CHAPTER IV

ROLE OF WEAVERS CO-OPERATIVE SOCIETIES IN PROMOTING THE INTERESTS OF WEAVERS

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ROLE OF WEAVERS CO-OPERATIVE SOCIETIES IN PROMOTING THE INTERESTS OF WEAVERS

4.1 INTRODUCTION

The human race with perception invented so many things of which handlooms plays a major role for the civilised modern world. Handlooms are part of the warp and well of Indian rural life. Weavers co-operative societies occupy a very important place in the Indian co-operative movement. The age old Indian handloom Industry is the largest of all cottage industries which ranks next to agriculture and provides employment opportunity to the world's second largest man power nation. 

The tradition of handloom weaving in this country has been long and distinguished and the skill of Indian hand loom weavers has been of very high order Prof. Weber remarked, "The skill of Indians in the production of delicate Woven fabric, in the mixing of colours,........ and in all the matters of technical arts has from very early times enjoyed a world-wide celebrity".

The handloom weavers co-operative societies were started mainly for the benefits of the coolie weavers from the clutches of master weavers and to improve the economic conditions of weavers. Before starting handloom weavers co-operative societies the handloom weavers depend on master

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weavers for getting yarn, finance and for marketing their products. Master weavers supply yarn to them and collect the finished products from them. They pay wages to the handloom weavers at piece rate. The handloom weavers thus depend on master weavers for getting employment. In certain occasions like festivals, marriage and death of a member of the family, they also borrow money from the master weavers. They pay them low wages and they do not maintain proper accounts for the loans given and the amount deducted. Weavers co-operative societies have been started as a remedy against the exploitation of poor weavers by master weavers. So the weavers were attracted towards. Handloom weavers co-operatives to have a better path of life. This chapter matters the role of co-operative societies in promoting the interests of weavers.

4.2 OBJECTIVES AND FUNCTIONS OF WEAVERS CO-OPERATIVE SOCIETIES

Weaver's Co-operative Societies are established in any area where there is concentration of weavers with the following main objectives.

1. Improvement of the handloom industry.

2. Improvement of the economic condition of the weavers residing in the area of operation. For achieving these two main objectives, the society undertakes the following functions
a. Raising money from the weavers and others by

- i) issue of shares
- ii) borrowing
- iii) receiving deposits

3. Purchasing raw materials and appliances as may be required for the industry

4. Distributing raw materials and appliances for cash or credit to the members.

5. Purchasing yarn and other raw materials.

6. Advancing yarn and other raw materials to the weaver - members for the purpose of converting the same into finished products.

7. Payment of wages to members for converting the raw materials into finished goods.

8. Arranging for the marketing of the finished goods to the best advantage of the society.

9. Purchasing and holding in common or letting on hire improved appliances connected with the industry.
10. Acting as an agent for the joint purchase of the domestic and other requirements of its members and for the sale of their finished products.

11. Taking up insurance agency and arranging for the insurance of the lives of the members.

12. Opening sales depots in places selected by the Board of Directors subject to the previous approval of the Registrar.

13. Borrowing funds from the Government to be utilised for the issue of loans to members for the discharge of prior debts to master weavers contracted prior to the admission into the society and

14. Doing any other acts conducive to the attainment of the main objectives.

4.3 TYPES OF WEAVERS SOCIETIES

The organisation of production in the co-operative sector is carried through the formation of different types of weavers societies to suit the needs of different categories of weavers in the state.

1. Primary weavers co-operative societies covering mostly cotton varieties.
2. Silk weavers co-operative societies for pure silk varieties.

3. Industrial weavers co-operative societies which provide worked type infrastructural facilities for loomless weavers.

4. Industrial societies are also set up for Adi-Dravidar weavers with financial assistance from Special Components Plan and cluster Development Programme. In addition, there are industrial weavers co-operative societies formed exclusively for the rural women.

5. Co-operative Intensive Handloom Development Projects for providing continuous employment and increased earnings to the weaver members through modern methods of production and innovative marketing strategies. The projects also provide all the pre-loom and post-loom infrastructural facilities to the weavers.

