CHAPTER I

INTRODUCTION AND DESIGN OF THE STUDY

1.1. Introduction
1.2. Statement of the Problem
1.3. Review of Previous Studies
1.4. Scope of the Study
1.5. Objectives of the Study
1.6. Hypotheses
1.7. Operational Definition of Concepts
1.8. Period of the Study
1.9. Methodology
1.10. Sampling Design
1.11. Collection of Data
1.12. Framework of Analysis
1.13. Limitations of the Study
1.14. Scheme of the Report
1.1. Introduction

Weavers, weaving at break of day.
Why do you weave a garment so gay?
Blue as the wing of a halcyon wild,
We weave the robes of a new-born child.

Weavers, weaving at fall of night,
Why do you weave a garment so bright?
Like the plumes of a peacock, purple and green,
We weave the marriage-veils of a queen.

Weavers, weaving solemn and still,
What do you weave in the moonlight chill?
White as a feather and white as a cloud,
We weave a dead man’s funeral shroud.

The poem “Indian Weavers” by Sarojini Naidu (1879-1949) traces the three stages in the life of a human being. The first stage is that of a new-born child. In the second stage the human being becomes an adult about to marry. In the final stage the poet captures the death of the human being.

Why are the weavers weaving such a beautiful and brightly coloured cloth in the early morning? That they are weaving the cloth for a new-born baby.

Why are they weaving such a bright garment? Its colour is a mixture of purple and green like the feather of a peacock, they are weaving the marriage-veils of a queen.
What are they weaving in this cold moon light? The cloth is white as a feather and a cloud. The weavers are weaving it to cover the body of a dead man.

The poem traces the three stages in human life. The poet uses the symbol of weaving to visually represent create the joys and sorrows of human life. The weavers weave clothes to mark every stage of human life. Their own life has its problems. Considering the weak social and material conditions of the weavers’ life, the government has formulated and implemented several schemes to help them. They have to be helped professionally with funds for their activities and they have to be assisted in organizing their work and then in marketing their products. They have to be helped to work without worrying about their children and their future. They have also to be helped to face their old age and lessened income and lessened capacity to work. This thesis studies the schemes that are mean to help the weavers.

To protect the handloom industries and safeguard the interests and well-being of handloom weavers the central and state governments have implemented welfare and development schemes as follows:

1.1.1. Welfare Schemes

i. Savings and Security Scheme
ii. Old Age Pension Scheme
iii. Weavers’ Family Pension Scheme
iv. Mahatma Gandhi Bunger Beema Scheme
v. Weavers’ Health Insurance Scheme
vi. Educational Assistance from Dr. M. G. R. Handloom Weavers’ Welfare Trust

vii. Assistance to Students of Indian Handloom Technology

viii. Implementation of Special Schemes under the Golden Jubilee Village Self Employment Scheme

1.1.2. Development Schemes

i. Rebate Scheme

ii. Free dhoti/sarees Scheme

iii. Free Electricity Scheme

iv. Free Uniform Distribution Scheme

v. Integrated Handloom Development Schemes
   a. Handloom Cluster Development Scheme
   b. Group Approach for Development of Handlooms
   c. Marketing Incentive Scheme (MIS)
   d. Fund Scheme for innovative Design Techniques – Advertisement; Exhibition, Training & Assessment
   e. Marketing and Export Promotion Scheme
   f. Scheme to Reward Best Exporters
   g. Awards for the Best Weaver Designer Scheme
   h. Handloom Product Reservation Act, 1985
In Tamil Nadu there are 1180 Weavers’ Cooperative Societies functioning with a total of 2,28,411 looms. Out of these, the active looms are 1,13,456. The remaining half (49.67%) of the total looms i.e., 1,14,955 looms, are idle.”

The production and sales of handloom fabrics in the year 2005-06 were Rs. 622.63 and Rs.719.63 crore respectively. This level of production and sales has been gradually raised to Rs.800.61 and Rs.914.63 crore respectively in the year 2008-09. In the year 2009-10 the production and sales of handloom fabrics have slightly fallen down. It is observed that over the period the volume of production of handloom fabrics and value of sales have grown very moderately only.

1.2. Statement of the Problem

The handloom cooperative societies play a vital role in the economy of our country. They provide employment as a source of livelihood for millions of handloom weavers. The development and rapid growth of handloom cooperatives is therefore of vital importance. Efficient financial performance is essential for the success of handloom cooperative societies.

Even though the main principle of the handloom cooperative is not profit earning but helping the poor weavers, it is not necessary to incur losses. The failure of the handloom cooperative societies will produce substantial losses not only to members and

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2 Ibid
society but also to the community at large. Therefore, the efficient financial performance of the Handloom Cooperatives is essential for success.

The handlooms play a vital role in the Indian rural economy, offering jobs to a large section of non-agricultural workers. The handloom sector is a household sector, spread throughout the country. Indian handloom fabrics have achieved a global reputation. Mahatma Gandhi categorically pronounced that the poor can be helped by ‘production by masses’ not by ‘mass production’. In the method of production by the masses, the main aspect is the weaver.

The history of handlooms in Tamil Nadu had been part and parcel of the history of Tamil Nadu itself. Madurai District is well-known for its handloom weaving. The handloom weavers in Madurai District produce cotton lungies, bed sheets, art silk sarees, Kodambakkam sarees, cotton towels and dothies.

