of western Orissa is 35.7 per cent. Weaving is a living and lovely art in western Orissa. The fascinating tie and dye fabrics, very much in vogue in western Orissa are famous for weaving,

design, art and colour. The technique has attracted the attention, not only of our masses and the gentry, but also of many abroad. It reflects the natural artistic sense of weavers. They have not only excellence in art and texture but also a keen sense of colour and beauty. Fabrics of western Orissa are valued in market, primarily for individual artistic hand work.

Despite a glorious historical and traditional background, and multiple growth of the handloom industry over the years in quantitative terms, at different levels; national, state and regional; generally it is felt that the life style and economic standard of the weavers have not improved in any significant way. The dedicated set of weavers have, no doubt, earned their livlihood through weaving, but their standard of living seems not to have improved over the years. The feeling assumes further improtance in recent times, since this has been directed towards the weavers of institutionalised sector (viz. co-operative sector) of handloom industry, in western Orissa.

It is a fact that, weavers under co-operative sector avail of direct government patronage in the shape of financial and marketing assistance and several other infrastructural facilities. That is why it is expected that, member weavers are better-off both economically and socially, compared to the weavers out side the co-operative sector, who are working independently.
Hence, in the above context, a study on the impact of handloom co-operatives on weavers of western Orissa is relevant. And the study aims at finding out, how much the weavers have gained being the members of handloom co-operatives. In other words, the study proposes to find out the real impact of handloom co-operatives on the social and economic development of weavers in the region.

1.2 Review of Literature

In the field of handloom industry, a number of studies have been made in national level. Some scholars of some universities have made studies on sample basis in some states. Sri M.N. Jakate (Gujrat University) 1958, has studied the role of cotton co-operatives of South Gujarat and concluded that, financial and organisational problems are of vital importance for cotton co-operatives. Sri M.T. Patel, (Sardar Patel University), Gujrat, 1976, has studied, working of co-operatives with reference to Khadi and Village industries, in a district of Gujrat. He has suggested for liberal finance and organisational development by the state government. During 1971-77, Sri S.V. Kadvekar (Poona University) has studied the managerial aspect of co-operatives with reference to spinning mills of Maharastra. He has recommended non-interference of political parties in managerial affairs and introduction of training of the employees of spinning mills. Sri N.R. Dixit (South Gujrat University) has studied the business policy aspect in co-
operative spinning mills in Gujrat. He has recommended the control of competition among co-operatives. Sri C. Shanmugasundram (Madras University, 1976-82) has studied the utilisation of weavers co-operative societies by members in Coimbatore district. He has suggested provision of finance, subsidy and other technical facilities for weavers' co-operatives. During 1980-1984, Sri S.T. Sunderrao (Osmania University) has studied the handloom industry in co-operative sector in Andhra Pradesh with special reference to a case of Mehbob Nagar. He has suggested for better marketing and financial facilities for handloom co-operatives. Sri P.C. Mohapatro (Bombay University), 1985, has studied, the economics of cotton handloom industry in Orissa. His study was based on the need for bringing about an appropriate technological changeover of the handloom industry. Sri N. Sarangdhapan (Calicut University, Kerala) 1986, has studied the impact of handloom co-operative societies in the development of weavers in Kerala. He has suggested that employment and income of weavers can be increased, only when better facilities of credit and marketing will be extended.

At the state level, literature on handloom industry is scanty. Sri N.K. Sahu in his book, History of Orissa, has narrated the glorious history of the industry in ancient times. Sri B.S. Das, in his book, Studies in the Economic History of Orissa from Ancient Times to 1833, has dealt with economic history of the industry from ancient times. Sri
K.C. Meher, in his book, *Odissara Bayana Kala* (in oriya) has made stray reference towards economic history of the industry as well as the tie and dye art of western Orissa. Sri P.C. Mohapatro, in his book, *Economics of Cotton Handloom Industry in Orissa* has discussed the economic history as well as introduction of superior technology in handloom industry of Orissa. Sri B.C. Mohanty and K. Krishna in their book, *Ikat Fabrics of Orissa and Andhra Pradesh* and Chelna Desai, in the book, *Ikat Textiles of India*, have analysed the technique of weaving with some reference to Orissa. We came across, first and authentic information regarding the industry in the Report of Fact Finding Committee (Handlooms and Mills) 1942. High Powered Study Team on the problems of handloom industry, 1974, has highlighted some burning problems, like setting up of new spinning mills, establishment of handloom corporations etc. Some facts and figures are also available from annual reports of the Department of Industries, Directorate of Textiles, and District Gazetteers Published by the state government.

