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PROBLEMS OF HANDLOOM WEAVERS’ CO-OPERATIVE SOCIETIES IN SALEM DISTRICT AND REMEDIAL SUGGESTIONS

6.1 INTRODUCTION

Business world is highly competitive for any sector and they have to face so many problems. The handloom weavers co-operative societies are no exception to this. Weavers co-operative societies are established with the objective of improving the economic conditions of the poor weavers. In this modern world of technological advancement, the societies face various problems in many fields like production, marketing and finance. This chapter envisages some of the important problems faced by these societies along with the suggestions or remedies to such problems. The problems are

i) Lack of Finance.
ii) Inadequate supply of yarn by Co-optex.
iii) Supply of inferior quality of yarn.
iv) Competition from master weavers and powerloom owners.
v) Lack of improvement in the modernisation of looms.
vi) Non-utilisation of multichannel marketing.
vii) Absence of innovative designs and combination of colours.
viii) Absence of timely decisions to cope up with the prevailing circumstances.
ix) Disloyalty of weaver members.
x) Lack of competition among the weavers co-operative societies.
6.2 FINANCE

Co-operative societies are facing the problem of limited finance for their working. The funds are raised by the societies through share subscriptions from ember weavers, borrowings from the state government, financing bank or other co-operative institutions by way of loans and advances and deposits. The societies can improve the funds by way of increasing their member weavers to enable them to raise more share capital. More the number of members, more will be the share capital from the members and from the government. The Co-optex help the primary societies in two ways, by distributing yarns to the respective societies on cash basis in turn procuring the finished goods on credit basis. The Co-optex is not maintaining payments promptly and it affects the overall financial positions of the societies. In order to solve this problem the Co-optex should supply the yarn on credit basis and procure the finished goods on cash basis. The government should ensure that payments are made promptly to the weavers co-operative societies by Co-optex. The cash credit may be invested from the present level of Rs.3,000/- per loom to Rs.5,000/- per loom so as to enable them to get more working capital needed due to the increase in yarn prices.

6.3 INADEQUATE SUPPLY OF YARN BY CO-OPTEX

The societies are purchasing yarn from Co-optex through the yearn depots. Sometimes due to the non availability of yarn with Co-optex, the societies suffer with shortage of yarn, consequently, the members' work will be
affected. The present procedures stipulate that whenever there is shortage of yarn the Co-optex will issue a 'no stock certificate' and based on this the societies have purchase yarn from the open market. However the societies face the problem of delays in getting such 'no stock certificate' from the Co-optex. Steps should be taken by the Tamil Nadu State Co-operative Handloom Weavers Federation to issue the 'no stock certificate' without delay.

In order to ensure the steady supply of yarn to respective societies the Co-optex should make arrangements with co-operative spinning mills to attain the self sufficiency in requirements for its own societies or steps should be taken to stop selling the yarn to the private parties by the co-operative spinning mills without the knowledge of Co-optex. In order to give priority for the full employment of weavers, regular and steady supply of yarn is inevitable.

6.4 QUALITY OF YARN

The quality of yarn supplied to the weavers should be in par with the quality of yarn available in the private sector. Sometimes it is alleged that the yarn supplied to the weavers are not of a good quality and since because of that the weavers face many problems. The quality of yarn received by the societies sent for dyeing is poor. After dyeing it is difficult to trace the quality of yarn by mere appearance and it is possible to infer the quality only when the yarn is fed into the process of reeling. If the yarn is of poor quality, the warp will get cut off frequently. The weaver will have to stop weaving frequently to connect the warp. This has the psychological effect on the weaver because they feel
frustrated due to frequent interruption is weaving. It will be a great pleasure for the weavers if the quality of the yarn is good and everything goes smoothly while weaving, ending with good quality product. In order to overcome the supply of interior quality yarn to the societies the Co-optex should compel the co-operative spinning mills to produce yarn of better quality in the long run. The Co-optex should make arrangements that the yarn required by the societies be well tested in all the ways like reeling, dyeing and other modes of processing the yarns by the co-operative spinning mills.