The handloom sector had to face rigid competition from powerlooms and mills especially after liberalisation. Since the handloom sector is labour intensive, the handloom varieties are costlier. With a view to solving these problems, the planners in India started the Primary Handloom Weavers’ Cooperative Societies (PHWCS). For more than four decades, the Central and the State Governments have been taking steps to bring all the handloom weavers of this nation under the umbrella of the cooperative movement.
The cost of production is high in the handloom cooperatives since they are labour intensive and fair wages are paid to the artisans. In order to expand the market base the handloom cooperatives require government support. The government supports this industry directly and indirectly by providing various schemes.

For increasing the competitive strength of the handloom fabrics, Central and State Governments offer various schemes such as the Savings and Security Scheme, the Old Age Pension Scheme, the Weavers’ Family Pension Scheme, the Mahatma Gandhi Bunger Beema Scheme, the Weavers’ Health Insurance Scheme, the Educational Assistance from the Dr. M. G. R. Handloom Weavers’ Welfare Trust, the Assistance to Students of Indian Handloom Technology, the Implementation of special Schemes under the Golden Jubilee Village Self Employment Scheme, the Rebate Scheme, the Free dothies/sarees Scheme, the Free Electricity Scheme, the Free Uniform Distribution Scheme, the Handloom Cluster Development Scheme, the Group Approach for Development of Handlooms, the Marketing Incentive Scheme(MIS), the Fund Scheme for Innovative Design Techniques, Advertisement, Exhibition, the Training and Assessment, Scheme to Reward Best Exporters, the Awards for the Best Weaver Designer Scheme and the Handloom Product Reservation Act, 1985.

It has been observed that in spite of the various schemes, the handloom cooperatives in Madurai are not flourishing. In this context, the researcher undertakes the present study to assess the working of the various schemes in handloom cooperatives.
Different establishments such as the Handloom Cooperatives and the Khadi Crafts are producing handloom fabrics mainly for providing employment to weavers. To increase the competitive strength of the handloom cooperatives through improving the sales of the handloom fabrics, the Governments of different States have introduced several schemes. These schemes have greatly impacted handloom sales.

In spite of the fact that the handloom cooperatives employ a huge number of people, Handloom is considered a sundown business. Irrespective of the policies, projects, schemes and aspirations of the weavers and consumers, this industry is undergoing changes that would definitely affect the livelihood of the handloom weavers at large.

The Savings and Security Scheme eases the uncertainty regarding the future of the weavers but enrolling and continuing of members in this scheme is difficult to the handloom weavers of the PHWCS. The contribution by weavers, the State Government and Central Government to this scheme is not enough for the future needs of the handloom weavers. Relating to the Old Age Pension Scheme, the Family Pension Scheme and the Mahatma Gandhi Bunger Beema Scheme, the existence of procedural delay in getting the pension and retirement benefits cause frustration among the handloom weavers of the PHWCS, of course the Weavers’ Health Insurance Scheme is useful to the handloom weavers, the time taken for the refund, the amount of the refund and the applicability are the major problems faced by the weavers.
The schemes of Educational Assistance from the Dr. M. G. R. Handloom Weavers’ Welfare Trust and the Assistance to Students of Indian Handloom Technology offer very meager amount. While a lot of students are from weaving families only a very few of them are benefited under these schemes. In the case of the implementation of special schemes under the Golden Jubilee Village Self-employment Scheme for training and skill development, design promotion, strengthening the infrastructure of the PHWCS, funds allotted were not sufficient and the number of beneficiaries was also limited.

The rebate scheme has enabled the PHWCS to sell their goods at low prices and to become competitive in the market. This has helped the handloom cooperatives to clear their unsold stocks at the initial period of the introduction of the scheme. Unfortunately however, this system of rebate is beset with several disadvantages. Cooperative organisations are guided by their unique philosophy of “all for one and one for all”, but they lack a marketing philosophy. Handloom fabrics sold during the non-rebate period are kept in the suspense account and billed in the rebate period to claim more rebate from the government. The reimbursement of the rebate to the PHWCS from both the government and the Cooptex is delayed by more than six months. The quantum of the rebate is not enough and the period of rebate is also limited.

The Free Dhoti and Saree Scheme and the Free Uniform Distribution Scheme ensure more revenue and increases the earning capacity of the handloom weavers. They are not regular throughout the year. The Free Electricity Scheme for handloom weavers increases the work efficiency of the handloom weavers and also provides the
opportunity for continuous weaving during day and night. The quantity of free electricity under the scheme is not sufficient to the weavers. The restriction of the Free Electricity Scheme for weavers who have their own loom sheds is also a major drawback of the scheme.

In the case of the Integrated Handloom Development Schemes, training under the Handloom Cluster Development Scheme helps the weavers on updating skills and facilitates dyeing, warping and training the weavers. Anyhow the fund provided under the scheme is not enough. The Marketing Incentive Scheme and the Marketing and Export Promotion Scheme encourage the PHWCSs for marketing and export of their products. The amount of incentives and promotional assistance given by the central government is not sufficient. Awards for the Best Weaver/Designer Scheme initiate and encourage the handloom weavers to design new products in handloom fabrics. The amount of the award under the scheme is meager.

