Chapter - I
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INTRODUCTION

Age old Indian Handloom Industry in the largest of all the Cottage industries. This industry ranks next to agriculture in providing employment opportunity. This industry has attained a high degree of perfection in our country. The industry has vast inherent potentialities and has had a glorious past. No other country in the world has preserved and upholds this very ancient handicraft in such pure form or with such tradition left behind as India does. After the invention of machines to produce cloth the fortunes of handloom industry registered a steep decline.

IMPORTANCE OF HANDLOOM INDUSTRY

The tradition of handloom weaving in this country has been long and distinguished and the silk of Indian Handloom weavers has been of very high order. Proof weber remarked, "The silk of Indians in the production of delicate woven fabrics in the mixing of colours .... Attend in all matters of technical arts has from very early times enjoyed a world wide celebrity"\(^1\) from time immemorial Indian Handloom Fabrics have been known for their beauty, fine texture and excellent design. Even today they are widely acclaimed abroad for their fast colour and artistry. Almost one third of the country's cotton textiles are produced by handloom weavers.

\(^1\)Bhatangar and others Co-operation in India and Abroad New Delhi 1960 National Co-operative Union of Indian 4\(^{th}\) Edition 1960 P467)
The history of handloom weaver's Co-operative movement dates back to the first quarter of the century. But real and serious efforts were made only in the year 1934 – 1935 to bring a large number of weavers in the co-operative fold. Weaver's Co-operative societies have been started as a remedy against the exploitation of poor weavers by master weavers. The societies purchase raw materials in bulk, distribute the same among the members and collect the finished products by paying wages to them. The societies sell the products and the surplus earned out of business is distributed among the members as bonus on wages, after meeting all the expenses and charges and after creating reserves. Weaver's Co-operative societies aim at remedying the exploitation of poor weavers by master weavers by promoting their economic interests through continuous employment and higher wages and in extending a helping hand in times of need. National Council of Applied Economic Research observed "A systematic – re-organisation of the Industry through the formation of Co-operatives, which will cover production, marketing and finance is necessary if the industry is to survive in this world of technological advance".

It is estimated that 85% of the total clothing requirements in India is supplied by the decentralized handloom sector. Co-operatives have assumed the single largest place in the handloom industry. In 1983 there were 16,555 weavers' Co-operative Societies covering 32% of the total of 3.8 million handlooms. These societies had provided employment to 61.5 lakh persons.

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3 Dr. M. Gopalan and N.Duraiamy, An Empirical study on production and Marketing of Handloom Goods by weavers' co-operative societies Indian Co-operative Review May 1985 P205)
Development programs for the handloom sector have all along laid emphasis on the need for an appropriate non-exploitative Organisational device and in the light of experience gained in the part decade or more, Co-operativisation of handloom has been held to be the ideal solution. Out of 5.56 lakhs of handlooms in the state, 3.32 lakhs handlooms have been organized into 1600 primary weavers Co-operative societies upto 31st December 1985.

The programme for 1985-86 is to cover a total loomage of 20,000. it is also proposed to strengthen the share capital base of the existing primary weavers' co-operative societies and for this purpose for the year 1996-97, a provision of Rs.30 lakhs have been earmarked under the scheme. “State participation in weavers' Co-operative societies”.

In the stoneage the man wear the leaves as a clothes. In golden age he used the animals leather as a clothes. After that stage only he knew about thread. In that thread he prepare clothes for them. But they are very thick clothes. When civilization is developed the thinking power of the man also developed step by step. Afterwards he prepared proper clothes for them. Now a day's man can produce beautiful clothes for our body. In the first stage man produce the cotton clothes only. Now cotton varieties are produced in different colours, and different designs. Specially in summer seasons cotton clothes are very best for us. The young and the old peoples like cotton clothes very much.

In the early stage of human civilization, population was very small and wants were few, while the means of subsistence were available in abundance. The methods of
production were primitive and economy was based on self-sufficiency. Since wants were few, everybody could make individual efforts to satisfy them. There was no exchange of goods between the various producers.