4.4 OPERATIONS OF WEAVERS CO-OPERATIVE SOCIETIES

The weavers co-operative society buys yarn in bulk from the co-operative spinning mills and gets the same dyed in private or co-operative dye factories. The yarn so dyed is distributed to the members for weaving and the members have to deliver the cloth within a stipulated period which is normally 15 days. As yarn is issued for weaving a particular type of cloth such as saris, towels and dhoties in fixed numbers, the members will have to first arrange for the pre-loom processing of yarn. The yarn is warped and sized and
the warp is fitted into looms weft is also simultaneously prepared on small bobbins to be fitted into the flying shuttle. Since the member is to engage skilled weavers in these processes, he needs money to pay wages to them, for which purpose the society may pay him an advance called piece advance cloth can be delivered to the society in pieces as and when it is woven. In each delivery, some societies pay wage advance to the members, when the member delivers all the given number of pieces of cloth item, he is paid all his wages calculated at piece rate, after deducting his piece and wage advance. Besides these advances the society also issues 'cash advance' on loans to help the member tide over financial difficulties on certain occasions like festivals and death of a member of the family. This advance is recovered in instalments from the wages.

When the member settles account for the set of yarn by delivering a corresponding set of a given item of cloth, he can get yarn for weaving further and this process continues. If the member does not make delivery of cloth within three months from the date of issue of yarn, the value of yarn and other materials issued is classified as overdues and the society will have to take steps for the recovery of the same. After collecting cloth from the members, the society markets the same directly and through the Apex Handloom weavers co-operative society, as well.
4.5 MEMBERSHIP AND SHARE CAPITAL

Any weaver over 18 years of age, who is competent to enter into contract and residing within the area of operation is eligible for admission as a member. In the case of non-weavers, other than master weavers and dealers in cloth, membership is limited to 10% of the total number of 'A' class members. Master weavers and dealers in cloth are not eligible to become members. Miners owing looms and possessing ration cards for the supply of yarn are admitted as 'B' class members, who will not enjoy the voting rights. The face value of each 'A' class share is ten rupees and 'B' class one rupee. This amount is collected in one lump sum on allotment.

4.6 FUNDS

Besides the share capital collected from members the society raises funds from the following sources.

i) State Participation in the Share Capital

To facilitate the revival of dormant and weak weavers co-operative societies and also to help the societies to increase their borrowing power, the Government are providing financial assistance by way of state participation in the share capital structure of such societies share capital participation upto Rs.10,000 from the State Government.
ii) Cash Credit

The National Bank for Agricultural and Rural Development (NABARD) extends working capital loans to the primary societies at 9.5% interest (2.5% below the Bank Rate) through the Co-operative Banks. In order to enable the participating co-operative banks to pass on the NABARD assistance to the primaries at 9.5% interest, the State Government provides interest subsidy at 3% to the District central co-operative banks and 1% to the Tamil Nadu State Co-operative Banks.

iii) Other Deposits

The society collects deposits from members and non-members as follows:

a) Thrift Deposit

Thrift deposit is collected from the member at the rate of 6 paise per rupee of wages paid by way of deductions from wages and is credited to his thrift deposit account in the name of the member. When a sizeable amount of thrift deposit accumulates, the same is transferred to the share capital of the member.
b) Fixed Deposits

Fixed deposits are accepted by the societies from members and non-members carrying interest at the rate of not more than 6% per annum.

c) Earnest Deposits

Newly started societies collect earnest deposits from members for the purpose of yarn issue

iv) Reserve Fund loan upto Rs.10,000 from the State Government in the initial years of establishment.

4.7 ADMINISTRATION

The Commissioner of Handlooms and Textiles (CH & T) at Madras is the state authority for planning and co-ordinating the implementation of the various programmes for the promotion and development of the handloom industry. The CH & T is also State Registrar for Weavers Co-operative Societies and Co-operative Spinning mills in the State. The CH & T is assisted at the State and the District level by administrative and technical officers. The entire state is divided into 14 circles and each circle is under the control of an Assistant Director of Handlooms and Textiles. The head quarters of the 14 circles are at Kancheepuram, Vellore, Tiruchirappalli, Chidambaram, Salem,
Tiruchengode, Erode, Coimbatore, Madurai, Virudhunagar, Dindigul, Manamadurai, Tirunelveli and Nagercoil.

4.8 MANAGEMENT

The ultimate authority of management vests with the general body consisting of all the 'A' class members. This authority is exercised through a board of directors elected by the 'A' class members. The tenure of directors is three years and a third of them retire by rotation every year. The retiring directors are eligible for re-election. The composition of the board ranges from 7 to 9 of whom at least 5 should be weavers.

The authority of day today administration is delegated to a full time secretary, who may be a departmental officer on deputation or an individual appointed by the board. In the case of erring managements, the Board has been superseded by the government and a special officer is appointed to manage the society. The rest of the management from the rank and file employees, which group is insignificant in number and status.