The Handloom Product Reservation Act 1985 safeguards the welfare of the handloom weavers. The number of items reserved under the Act is not enough to protect the interests of handloom weavers. The measures taken by the government to implement the Handloom Goods Allocation Act are not sufficient. The lapses in the implementation and administration of the welfare and development schemes not only affect the smooth functioning of the PHWCS but also affect the socioeconomic conditions of the weavers.
The present study is undertaken to examine and assess the administration and working of the various schemes in the handloom cooperatives. The findings of the study could help the effective implementation and administration of the various schemes. Intelligent administration of the schemes will not only improve the smooth functioning of the handloom cooperatives, but also improve the socioeconomic conditions of the weavers. The present study is undertaken to assess the administration of the various schemes in the handloom cooperatives. The findings of the study would pave the way for the effective implementation of the schemes that is essential for revitalising the industry.

1.3. Review of Previous Studies

Several studies have been conducted in the field of handloom in general and the handloom cooperative sector in particular. However, most of the studies are in the fields of production activities, marketing practices, handloom exports, organizational climate, economics of handlooms, cooperative leadership, up-gradation of handloom cooperatives, prospects and problems of handlooms, sickness in co-operatives, the impact of the weavers’ cooperatives on individual member-weavers and their benefits for the weavers and the Cooperative Industry and the New Economic Policy. The government has also conducted a number of studies.

The Government of India appointed a fact-finding committee in 1941, the Textile Enquiry Committee in 1954, the Working Group on Handloom Industry in 1959, the Powerloom Enquiry Committee and the Standing Handloom Committee in 1963 and the Working Group on the Handloom industry in 1964. The Planning Commission of

The Government of India appointed the Abid Hussian Committee in 1988 to analyse the problems that had arisen in the industry after the announcement of the 1985 Textile Policy. It appointed the Sathyam Committee in 1998 to suggest policy measures for making different segments of the textile industry competitive in the wake of Globalisation. In addition, there are studies related to product design and development, consumer satisfaction and effects of sale through various channels and advertisement programmes. However, most of these studies have analysed only the general aspects of marketing. A few such studies are reviewed in this study.

Iyengar (1964) in a study titled *A Study in the Cooperative Movement in India: Facts, Theory and Policies* pinpointed the drawbacks of the cooperative movement in India and offered suggestions for revamping the present position. He compared the cooperative movement in India with the popular countries known for cooperatisation such as the Union of the Soviet Socialist Republics (USSR), Germany and many other European and Asian countries.³

Srikantaiah et al. (1978) in a study entitled *A Study of Handloom Industry to Increase Productivity* studied the computation of the total cost of production of handloom and powerloom units in general and cooperative units in particular. This study recommended increasing productivity, cost control and diversification of products in handlooms. Nevertheless, they did not study the marketing side of the handlooms.⁴

Basavatappa (1979) in the thesis titled *Economics of Handloom Industries in Karnataka with reference to Bijapur District* traced the causes for the drastic fall of the handloom industry in Bijapur District in Karnataka State. He showed that organisational insufficiency, using obsolete equipment and tools, and traditional design were the major causes of the setback. It was further noted by the author that more than 70 per cent of the weavers’ the cooperative societies were defunct and hardly 15 per cent of the looms were under the cooperative fold.⁵

Arulanandam (1979) in the thesis *Handloom Industry in India* portrayed the evolution of the handloom industry in India. He recorded the significance of the Primary Handloom Weavers’ Societies in the handloom industry. The author further exposed the problems and difficulties faced by the handloom cooperative weavers from master weavers and powerlooms that were the real competitive force.⁶

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Shanmugasundaram (1980) in the thesis entitled *Weavers’ Cooperative Societies in Coimbatore District—A Study of Utilisation by Members* elaborated the viewpoint of the weavers on how far the members have utilised the facilities meant for the Weavers’ Cooperative Societies. He concluded that large loom holders utilise the facilities better than the medium and small loom holders.\(^7\)

Natesan (1983) in the thesis titled *The Financial Problem of the Handloom Industry in the Salem District* studied various types of weavers such as master weavers and independent weavers. The author found in his study that of the four major activities namely winding, warping, sizing and weaving, weaving is the primary occupation, providing the largest employment opportunity in the industry. He further stated that the weavers under all the categories show a positive attitude to the credit available at low cost and on an easy instalment basis.\(^8\)

Chidambaram (1984) in his thesis *A Study on Pure Silk Handloom Industry in Tamil Nadu* critically examined and analysed the functioning of the silk weavers’ cooperative societies in selected weaving centres of Tamil Nadu. The thesis expressed the problems and drawbacks confronted by the silk weavers’ cooperative societies and offered valid solutions for their effective functioning.\(^9\)

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Krishnaswami (1984) in the paper titled “Development of Cooperative Leadership” underlined the twin basic features needed for the better performance of the weavers’ cooperative societies such as professional management and a democratic control process. He further suggested that the government must demarcate the genuine cooperators from the others and government’s intervention must be there in the regular affairs of societies.10

Balasundaram (1985) in his article titled “Financing of Handloom Cooperatives” mentioned the different financial assistance provided by the State Government to the Primary Handloom Cooperatives. The author identified the assistances namely share capital contribution at different levels, assistance for trading in yarn, modernisation of looms and construction of office-cum-godowns by the primary handloom weavers’ cooperative societies.11

