CHAPTER VII

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INTRODUCTION

Handloom industry is playing a vital role in India's economic development since independence. The Handloom industry was the sole supplier of clothing for the entire population in our country till the invasion of East India Company during the 17th century. Since then the historic glorious past of the handloom industry in India faced several droughts under the British rule. After independence the condition of weavers was miserable and during 1950s efforts were made to bring weavers under the weavers co-operatives in pursuance of the industrial policy resolution.

The introductory chapter reveals the Design and Execution of the study in which the importance of the handloom industry has been stressed. The chronology of development of handloom industry has been narrated. Under the British rule how the industry had severe setbacks by the stringent measures taken by the Britishers has also been discussed.

This problem has been taken in order to make an empirical study of the overall functioning of handloom weavers co-operative societies which have their widespread ramification in the socio economic fibre.
The second chapter envisages how the principles of co-operation are indispensable to the civilised world. The evolution of co-operative principles started when a committee was set up by International co-operative alliance in 1937 to deduce the principle of Rochdale pioneers. The committee had recommended open membership, Democratic control, Limited interest on capital, bonus on purchases, political and religious neutrality, cash trading and promotion of education as Rochdale principles.

The third chapter enumerates the progress of co-operatives movement in India since the principle of co-operation was inherent in the life of our predecessors. Prior to the introduction of co-operatives credit, the money-lenders were financing the agriculturists. Taccavi loans were given under 1883 and 1884 Acts which only financed the officers and not the poor agriculturists. As per the recommendations of Fredrick Nicholson the Co-operative Credit Societies Act of 1904 was passed and the defects of the same were rectified by another Act in 1912.

Co-operation became state subject and emphasise the due importance. "The Madras Co-operative Land Mortgage Banks' Act 1934" was introduced containing some special provisions to the Land Mortgage Banks in India. The Multipurpose Societies Act was passed in 1948 in order to encourage multipurpose co-operative societies in the state.

Like other sectors, priorities for development of co-operatives in the sectoral fields, were fixed by the planning commission in all the Five Year
Plans. In the First Five Year plan, setting up of co-operative organisations in the activities of agriculture, marketing, cottage and processing industries, was emphasised. In the second Five Year Plan, stress was laid on the development of agricultural credit, marketing, processing and all other aspects of production in rural areas. During the Third Five Year Plan, co-operatives were to become the principal means of economic life, notably in agriculture and minor irrigation, small industry and processing, electrification, housing and construction local communities. During the Fourth Five Year Plan, agricultural co-operatives and consumers' co-operatives were to occupy a central position. The fifth Five Year Plan envisaged four specific objectives for the co-operatives, Firstly, to strengthen the network of agricultural co-operatives, secondly, to build up viable consumer co-operatives, thirdly, to remove regional imbalances and lastly, to pay special attention to the needs of small marginal farmers, other weaker sections and also of tribal areas. The Sixth Five Year Plan envisaged the strengthening of primary credit societies so that they are able to effectively serve as multi-purpose units catering to the diverse needs of members. The Seventh Five Year Plan seeks to emphasise policies and programmes which will accelerate the growth in food grains production, increased employment opportunities and raise productivity. The Eighth Five Year Plan envisages the importance of making village level primary agricultural co-operative societies viable as multi purpose institution.

The Fourth Chapter has revealed the role played by the weavers co-operative societies in promoting the interests of weavers. The constructive measures taken by the societies for the cause of general awakening of the
co-operative movement among the public, and the steps taken to bring the weavers under co-operative fold, in order to liberalise them from the clutches of master weavers is also discussed. The HWCS played a major role in bringing the government as well as the weaving community to share the burden equally to make the societies running profitably and to accelerate the socio-economic status of the member weavers as well as the country.

The Fifth chapter analyses the progress and working of the Salem District. For this empirical study 34 handloom weavers co-operative societies were selected to review the overall performance during the study period from 1989-90 to 1993-94. The study depicts a clear increasing trend in the total number of looms, the share capital from members and from all sources, investments, assets, liabilities working capital, total deposits collected from members by way of thrift and savings and security scheme, stock of yarn and finished goods at the beginning of the year and the end of the year shows an increasing trend which is an inference that the societies are trying their level best for job protection to the weavers. The societies have discussed yarn to them which has increased the value of production of the societies. Through sales made by them. Fluctuating trends were manifested in cases of memberships, borrowings, Reserve Funds, Purchase of yarn, Volume of sales and sales through Co-optex. Net profit gained by the societies has increased where net loss suffered by the society shows a fluctuating trend.

The Sixth chapter insists that there is an absolute need to protect the interests of weavers as well as weavers co-operative societies by promulgating
orders from the government regarding the patent rights exclusively meant for the handloom apparels. Those who violate such rights should be dealt with deterrent punishments.

The study envisages the following suggestions and recommendations as a remedial measure to the problems of the weavers co-operative societies from the historical past.

i) Membership

The societies can make a drive for membership mobilisation so as to bring many members to the co-operative forum which will derive more benefits to the members as well as the society.

ii) Looms

The Co-operative societies may take the risk of procuring and distributing the modernised looms to the member weavers, thereby avoiding their exodus to work under master weavers and private merchants.

iii) Quality of yarn

The co-operative spinning mill should not forego the interests of the societies regarding the supply of yarn. It should be conscious of the quality they produce. They should exercise vigilance on the purchase of quality on the
purchase of quality of quality cotton. Quality measures should be taken to ensure the best cotton mix suitable for the count of yarn produced. Efficient supervision of the workers is also necessary. The dyed yarn can be supplied by the spinning mills to the respective societies to root out the corruption in all the possible means. The members weavers also must be loyal to the co-operative societies.

FINISHED GOODS

The finished goods woven and given by the members must differ in all the ways like design, texture, combination of colours, quality and varieties of cloth between the societies. This will help a constructive mode of competition and thereby it will create a steady demand for handloom goods throughout the year. The stock of finished goods must be cleared periodically in order to avoid the unnecessary locking up of funds in finished goods. Multi-channel marketing facilities must be adopted by the societies. The multi-channel marketing includes opening of own retail selling units, export of handloom goods, trade exhibitions apart from sales through Co-optex.

FINANCE

The day to day affairs of any society depends on finance. It plays a pivotal role. The government must enhance and ensure the steady flow of funds by way of increasing case credit limit.
The handloom weavers co-operatives must try their level best to bring the non-members under the umbrella of co-operative societies. The following measures may be adopted for this purpose.

a) The societies may invite veteran co-operatives to give lectures on co-operation periodically.

b) The societies may screen films and slides on co-operation to create awakening among the non-members. It may prompt all the non-members to make use of the facilities available in co-operatives such as higher wages, regular supply of raw materials, regular employment opportunities, etc.

c) Higher advances may be given to the members so that the non-members may also be attracted to the co-operative fold.

d) The societies may provide common production shed, community hall and other social facilities which may attract non-members too.

e) The overall study emphasise that there is no substitute to co-operation particularly in the case is the livelihood of millions of poor handlooms weavers. The government must also join hands with the people of India. The apparels produced by the handloom weavers society is for the people, by the people and of the people.