4.9 SUPPLY OF INPUTS

a) Yarn

In order to ensure adequate and timely supply of hank yarn at reasonable prices to the weavers co-operative societies, the Tamil Nadu
Government promoted co-operative spinning mills in the state. There are 18 co-operative spinning mills in the state with a total installed capacity of 4.69 lakh spindles to produce 16,000 bales of hank yarn of different counts per month. For the handloom weavers in the co-operative sector, yarn supply is made through the Co-optex at concessional rates fixed by the CH & T.

b) Processing

The Tamil Nadu Co-operative Processing Mills at Erode provides the facilities for processing - hank yarn, dyeing cum cloth bleaching, dyeing, mercerising and screen printing to the weavers in the co-operative society.

c) Zari

The Tamil Nadu Zari Ltd at Kancheepuram is a public sector unit manufacturing and supplying quality Zari to the co-operative silk societies.

d) Technical Assistance

To reduce human drudgery and to increase the productivity and the earnings of the weavers, the Government of Tamil Nadu has been implementing a scheme for modernisation of handlooms.

Under the scheme the handloom co-operatives are encouraged to upgrade the existing looms or purchase new looms of higher efficiency and
also provide lighting facility in the work place of the weaver. Financial
assistance to the scheme is provided through a mix of credit and subsidy and
the total expenditure is shared equally by the state and the centre.

4.10 DISTRIBUTION OF PROFIT

The net profit of the weavers co-operative society is appropriated as
follows:

1. 20% to 30% is credited to Reserve Fund.

2. 5% is credited to the Co-operative Development Fund.

3. Dividend is paid on the share capital upto 14% of its paid up value.

4. 50% of the Net Profit is utilised for payment of bonus to weaver
members.

5. Upto Rs.1200 to be paid bonus to each employee of the Society.

6. Upto 2% of the Net Profit is credited to the co-operative education
fund.

7. Upto 10% of the Net Profit is carried to Price Equalisation Fund.
8. Upto 10% of the Net Profit is credited to the Building Fund.

9. Upto 3 1/8 % is credited to wages Equalisation Fund.

10. Upto 10% of the Net Profit is credited to the common Good Fund. This fund can be utilised for the purpose of giving medical relief, sanitation, education and propaganda and maintenance of library.

11. Upto 5% of the Net Profit is credited to a Special Rebate.

12. The balance, if any, is credited to the Reserve Fund.

4.11 MARKETING SUPPORT

a) Co-optex

The Tamil Nadu Handloom weavers Co-operative Society (Co-optex) is the principal agency in the state for the procurement and supply of raw materials, mainly yarn to the primary weavers societies and for extending marketing support to the handloom goods produced by the primaries. Co-optex has a net work of showrooms throughout the country for promoting handloom goods of all varieties produced by weavers co-operative societies. The Co-optex is also providing technical assistance for product development to the weavers co-operative societies through its design-cum-service centres at Madurai, Tiruchirappalli, Salem and Coimbatore.
b) Market Development Assistance Scheme.

A major measure undertaken by the government to dispose of the stock with the weavers co-operative as also the Co-optex and thereby provide continuous employment to weaver members is the grant of rebate on the sale of handloom cloth to the consumers during specified festival periods. The government sanctions rebate on the price of handloom goods sold to the consumers. The reduction in the price is borne by the central and State governments equally. The percentage of rebate varies according to the availability of funds and the accumulation of stocks. This rebate is available for 30 days in a year and is staggered on various occasions like Deepavali and Pongal.

c) Janatha Cloth Production

The production of Cheaper varieties of handloom dhoties, saris and lungis is undertaken by the weavers co-operatives in the state under the Janatha Cloth Scheme sponsored by the Government of India. The win objectives of the scheme is to provide continuous employment to the handloom weavers on the one hand and meet the clothing requirements of the economically weaker sections of the society on the other. The Janatha dhoties and saris are also distributed free of cost to families below the poverty line in the state. The Government of India fixes the consumer price for each variety of Janatha Cloth and also provides subsidy on production. The Co-optex organises the production and sale of the Janatha Cloth in the State.
4.12 WELFARE SCHEMES

There are various welfare schemes available to the members of the weavers society.

a) Savings and Security Scheme (SSS)

The co-operative handloom weavers savings and security scheme covers the handloom weavers co-operative fold in the state. A weaver joining the scheme contributes 6 paise for every rupee of wages earned by him and the government contributes 3 paise. The Government also pays 7% interest every year on the accumulation under the fund. The entire accumulations under the fund will be paid to the weaver member on attaining the age of superannuation (55 years). The scheme is linked to the Group Insurance Scheme of the LIC for which the premium is paid by the government. Under this agreement, if a weaver dies, his nominee gets Rs.15,000 from the LIC. In addition, the Co-optex pays Rs.2,000 to the nominee of the deceased member. Thus, a weaver family gets Rs.17,000 plus the accumulation under the savings and security fund accounts.