Ravinder Vinayak (1986) in an article titled “Marketing Practices and Conceptual Development in Decentralised Industry-A Case Study of Handloom of Haryana” observed the marketing practices and problems of the producers and dealers of handloom fabrics. One-fourth of their production was exported. The cost-plus profit mechanism was followed for pricing their products. The handloom producers


experienced a high level price competitions. They followed both the direct and the indirect channels to sell their products.12

Nagen and Das (1986) in the book titled Development of Handloom Industry studied the administrative functions in general and production and marketing problems of the handloom industry in particular in Assam. To coordinate the availability of yarn, processing facilities, working capital and marketing facilities the authors proposed a separate directorate for handloom.13

Krishnaswamy (1986) in the article “How to improve the Performance of Handloom Weavers’ Cooperatives?” identified the innate problems of the primary weavers’ cooperative societies in India. He advocated introducing modern management concepts like ‘Management by Objectives’ to tap the fullest utilization of human resources. The author emphasized further that technological advancement, innovation and effective management are vital for improving the performance of the primary handloom weavers’ cooperatives.14


Chellappan (1986) in the article titled “Sickness in Industrial Cooperatives” studied the level of sickness in primary handloom weavers’ cooperatives. He analysed systematically the reasons and causes for the sickness. After making statistical analysis and discussions with relevant sources he suggested measures to overcome the problems and for the improvement of the handloom cooperatives.  

Singh (1987) in the book *The Handloom Industry in Madurai City* analysed empirically the survival and existence of the handloom industry in Madurai city. The author analysed the role of cooperatives, master weavers and independent weavers in the industry. The book also acknowledged that the handloom industry is sinking only in the cooperative fold, but is self-reliant and profitable in the non-cooperative fold. He emphasised that this traditional industry should be made dynamic and competitive with a faster rate of growth by following modern techniques and methodology.  

Rayudu (1988) in his book *Economics of Textile Cooperatives* studied the nature of handloom industry as a whole in Andhra Pradesh and analysed the marketing structure of handloom cooperatives and the state government’s role in their development. He summarized the following suggestions for improvement: There must be: (a) clear demarcation for the 22 products produced exclusively in handloom industry; (b) regular and adequate supply of quality yarn to the weavers; (c) efforts to bring all the weavers within the cooperative fold; (d) a chance of exploring foreign markets for the handloom

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fabrics; and (e) financial assistance for the modernisation of looms and improving the housing facilities to weavers by the state government.\textsuperscript{17}

Renukarya and Niranjan Raj Urs (1988) in the article “Factors Affecting Production of Cotton Handloom Weavers’ Societies” indentified the factors influencing the production of Cotton Handloom Weavers’ Cooperative Societies and they said that there should be a positive relationship between the supply of raw materials and the production of handloom fabrics. It is a fact that the cooperative structure has very little control over the production of fabrics as well as the price of the raw materials.\textsuperscript{18}

Prakash (1989) in the article “Management of Cooperative: The Concept of Management Extension” proved the necessity for better management of cooperatives. The article examined the functional areas, the management of cooperatives and the basic features of cooperatives. It suggested that the systems and methods of control should be properly developed and managed, and better communication between the management and the members should be established. The legal requirements of the cooperative should be strengthened and proper reports about the performance should be made available on time to the members and the general public.\textsuperscript{19}

\textsuperscript{17} C.S. Rayudu. 1988. \textit{Economics of Textile Cooperatives}. Delhi: Discovery Publishing House


The Sub-group on Handlooms (1989) appointed by the central government critically appraised the policies and programmes in respect of the handloom industries in India. It suggested a little marketing strategy to be followed by both the primary and the apex level handloom weavers’ cooperatives in order to increase their market share in the domestic as well as the foreign markets. It also gave suggestions for the creation of a Market Development Assistance Fund both at the central and at the state levels for developing marketing and promotional activities of the handloom weavers’ cooperatives.\(^{20}\)

Anandan (1989) in the thesis titled *Product Design and Development in the Cooptex* studied the design and product patterns and the attitude of consumers towards the Cooptex products. He insisted on the necessity for enlightening the public on the design and development of handloom fabrics marketed through the Cooptex.\(^{21}\)

Subburaj (1990) in an article titled “Sales Performance–A Case in Regional Office of the Cooperative” examined the sales performance of the handloom cooperatives. It is clear from the study that 92.28 per cent of sales is done only during festival seasons mainly through credit sales. The highest percentage of sale is accounted


for by cotton and art silk fabrics followed by polyester, and Janatha varieties; only 55.2 per cent of the fabrics are fast moving and the rest are slow moving varieties.\textsuperscript{22}

Ram Mohan Rao (1990) in the book \textit{Development of Handloom Industry} presented the socioeconomic profile of handloom weavers and stated that the weavers are very backward in their economic status. The income of the members through weavers’ cooperatives is more than that of the ordinary weavers under the master weavers. It is further explained that only 10 per cent of the total production of fabrics by the member weavers is marketed by the cooperatives.\textsuperscript{23}

Rao (1990) in the study entitled “Cotton Textile Mill Sector-Facing Bleak Future” observed that an ill wind is blowing against the cotton textile industry and said that there had been an adverse change in the organised composite mill sector in the recent years. This paper stated that the production of cloth in the organised mill sector was on the decline and the mill sector constituted only about 20 per cent of the total textile production in the country. He analysed the present state of the industry, and the reasons for its sickness and suggested measures to improve the performance. The author further stressed the need for good industrial relation and modernisation along with retrenchment.\textsuperscript{24}