Above information bring out the fact that, there has been no comprehensive and integrated study relating to the impact of handloom co-operatives on socio-economic conditions of weavers in western Orissa. The present study makes a humble attempt in this direction and is first of its kind in the state of Orissa. The study also attempts to co-ordinate scattered points of earlier works.

1.3 Objective and Scope of the Study

Inspite of having a glorious, historical and
traditional background, and despite of multiple growth of the handloom industry over the years, in quantitative terms, at different levels; national, state, and regional; generally it is felt that the life style and economic standard of the weavers have not improved in any significant way. The feeling assumes further importance, in recent times, since this has been directed towards the weavers of institutionalised sector (the co-operative sector) of handloom industry in western Orissa. It is a fact that, weavers under co-operative fold receive government patronage with regard to organisational, financial and marketing facilities from time to time. That is why, it is expected that, member weavers should be economically and socially more sound than others. But the expectation and hope is contrary to the existing feeling. Hence, in the present context, the study is being made with the objective to know, what is the real impact of handloom co-operatives on the social and economic development of weavers in western Orissa.

An attempt has been made to study impact of handloom co-operatives on the economic and social condition of weavers in western Orissa. The scope of the study is confined to western Orissa, because of large concentration of the weavers in the region and which continue to be an important handloom weaving centre. The famous tie and dye art of weaving thrives here. Moreover, sizeable number of weavers as well as looms work in this area. From the purview
of study, handlooms weaving jute and wool are excluded, because these handlooms face special problems, for which a separate study may be useful. Weaving of khadi (cotton fabrics woven on handlooms using hand spun yarn) is a part of the industry. But appraisal of khadi industry, purely on economic ground may be difficult. It also contains some ethical and emotional factors for the user of khadi cloth. Hence, it requires a separate study. Khadi industry has been excluded from the purview of study.

1.4 Period of Study

Primarily it is an impact study based on empirical evaluation through field survey. But for better understanding of the problem, a study on the working of the sample societies are also undertaken.

To study the working of sample societies, the period has been limited to 5 years i.e. from 1983-84 to 1987-88, because of nonavailability of data and other constraints. The year 1983-84 was chosen as the beginning of the period because, relevant data prior to the said year was readily not available. Though effort was made to obtain records, prior to 1983-84, out of 50 sample societies, relevant records (before 1983-84) was available in respect of 21 societies only. The year 1987-88 was chosen as the concluding year, because for impact study, field survey was undertaken in 1989 and by that time, the audited financial statements of societies were available only upto 1987-88.
1.5 Hypotheses

The study aims at testing a set of hypotheses with the help of findings after evaluation. Following hypotheses are formulated keeping in view the overall analysis of data, the objectives and various internal and external factors.

a) Operational performance of handloom co-operatives in western Orissa is better, compared to the state average.

b) Handloom co-operatives have been making regular and sufficient supply of yarn to member weavers.

c) Handloom co-operatives have been successfully handling marketing of cloths produced by member weavers.

d) Weavers in the region are economically benefited by being members of handloom co-operatives.

e) Impact of handloom co-operatives in western Orissa has resulted in social development of member weavers.

1.6.0 Methodology applied

Methodology applied for the study is given below in detail.

1.6.1 Collection of data

The data for the study are collected from two sources. They are, primary source and secondary source. Primary data is collected with following objectives:
a) to study working of PWCS (primary Weavers' Co-operative Societies) in western Orissa.
b) to study the socio-economic conditions of weavers, both member households and non-member households.

To study working of PWCS in western Orissa, a comprehensive schedule covering different aspects of working of PWCS was designed, (vide Appendix I). Some of them are; share capital, reserve fund, demand and supply of yarn, production, sale and profit etc.

To know socio-economic conditions of member households and non-member households, a structural schedule of questionnaire was designed, (vide appendix II). The schedule was framed with the objective of collecting quantitative as well as qualitative information. It was designed keeping in mind the sample of respondents, the mode of its administration, the nature of information sought and the kind of analysis intended.