6.5 COMPETITION FROM MASTER WEAVERS AND POWERLOOM OWNERS

The main threats faced by the societies are from master weavers and powerloom owners. As far the conditions imposed by the government through the Handloom Directorate the powerloom sector and master weavers are forbidden not to make identical quality, and designs which the handloom sectors produce. Inspite of this such products are being produced in powerlooms illegally and marketed at prices cheaper than that of the handlooms in order to maximise the profits. Necessary steps to be taken by the investment in this regard to avoid violations of such act by the powerloom sector safeguard the interests of the handloom weavers.

Weavers are attracted by powerlooms than on handlooms because working on powerlooms requires less energy, fetch more wages and good quality of yarn supplied by them. Hence this 'less energy more wages'
fascinates the young weavers towards powerloom without knowing the implication of their involvement in powerlooms, they acts deterrents for the development of the handloom sector. To solve this problem the handloom sector can be modernised on par with the powerlooms to attract the weavers by means of paying more wages, job security and supply of good quality of yarn.

6.6 MODERNISATION OF LOOMS

At present the handloom weavers are purchasing their weaving equipments from outside market. Being most of them are illiterates they are exploited by private traders. To protect the interest of member weavers the societies must take all steps to purchase weaving appliances required by the members and distribute them at the subsidised prices. The societies can extend their technical assistance for the installation and upkeeping of the handlooms of the member weavers.

There should be an all out drive to introduce improved appliances and looms should be modernised so as to increase the production capacity and utilisation of the existing looms. For example, in the semiautomatic loom, a weaver can produce 12 metres of cloth in 8 hours whereas in a traditional loom he can give only 5 metres of cloth in 8 hours. This would also increase the income of the weavers.
6.7 MULTICHANNEL MARKETING

New vistas have to be opened for the multichannel marketing of their finished goods by the societies which they are not aware of generally. To cope up with the very competitive textile industry the weavers co-operative societies must augment their sales by adopting latest techniques and procedures for marketing their products. This cannot be done by selling their goods through experts. The societies must avoid keeping their finished goods unsold for a long times which will tarnish the appearance of the finished goods. This not only affects the quality of goods but also locking of funds in stock.

Generally the societies most trusted allay in marketing is Co-optex through which bulk of their finished goods are sold. The Co-optex pays the societies for their finished goods at a lower price than in the open market. Moreover the Co-optex procures the finished goods on credit basis which leads to lack of funds for the societies. To get rid of this problem the Co-optex must fix reasonable price for the procured finished goods comparable to price index of open market to the societies.

The production and marketing are the two important functions which are not only interdependent but are also inseparable. The weavers co-operative societies produce the product but the responsibility of selling lies with the Co-optex which is an independent body. These two are separate functions and hence the right of producing and responsibility of selling are entrusted with two different institutions. Unless there is co-ordination among them success
cannot be achieved. Separation of these two functions may achieve the objectives of the societies. More autonomy should be given to the societies to sell their finished products through its own sources leaving a considerable percentage to Co-optex. The societies can have their own retail outlets. Co-optex which has got world wide connection in marketing, can be entrusted with the task of exporting the handloom goods since the industrial societies cannot expect their products.

6.8 ABSENCE OF INNOVATIVE PRODUCT DESIGNS AND COMBINATION OF COLOURS

The weavers co-operative societies are not able to supply the products in tune with the customers interest. The taste is different from person to person. The people are fascinated with new colours, designs and style of products. In turn it becomes the responsibility on the part of the weavers co-operative societies to supply products to the tastes and interests of the customers. Therefore the societies should innovate various designs and combination of different colours in order to meet the changing needs and fashions of consumers. Design and development department has to be established in order to ensure improved quality and conformity in existing products, finding new uses for the existing products and developing new products. It should collect new designs from various sources such as consumer council, designers, kovil collection and Inter State and National Institute of Designs. Even computers can be used to create finer varieties and eye-catching designs and new colour combinations.
6.9 ABSENCE OF TIMELY DECISIONS TO COPE UP WITH THE PREVAILING CIRCUMSTANCES