Lakshmanan (1991) in his thesis titled *Performance Evaluation of Handloom Weavers Cooperative Societies in Madurai Region–An Empirical Study* looked into the performance of the PHWCS in Madurai region in terms of production, sales, wage, loom capacity, plant utilisation, social welfare activities and so on. The researcher found that the societies encountered stock accumulation problem throughout Tamil Nadu. Madurai circle has the highest number of dormant societies and accounts for 46.3 per cent of the total dormant societies. The societies have participated differently in the Public Welfare Programmes. Madurai district has recorded a comparatively poor performance in all the programmes.\textsuperscript{25}

Shankaraiah and Saibaba (1992) in an article titled *Marketing Problems of Handloom Products – A Study of Handloom Weavers’ Cooperative Societies in Warangal District of Andhra Pradesh* studied the marketing problems with special focus on sales performance, pricing, distribution channels, promotion and other functions of handloom weavers’ cooperative societies. The sale of handloom products has been affected heavily by stiff competition from the local retail cloth merchants who sell the mill made clothes at cheaper rate.\textsuperscript{26}


Subburaj (1992) in the thesis entitled *A Study of Marketing Strategies of Handloom Weavers’ Cooperative Societies in Tamil Nadu* assessed the marketing strategies of the weavers’ cooperative societies in Tamil Nadu. The researcher found that the overall marketing strategies of the weavers’ cooperatives could not create an influencing impact on the sales performance of the cooperative and powerloom weavers’ cooperative societies except of the silk weaving societies. Strategies such as rebate sales, credit sales and the money spent on the overall marketing strategies have a positive effect on their sales performance. The rebate scheme has been assumed to be the single most important factor in determining the choice and effectiveness of the marketing strategy in general and channel choice and its effectiveness in particular among handloom weavers’ cooperative societies.\(^{27}\)

Gurumoorthy (1992) in the article titled *Arms to Safeguard Handlooms in Cooperative Industry* threw light on the handloom cooperative movement in a historical perspective. The author also analysed the role of the government in assisting and developing the handloom cooperative industry.\(^{28}\)

Mishra and Patnaick (1992) in the article titled *Impact of Handloom Cooperative on Social Development of Weavers in Western Orissa* exposed the socio-economic characteristics of member and non-member weavers in western Orissa. They also suggested that the basic infrastructure facilities should be made available to the


weavers and special training courses should be organised to train them with new and remunerative designs.\textsuperscript{29}

Malcom Harper (1992) in an article titled “Cooperative and other Group Enterprises-What critical factor for success? A Survey of Informed Opinion” critically examined the reasons for the failure of cooperatives. According to this study, cooperatives have close association with a particular political group. The author suggested various measures to reduce the risk of the failure of the cooperatives such as focus on one activity to ensure simplicity and manageability. The article has further suggested that the subsidies should be withdrawn and strict rules and procedures should be established.\textsuperscript{30}

Nalwaya (1992) in an article titled “Trends in Cooperatives” evaluated and ascertained the share of the handloom weavers’ cooperatives in India’s fabric production. The author also analysed the handloom sales for a period of 11 years from 1980-81 to 1990-91.\textsuperscript{31}


Sahaya et al. (1993) in an article titled *Cooperatives and the Government* explained the reasons for the failure of cooperatives in India. The writers were critical of the state assistance to cooperatives. According to this article, self-help, self-reliance and mutual help are the requirements for the independent functioning of the cooperatives.\(^{32}\)

Rao (1993) in an article entitled *Cooperative Industry and New Economic Policy* focused on the relationship between the state and the cooperatives in the light of the new economic policy. The author stated that if the new economic policy is followed, the state would not provide financial assistance to cooperatives as in the past. As a result, the cooperative industry will face short-term problems relating to competition, market, self-reliance and the building up of an identity of its own. In the long run, cooperatives should stand on their own feet in a market economy for their success and survival.\(^{33}\)

Panda (1994) in an article entitled *An Alternative Model for Handloom Development* came out with suggestions for the development of the handloom industry such as the preparation of a production policy by the primary handloom weavers’ cooperative societies and their direct purchase of yarn from the cooperative spinning mills. The author also suggested that the primary societies should not depend on the apex


society for marketing their products. The Directorate of Textiles should provide advice for improving the quality of handloom products.  

Sahoo (1994) in an article entitled *Marketing Approach Adoption–A Panacea for Ailing Cooperatives* underlined the importance of market focus, customer orientation, coordinated marketing and profitability meant for handloom cooperatives.  

Ram Mohan Rao and Subramanyam (1995) in an article titled *Crisis in the handloom industry: Some solutions* analysed the problems and suggested some measures to help the industry to march towards a bright future. The study pointed to a needed change in the weavers’ outlook and said that the weavers must be oriented towards the betterment of their skills, knowledge and technology in order to ensure quality of life and a prosperous future. The authors further demanded the establishment of a separate financial corporation for the handloom industry.  