The schedule has been divided into three parts, Part I is designed to collect general information, part II is designed to collect information about the economic condition, and part III has been formulated to collect information about social developments of respondents. A benchmark study was conducted both for, the schedule of PWCS and as well as the schedule for respondent households, in Singhpali village of Bargarh sub-division of Sambalpur district in the month of May 1989. After the pre-test survey, schedules were
Primary data was collected by direct personal interview method. The structural schedule (Appendix I) was administered personally to collect information directly from the records of sample societies. Similarly, the schedule (Appendix II) was administered personally to collect information from the heads of households. In this context, it is necessary to be acquainted with the term 'household' as used in respect of the handloom industry. For weaving occupation, the household supplies all the labour force. The occupation of the head of the household is not exclusively his own, but of the household as a whole. The head of the household would normally be responsible for execution of manufacturing work and the organisation of household members to ensure its completion. Income of the household is earned as a whole and spent as a whole. That is why, responses has been collected from the head of the households. The field survey provided an opportunity to come in close contact with weavers. Their socio-economic behaviour, customs, traditions and normal working was observed from close quarters. Proximity of the investigator to them made the task somewhat less difficult, when he could converse with them freely.

Moreover, informal conversation and discussion were also used to collect requisite data. Officials like, ADT (Assistant Director of Textiles) of Bargarh, Bhawanipatna, Sonepur and Sundargarh; Joint Director of Textiles,
Bhubaneswar; Secretary of BPHCS (Bargarh Primary Handloom Co-operative Society) and non-officials like; presidents of sample societies, panchayat samiti chairpersons and other local important persons of villages were contacted to know about weavers, weaving and the industry as a whole.

Data from secondary source include published books and journals. A good deal of library work was done prior to the field survey. Information was also collected from published records available with the Development Commissioner of Handlooms, New Delhi; Director of Textiles, Bhubaneswar; Orissa State Handloom Weavers' Co-operative Society Ltd., Bhubaneswar; Orissa State Handloom Development Corporation, Bhubaneswar; ADT of (Bargarh, Sonepur, Bhawanipatna and Sundargarh) and other relevant organisations.

1.6.2 Sampling Design

For sampling design, keeping in view the objective and scope of the study, it was decided to choose societies on the basis of representative sampling instead of taking the whole universe. For selection of sample societies, with a view to maintain uniformity, moribund and liquidated societies have been excluded, as indicated in table I.1.

For the purpose of sampling, total active societies of four districts constitute the universe. It was decided to select 25 per cent of active societies of each of the four districts proportionately as samples. To choose representative samples, random sampling method was followed.
Details of sample societies were obtained from ADI offices of Bargarh, Sonepur, Bhawanipatna and Sundargarh.

Table 1.1
Selection of Sample Societies ('in numbers)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Districts</th>
<th>Moribund societies</th>
<th>Liquidated societies</th>
<th>Active societies</th>
<th>Sample societies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sambalpur</td>
<td>1</td>
<td>40</td>
<td>66</td>
<td>18</td>
</tr>
<tr>
<td>2</td>
<td>Balangir</td>
<td>2</td>
<td>29</td>
<td>77</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>Sundargarh</td>
<td>-</td>
<td>22</td>
<td>28</td>
<td>07</td>
</tr>
<tr>
<td>4</td>
<td>Kalahandi</td>
<td>4</td>
<td>49</td>
<td>21</td>
<td>05</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>7</td>
<td>140</td>
<td>192</td>
<td>50</td>
</tr>
</tbody>
</table>

For the purpose of impact study, from each sample society three member households and equal number of non-member households were selected. Names of member households were selected from the register of sample societies on random sampling basis. Names and address of non-member households were collected from knowledgeable persons of concerned villages. The present study envisages to find out the impact of handloom co-operative societies on weavers. That is why, for comparison, member households have been construed as experimental group while non-member households as control group.

1.6.3 Method of Analysis

A comparison has been made between the control group and the experimental group for the impact study. In this
context, it would be relevant to mention here that, to measure the impact of handloom societies on the social and economic life of weavers there is no established standard at any level, with which a comparison could have been made. That is why, it became necessary to take non-member households of the same localities, with similar socio-economic background, as that of member households, to form the standard (in other word a control group). And member households as an experimental group was compared with non-member households, the control group for the purpose.