For smooth and efficient functioning of the societies, timely decisions are absolutely essential to adjust with the prevailing circumstances. Higher wages paid by master weavers and spinning mills attracts the member weavers during the peak period of demand for increased wages. The makers of the weavers' co-operative societies are with the master weavers for sometime for the sake of increased wages. They compare the fringe benefits given by the master weavers to the of the weavers co-operative societies. The member weavers generally want instant remedies to their day-to-day needs and forego the better benefits extended to them by the societies in the long run. For this purpose timely decision is inevitable to protect the interest of the member weavers. At times during the peak period of demand master weavers increased the wages while that cannot be done immediately in the societies. Since it is a policy matter and permission in case of wage hike is required from the higher authorities during this sort of crucial period. Generally there will be considerably delay in obtaining the permission from the higher officials and by then the members would have left the societies to weave for the master weavers. The administrative body of the weavers co-operative societies can be given more powers to take quick decisions at the right time so that these societies can go ahead with the prevailing conditions and there will not be any backlog in work. The members will feel that they are on par with others in the field when the society responds immediately to their demand for higher wages. This feeling is really an asset for the society.
6.10 DISLOYALTY OF WEAVER MEMBERS

The weavers co-operative societies are facing a problem which is procedural rather than technical requiring careful consideration. Generally the dyed yarn is given in weight to the weavers for weaving for which the weavers return the finished goods with a margin of wastage in wet conditions in order to make finished goods weighing more. A considerable quantity of yarn left behind with the weavers when there is a difference in weight along with the permitted margin of wastages. The weavers weave outside market at lower price than societies' price. It is the moral responsibility of the societies to educate the weavers that the betrayal in any kind to the society is harmful to the weavers only. The weavers should feel that the society is for them, by them and of them.

6.11 MISUSE OF REBATE

To attract and to promote the sales of handloom goods the government has floated the scheme of rebate. During specified periods, the weavers co-operative societies are allowed to sell the goods with discount which is equally borne by the state government and central government in the form of rebate. Really it is an attractive system available during the festival seasons when there is much money in circulation in the hands of the public. This system facilitates to clear up the accumulated stock, since the consumers are able to purchase the handloom goods at cheaper prices. This privilege has been misused and leads to corruptive practices because sales made during the
non rebate are kept in suspense account and are accounted only during the rebate period. The rebate so drawn is misappropriated by the corrupt official from top to bottom. The consumes are also interested to purchase handloom goods only when the rebate is available. That is why during the period of rebate the rates are high. Dealers in cloth and private merchants buy from the societies during the rebate period and sell during period when there is no rebate. This enables the traders sell handloom cloth purchased from the societies during periods when there is no rebate and to avoid certain unwanted practices prevailing among the officials of the weavers co-operative societies the government may allow rebate to the consumers throughout the year. This rebate will promote the higher demand for handloom goods among all the categories of consumers throughout the year.

6.12 LACK OF COMPETITION AMONG THE WEAVERS CO-OPERATIVE SOCIETIES

For any industrial sector healthy competition is the main basis for promoting the production and sales. Generally this aspect of competition is not adequate among the weavers co-operative societies. Since the societies are lacking in infrastructure facilities in developing their own designs and finest varieties, perfection in finishing and eye catching colours. Hence a sense of competitiveness has to be established among the weavers co-operative societies. For this purpose the government has to moot out all possible measures like incentives based on production and sales. Awards, cash prizes and other related programmes may be initiated in order to encourage the
individual societies on the best design, quality, combination of colours and shades and designs. These programmes may be linked with the daily requirements of the societies like increased quota of yarn, increased financial assistance for the best performance of these individual societies. In this regard the government should exercise proper care with a sense of responsibility and right procedures has to be adopted in selecting the societies for the best performance without any bias.

6.13 CONCLUSION

In order to protect the interests of weavers as well as the weavers co-operative societies, the notification of the Textile Commissioner and the Director of Handloom and Textiles reserving the patents on certain varieties of cloth exclusively for the handloom industry should be strictly implemented. Any offence of violation regarding this should be dealt with deterrent punishment. By and large the societies are facing acute shortage of so many amenities, hence upgrading of societies by modernisation processes will help not only the societies but also the socio economic front of the members weavers. The government should take all necessary steps on war footing to make the public aware of co-operative movement.