b) Central thrift fund

The Government of India launched a centrally sponsored Thrift Fund Scheme for handloom weavers throughout the country. Under the scheme, the matching contribution of the Central Government shall be subject to a ceiling
of 3 paise per rupee of wages earned by each weaver member and limited to Rs.90 per weaver per annum or at the rate decided by the Government of India from time to time. The assistance is in the form of grant to the state government. Having regard to the allocation of funds by the centre from year to year, the trustee shall have the power to distribute the central funds amongst the subscribers in proportion to the number of subscribers on role at the beginning of each financial year.

c) Dr. M.G.R. Weavers Welfare Government Trust

Dr. M.G.R. Weavers Welfare Govt. Trust was formed in 1986 on the eve of the golden jubilee celebrations of the Tamil Nadu handloom weavers Co-operative Society Ltd. (Co-optex) for providing financial assistance to the wards of poor weaver members for pursuing higher education, especially professional courses. The trust has been constituted with liberal contributions from the primary weavers societies and the Co-optex.

d) Family Pension Scheme

A new scheme, the Tamil Nadu Handloom Weavers Family Pension Scheme has been initiated by the State Government during 1991-92. Under the scheme the family of a weaver who dies in harness would receive a monthly pension of Rs.250 for 10 years. The assistance would enable the off springs of the weaver to continue their education and/or sustain their productive activity. The weaver will contribute Rs.2 per month to the family pension fund and the
government will create a corpus for the scheme through payment of an additional interest of 5% on the accumulations under the savings and the security Fund.

e) House-cum-workshed-scheme

The scheme for providing shelter to the weaving community in the co-operative sector is in operation since the beginning of the second five year plan. Since then the housing scheme has undergone several changes to suit the changing cost structure and the needs of the weaver. Currently the house-cum-workshed scheme in urban areas envisages provision of houses with concrete roof at an estimated cost from HUDCO and subsidy from the government. The loan component is Rs.19,000 per unit while the state govt. gives Rs.5,000 as subsidy. A central subsidy of Rs.5,000 per unit is also given to the beneficiary.

4.13 NEW PROJECTS

1. Integrate Handloom Development Project (IHDP) in Gudiyatham

Adopting an area based approach the IHDP in Gudiyatham is established by integrating 23 weavers co-operative societies in the area engaged in the production of lungies. The project is being provided with adequate supply of yarn, working capital and technology for quality dying
with a view to improving the productivity and earnings of the weaver members and to produce fine quality lungies for exports.

2. Integrated Co-operative Spinning Mill at Bargur

It is proposed to set up a Cotton Growers Co-operative Spinning Mill exclusively for women at Bargur in Dharmapuri District at a cost of Rs.22 crores work on the project commenced in 1992-93 with financial assistance from the NCDC. A sum of Rs.50 lakhs is being sanctioned to this scheme for 1992-93.

4.14 HANDLOOM MARKETING COMPLEXES

It is proposed to construct two marketing complexes one for silk at Kancheepuram and another for cotton in Erode where the showrooms of the primary societies in the state will be housed.

4.15 THE TAMIL NADU HANDLOOM DEVELOPMENT CORPORATION (TNHDC)

It has been set up to extend financial assistance to such weavers mainly in the form of working capital loans. Plans are afoot to undertake distribution of yarn, dyes and chemicals by the corporation to the weavers co-operative societies and weavers under the co-operative fold.
Health Package

Under Health Package Scheme, proposals have been submitted for the following purposes.

i) Reimbursement of cost of Medicines - Rs. 2.97 lakhs

ii) Cost of Testing eyes and reimbursement of cost of spectacles - Rs. 3.34 lakhs

iii) Maternity Benefit - Rs. 0.55 lakhs

iv) Sterilisation - Rs. 0.03 lakhs

2. For provision of drinking water facilities, in weavers housing colonies, so far 20 borewells have been sunk at Rs.35,000/- per well, sanctioned by the Government of India as subsidy

1992 - 93 - 1
1993 - 94 - 19

Proposals have also been submitted for providing drinking water facilities to 2 societies for the year 1994-95 at one each.
4.16 CONCLUSION

The chapter enumerates the role of weavers co-operative societies in promoting the interests or weavers in several ways. The day to day sufferings of the coolie weavers working under the master weavers were attracted by this co-operative movement. The handloom weavers co-operative societies were just like the pools made out of little drops in which the contribution of the weaving community is very less while comparing with the benefits they attain. While the government rendering helping hands to the societies as loans and subsidies and the weavers contributed their part by means of man power to work and up build the society as their contribution to the economic development of our nation.