The impact study has been divided into two parts. The first part is designed to study the economic development of member households and non-member households. A comparison is made between the control and the experimental groups, on the basis of their income distribution, expenditure distribution, asset distribution, accrual and addition of assets, investment and indebtedness.

In the second part, a comparative study is made between control and experimental groups to know their social developments. For the purpose, economic condition i.e. increase in the level of income was taken as independent variable and social involvements i.e. mass media exposure, official and non-official contact, participation in cultural, religious and political organisations, attitude towards status of women, educational and occupational aspiration for children and money spent by them for the purpose are taken as
dependent variables.

1.6.4 Tools of Analysis

For analysis of collected data various statistical tools like percentages, averages, coefficient of correlation, coefficient of regression, and significance ($x^2$) test are being used. Different statistical formulae are used for the purpose of analysis. A few of them are listed below.

a) Chi-square ($x^2$) = \( \frac{\sum (O - E)^2}{E} \)

\( \sum \) stands for summation, \( O \) for observed frequencies, and \( E \) for expected frequencies.

b) Co-efficient of correlation (r)

\[
 r = \frac{\sum N \xi XY - \xi X \cdot \xi Y}{\sqrt{\sum N \xi X^2 - (\xi X)^2} \sum N \xi Y^2 - (\xi Y)^2}
\]

\( \xi \) stands for summation, \( N \) for number of items in the series, \( X \) for \( X \) variables and \( Y \) for \( Y \) variables.

c) Regression Co-efficient (R.C.)

i) R.C. of \( x \) on \( y \) (bxy) = \( \frac{\xi xy}{y^2} \)

ii) R.C. of \( y \) on \( x \) (byx) = \( \frac{\xi xy}{x^2} \)

\[
 x = (X - \bar{X})
\]

\[
 y = (Y - \bar{Y})
\]

\( X \) stands for \( X \) variables, \( Y \) for \( Y \) variables, \( \bar{X} \) for mean of the series \( X \) and \( \bar{Y} \) for mean of the series \( Y \).
To study the growth trend, help of graphs and charts are also taken. For the purpose of calculation it became necessary to put collected data in form of tables. Therefore, a large number of tables are being used in the course of study.

1.6.5 Scales used

The measure the social impact, in part III of (Appendix II), a three-point scale is used which reveals, mass media exposure and official and non-official contact of the weavers.

1.7 Limitations

In Orissa, data relating to handloom industry are scanty. Available data are disconnected and unco-ordinated. Hundred per cent accuracy cannot be attached to these secondary data. The limitation of secondary data, find its place in the study.

Sampling technique has also its own limitations. For example, alternatively, the member households could be selected as control group and non-member households as experimental group. A larger size of sample could have proved more useful. But because of time and financial constraints, the sample size is kept limited.

Various tools of analysis i.e. statistical devices have their own limitations, so they are also being incorporated, while using them for analysis in the process of the study.
The period of study is confined to 5 years i.e. from 1983-84 to 1987-88, because of unavailability of data.

Quite often respondents were reluctant to provide information. The possibility of understatement or overstatement by the respondents under the circumstances can not be ruled out, in spite of precautions taken.

1.8 Contour of the Study

The primary objective of the study is to know about the impact of handloom co-operatives on weavers in western Orissa. But for better understanding of the problem and for its elucidation the scope of the study has been broadened. The study is divided into two parts, theoretical and analytical. First part consists of two chapters and second part consists of three chapters, other two chapters being introduction and conclusion.

Chapter I being introduction and methodology, the second chapter deals with economic history of the handloom industry in the national perspective. It also scrutinises characteristics of handloom industry and related problems.

Chapter III is devoted to the study of handloom industry in Orissa, with special reference to western Orissa. It also includes, a brief sketch of tie and dye culture of weavers in the region and various problems they encounter to-day.

Chapter IV presents working of PWCS, in western
Orissa, particularly relating to supply of yarn and marketing the products of member weavers.

Chapter V evaluates economic development of member weavers, compared to non-member weavers, on the basis of level of income, expenditure, accrual of assets, investments and indebtedness.

Chapter VI analyses social development of member weavers compared to non-member weavers, on the basis of a number of social development factors.

The seventh chapter brings together important findings of the study with the help of which the hypotheses have been tested and a few suggestions are offered.