Jyothi Rani and Kumary (1996) in the article titled *Performance of Cotton Handloom Weavers’ Societies* analysed the trend in production, sales, profits, net working capital, and the difference between employment potential and actual employment created by the handloom cotton weavers’ cooperative societies. The gross

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profit and new working capital were showing an upward trend while the employment capability of weavers’ cooperatives exposed a declining trend.\textsuperscript{37}

Shailaja and Pandhye (1996) in an article entitled \textit{Targeting the handloom weavers} opined that there were odds against handloom weaving in Northern Karnataka such as middlemen, poor marketing facilities, lack of adequate raw materials, training and financial assistance. The authors specified that the handloom industry could flourish if a suitable technology blending the existing system with the modern technology is made accessible to the weavers in the state.\textsuperscript{38}

Sanjay Roy (1997) in the article \textit{Weavers’ Cooperative Societies in Tripura-A Study} outlined the growth and evaluated the performance of both the primary level and the apex level weavers’ cooperative societies in Tripura State. The apex weavers’ cooperative societies have made significant progress in respect of the registration of members and production. However, they have exposed very poor performance in marketing. They should be more active and apt in procuring the fabrics from the primaries and making payments to them in time. They should also see to it that the primary societies are advised to suspend their production in the absence of funds and inputs.\textsuperscript{39}


Prince Dhanraj (1997) in the thesis titled *Wage Trends and Relationships in the Cotton Textile Mills in Madurai District* examined the wage composition and structure of wages before and after the introduction of new technology. The researcher identified the factors that influence the nominal and real wages of textile mill workers before and after the introduction of the new technology. He concluded that of the several factors related to labour performance and remuneration, wage-output ratio alone is found to be controlling the wage cost. With the emergence of the new economic policy and globalization, multinational companies make surprise moves that affect the functioning of the handloom industry.\(^4\!0\)

Anil Kumar and Srivastava (1998) in the article titled *Factors Responsible for Effective Loom Maintenance - A Study* elaborated upon the importance of loom maintenance. The advantages of effective loom maintenance include efficient and low cost manufacturing operations, long life of machinery, reduced machine time, and improved processing conditions.\(^4\!1\)

Sukumari (1998) in the thesis titled *A Study of Handloom Weavers in Madurai District* strongly felt that there should be product diversification with the aim of serving the customers’ demand and avoidance of stock accumulation. There must also be a closer link between production and marketing. The twin problems of yarn shortage and


accumulation of stock should be suitably dealt with. Internal demand for yarn and internal employment aspects should receive due attention from the government.  

Monica Gupta (2000) in the paper titled *The New Textile Policy 2000* showed out the number of shuttleless looms was low in India compared to China. According to the author, huge investment in research and development, technology up-gradation and improvement in quality was needed to face the global competition.

Shejwadkar and Geeta Mahela (2000) in an article entitled *Handloom Products of Karnataka* examined the economic benefit obtained by the Hobball Cooperative Society in Kerala. The authors found that net returns per rupee of investment were higher for the product lungi and the society never sold their products in the local market. This study also pointed out that they faced some problems while procuring raw material and marketing finished products.

Ramakrishna Rao (2001) in an article titled *Marketing Miseries of Indian Handlooms* felt strongly that handlooms should be assisted to survive and flourish in the field of production where they enjoy the potentiality for survival. In other fields where they are unfit for survival, they should be converted into powerlooms at the household level. Others should not be permitted to install powerlooms until the implementation of

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the conversion scheme or its completion to the desired extent. He further emphasised that both the handlooms and the powerlooms should be in the cooperative fold under the scheme of conversion.\textsuperscript{45}

Prabhakara Sharma (2002) in an article titled \textit{Up-gradation of Handloom Cooperatives} was of the view that the handloom weavers remain tradition-bound. For more than five decades, the poor handloom weavers remained spoon-fed through government schemes. They continue to look up to the government for anything and everything. The survival of the handloom is largely due to its own strength and capacity to adapt itself to market changes.\textsuperscript{46}

Horindra Gogoi and Sharma (2003) in an article entitled \textit{Impact of Weavers Cooperative on Members in Employment–A Case Study} showed that employment from weaving as well as total employment of member households was significantly higher than that of the non-member weaver households across different sized groups of loom. It showed the positive impact of the cooperative in increasing labour employment of the member households. The analysis also indicated that the high price of yarn and non-availability of new designs of weaving at lower cost were the major problems faced by the member households of the cooperatives.\textsuperscript{47}

\begin{itemize}
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Mrutyunjay Sarangi and Thanulingom (2003) in the book entitled *Impact of Innovative Cooperatives in Tamil Nadu* discussed the pride and excellence of the various innovative cooperatives in Tamil Nadu. The approach was more from the members’ point of view than of the societies’. This study measured the socio-economic and empowerment impact of different innovative societies like the Health Cooperative, the Cooperative for Snake Catchers, the Auto-rickshaw Drivers Cooperative, the Sculptors’ Cooperative and the Cooperatives for Sidha Medicines.\(^{48}\)

Mrutyunjay Sarangi and Subburaj (2003) in the book titled *Each for All and All for Each– A Study of the Impact of Cooperative Movement in Tamil Nadu* analysed the impact of the cooperative movement in Tamil Nadu. They exposed the demand from the members of the board for taking efforts to liberalise the legal framework for cooperatives and a non-political style of management. This study advocated decision making through participatory management in cooperation. The authors emphasised the steps to be taken to bring about professionalization of management in cooperatives.\(^{49}\)

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Mrutyunjay Sarangi and Raman (2003) in their book entitled *Cooperative Values in Consumer Stores–An Assessment of Management Performance and Impact of Consumer Cooperatives in Tamil Nadu* analysed the socioeconomic impact of the consumer cooperatives. They identified that currently consumer cooperatives are facing the biggest challenge of their century-old career and it is high time they geared themselves to meet these challenges through appropriate strategies. The authors further stressed that the consumer cooperatives and their leaders should re-orient themselves to address the needs and expectations of members.⁵⁰