With the advantages of civilization wants began to multiply. It no longer remained possible for individuals to produce all they needed. Interdependence, thus, arose out of necessity. People produced not only for the satisfaction of their personal needs but in larger quantities in order to exchange the surplus produce with others. This gave raise to what we call the "Exchange Economy".

Thus, man began to use the scare means so as to get the maximum satisfaction. With the introduction of division of labours, methods of production underwent significant changes. People began to own land as well as lives stock and implements to work on it. Side by side, the barter economy gave place to money economy because of its obvious advantages over the former system.

The concept of money and ownership of property gave rise to inequality in the distribution of wealth and incomes amongst the people. Though all started the race together, some recurred advantages over others, pastly by doubt of their merit and hard work and the rest through exploitation of labour and other factors of production. This brought into begin an economic system, which is called by the name of capitalism.

Private enterprise has its own advantages. Profit is an incentive of production. The private owner makes his best efforts for the advantages of his enterprise. There is always an opportunity for worthwhile persons to show their competence and talent. Abnormal overheads delays, inflexible producers and other handicaps of socialistic
concerns are minimized in private enterprise. Private enterprise has got various disadvantages also. In equal distribution of wealth creates a gulf between the rich and the poor. The tendency of this gulf – becoming wider makes the rich richer and poor, poorer. No less important is the fact that human values also not honoured in a capitalistic set – up. The workers personality is reduced to an extremely low level. An inevitable consequence of capitalism is the class strife between the employers and the employees.

With all the benefits of Co-operative societies, there are certain practical problems, which start in the way of the people coming forward in large number to organize these societies. In view of these problems, it is all the more necessary that the formers are convinced that formation of services on co-operative societies is in their own interest. The enlargement of the unit of cultivation is another big advantage due to which the society can derive better technological advantages.

STATEMENT OF THE PROBLEM

Weavers are generally poor finding it difficult to make both ends means. Therefore, the weavers are forced to borrow money from the master weavers to equalize their income and expenditure.

One of the findings of the study was that change in the production techniques had been taking place rapidly. Another finding was that co-operative societies enabled the weaver members to weave for more days then what they did prior to joining the society. The study also revealed the grim fact that ever for their subsistence weavers had to borrow.
OBJECTIVE OF THE STUDY

The study was undertaken with the following objectives.

1) To study the production and sales of the Salem Ammapet Handloom weavers' Co-operative Society.

2) To analyse the varieties produced by that society and its price fixation for that goods.

3) To know how the raw materials can be supplied to this society and from where raw materials are obtained.

4) To study the problems faced by the Handloom weaves society and to know who are the problem creators.

5) To suggest the measures for improving performance of Ammapet Co-operative Society.

AREA OF THE STUDY

Salem Ammapet Handloom Weavers Co-operative has been selected as it a popular centre, for production and Sales of Handloom varieties in Salem District. The leading productions are Dhothies, Vastram, Shirting and sarees. And it also produce all varieties of Handlooms.
PERIOD OF STUDY

A five years period coverage was adopted by the researcher to have a thorough enquiry into the volume of Production and Sales of the Handloom weaver's Co-operative Society. The study was undertaken with data collected for the last five years from 1996 – 1997 to 2000 to 2001.

TOOLS USED

To explain the facts simple statistical tools like bar diagrams, pie diagrams, ratio analysis and trend analysis are used.

METHODOLOGY

This represents a case study and depended mainly on the information collected directly from the authorities of the Ammapet Handloom Weavers Co-operative Society, the secondary data also collected from the various sources care was taken to collect all the relevant data with reference to the particular period of study.

PLAN OF STUDY

The dissertation is divided into five chapters

Chapter – I Introduction

Chapter – II Growth of Co-operative Movement.

Chapter – III Role of Weavers Co-op. in Salem District

Chapter – IV Profile of Ammapet handloom weaver's co-operative society in Salem District - An Analysis

Chapter – V Findings, suggestions and Conclusion
LIMITATIONS OF THE STUDY

1. The study was confined to Salem Ammapet Handloom Weavers Co-operative society alone.

2. The study had been confined to the performance of Salem Ammapet Handloom Weavers Co-operative for five years period only.

3. The scope of this study is restricted simple to keen the project work within manageable limits conditioned by the cost and time factors.