Rajendran Nair (2003) in an article entitled *Handlooms: Exports beyond 2004* observed that the level of technology is low and labour cost very high and that makes the handloom products very costly and less competitive in price compared with products from the powerloom or mills. Trends towards blended materials combining the factors like cost and comfort should be exploited in the handloom sector. The author further underlined the fact that handloom products will not sell in the world market simply by virtue of being handloom but only if those are competitive in price and quality and are exclusive.⁵¹

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Banerjee (2004) in an article titled *Market and Non-market Configuration in Rural West Bengal: Local Organisation and Silk Weaving* identified the fact that the output of cooperatives taken together declined over the years. Most of the subsidies and soft loans provided to the societies by the government through the Khadi and Village Industries Commission have gone to charitable societies. The weavers hardly generate any surplus besides subsistence. Moreover, they by no means possess any marketable collateral asset, which could provide the entitlement to seek institutional finance.\(^{52}\)

Mubarak (2004) in an article entitled *Handloom Industry in Tamil Nadu* concluded that the handloom industry is in doldrums and the weaving community is feeling the pinch in every aspect of its working life, be it production or marketing or finance or anything else. He stated that the community has been pushed to the mercy of the government. He also noted that the government has been taking necessary efforts to help the industry in every possible way in its revival process.\(^{53}\)

Alexander Pravin Durai (2005) in his article titled *A Study on the Functional Problems Faced by the Handloom Cooperative Society in Tamil Nadu* is of the firm view that the employment intensity of handloom industry must be an important subject matter behind the policy decisions of the government. State support to handloom societies cannot be viewed only from an economic perspective-rather it is in fact the social

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responsibility of the state authorities to protect and preserve the ailing handloom industry.\textsuperscript{54}

Nagaraj (2005) in his study entitled \textit{A Study of Sickness in Cooperative Spinning Mills in Tamil Nadu} exhibited the financial and operational performance of cooperative spinning mills in Tamil Nadu and identified the causes for the sickness in selected mills. The causes for sickness are analysed, covering three different aspects namely, financial, operational and managerial. He also suggested remedial measures for the revival of cooperative spinning mills in Tamil Nadu.\textsuperscript{55}

Noorhasha Abdul (2005) in an article titled \textit{Handlooms in Distress} narrated the impact of the withdrawal of state subsidy. With the withdrawal of several subsidies especially by winding up the Janatha Cloth Scheme (which not only provided cheap cloth but also employment to vulnerable sections of weavers), the old and the low skilled suffered. The new economic reforms have contributed to the worsening of the conditions in the handloom industry. The management of the weavers’ cooperative societies must be made accountable for all their operations to keep under check corruption at the society level itself.\textsuperscript{56}


The review of previous studies shows that the studies have analysed the aspects relating to production, productivity, utilisation by members, social development of weavers, marketing, financial problems and prospects of handloom weavers’ cooperatives from the organisational point of view. These studies have not suggested the mechanism to implement the various schemes meant for the handloom weavers and their products by the government especially the rebate. Hence the necessity of the present study which attempts a wide and a full analysis of the rebate scheme of handloom which will ensure the survival of the handloom industry in the long run.

Kowshalya Devi (2007) in her study titled *Empowerment of Women Handloom Weavers in Madurai District* identified that handloom weaving is an important sources of earning and livelihood for a large number of woman weavers and workers. However, in this industry, poor capacity utilization, low productivity, obsolete technology, fluctuating and volatile yarn price, inadequate access to hank yarn and high cost of production have made impossible to compete with mills and the powerlooms. This is the reason for most of the weavers going for other professions hoping to get continuous employment.\(^57\)

Jeyakodi (2007) in his thesis titled *Working of the Rebate Scheme in the Handloom Industry-An Empirical Study in Madurai District* commented that the rebate scheme is indispensable to the handloom industry in Tamil Nadu. He has observed that in spite of rebate there has been a drastic fall in the production and marketing of handloom

cooperatives. He further stated that the misuse of the scheme at different levels must be prevented by stringent action by the government. He concluded that the rebate scheme is sustaining the industry but at the same time the survival of the handloom cooperatives in the long run depends on its strategy towards cost reduction and customer orientation.\(^{58}\)

Jeyakodi (2007) in his article titled *New Insurance Schemes for the Handloom Weavers* concluded that the handloom weavers are unable to compete with both the powerlooms and the mill sector. The future earnings of the handloom weavers are not guaranteed because they may be affected on health ground. It is the duty of the government to provide insurance facilities so that the handloom weavers may feel secure. Novel insurance schemes by the government help them largely by providing both moral and monetary support. The government may further improve the utilization of the schemes with due care and follow up for proper implementation.\(^{59}\)

Jeyakodi (2007) in his article entitled *Strategy for Handloom Sector: An Evaluation* said that in an age in which mechanical inventions are the prime factors in economic progress, it is difficult to realize that in certain lines, hand-made goods are unsurpassed in excellence by the products of modern machinery. The efforts taken by both Central and State governments must be made to reach the beneficiaries. The implementing agencies and machinery must take it as a venture with all commitment

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and positive attitude. Feedback and follow-up are very much needed to revive and sustain the sector in the global context.\textsuperscript{60}

Mathiraj and Rajkumar (2008) in their study titled *Analytical study of handloom products-Production and Marketing* highlighted the major production and marketing problems faced by the weavers’ societies; stock accumulation led to the idle investment of funds which pays unnecessary interest; the capital base of the societies was very poor, and due to that the challenges that occurred in the open market were very difficult for the handloom weavers. The study also revealed the permanent debtors to the Cooptex which supply raw materials. Special grants may be sanctioned to improve the capital base of the societies. The government can open banks exclusively for weavers to provide their financial assistance.\textsuperscript{61}

Selvaraj and Vijayalakshmi (2009) in their article entitled “Challenges of Handloom Weavers at Senthiambalam” found that a majority of the weavers are female and most of the respondents depend upon weaving to earn their livelihood. They also determined that seventy-four percent of the respondents are engaged in weaving on a full time basis. They suggested that effective steps should be taken to penalize the powerloom operators manufacturing the items reserved for handlooms. They proposed that government should take steps to export handloom products from India and the handloom

\textsuperscript{60} K. Jeyakodi. 2007.

products should be in tune with world competitive products. They recommended that the authorities concerned should give due importance to the cooperative splint.62

Thirunarayanasamy and Parmasivam (2010) in their article titled *Handloom development schemes an outline* observed that the handloom sector faces stiff competition from the powerloom and mill sector and it depends on the cooperative machinery for delivering the goods. A further observation was that low productivity due to obsolete technology, a conventional product range and stagnation of sales, and inadequate working capital are the causes of the falling performance of the handloom sector. In order to overcome these drawbacks the authors expect effective state intervention by way of implementing the various developmental and welfare schemes which will be for technology support, financial assistance and market interventions63.

Tangirala (2010) in his article *Performance and Problems of Adarsha Handloom Weavers’ Cooperative Production and Sales Society-A Case Study* expressed his opinion that a sale is a very important variable to handloom weavers’ cooperative, for not piling of the stock in the godown. The sale of handloom products is based on the quality, durability, colours, designs and price. Hence every society has to take these factors into account while initiating a product. The authors identified poor wages and less profit as the reasons for the reluctance of the new members to join cooperative


societies. It was found that the number of looms has been dwindling from the year 1989. A majority of that products is sold only to the APCO. It is suggested by the authors that the society should find more retail sales and attract institutional customers.\textsuperscript{64}

Ganesh and Dhanraj (2011) in their article titled \textit{Performance of weavers cooperative in Coimbatore district} emphasized that it should be necessary to establish an association or weavers’ cooperative society in each powerloom cluster for purchase and distribution of yarn; the government should consider these activities not as sales or purchase between members and their organization and they should not be subject to VAT or Service Tax. They also found that the powerloom weavers’ cooperative societies in Coimbatore district are treated as the backbone of the textile manufacturing industry. They suggested that the success of the textile industry mainly depends on the cooperation and coordination of each and every member in the cooperatives.\textsuperscript{65}

Shah (2011) in his article titled \textit{Cooperatives – Suitable Agencies for Implementation of Government Schemes} said that the accountability of the state funds is best ensured by a cooperative organized as compared to other agencies implementing government schemes. Cooperatives being community based provide effective checks and balances in their functioning. At the grassroots level, cooperatives have a built in mechanism to operate cutting across a variety of barriers of caste, creed, political


loyalties, and social and economic inequalities. The author concluded that cooperative organizations are capable of meeting the challenges of production, productivity, employment generation and technology transfer, particularly in rural areas.66

Rao and Nagaraju (2012) in their article titled *A critique on the promotion of handloom industry* pointed out that the government deserves all appreciation for designing the scheme of supplying yarn at mill gate price but the supply is short of requirements. The cost of the yarn supplied through the scheme is much higher than the market price. The authors opined that the insurance schemes appear to be a holy stick. But there are a large number of weavers yet to be covered and benefited. The marketing and export promotion programs need to be continuously monitored to yield benefits. The authors emphasized that joining with the Central Government, the State Government should take interest at the grassroot level to make all the programmes successful67.

Jayalalitha, the Chief Minister of Tamil Nadu (2012), in a press note announced that the Tamil Nadu Government would contribute to the Tamil Nadu Cooperative Handloom Weavers’ Savings and Security Scheme. Since the Centre stopped its contribution towards the scheme in 2007 there was a request from weavers to the State government to compensate the loss. Her government decided to make the contribution. She expressed that a total of 76,051 handloom weavers would benefit from

the scheme and it would cost an additional amount of Rs. 5 crore per year. She suggested that the government should take earnest effort for promoting handloom fabrics.  

Anilkumar Tiwary (2012) in his article titled *Transparency in Management of Cooperatives* stated that the application of transparency in the management of cooperatives can be successful only if the society at all levels maintains the records promptly. He commented that in some cases records may be available but pertinent timely information may not be available. According to the author the transparency in the system will develop confidence among the stakeholders without any confusion and contraction. This atmosphere will ensure the role of the elected management and the professional executives will be responsible. In the era of right to information and good governance, the transparency in cooperative management will ensure strength and productivity over a period of time.  

1.4. **Scope of the Study**

The study covers the primary handloom weavers’ cooperative societies in Madurai district. The workings of these societies in general and their schemes in particular are to be studied. Since Khadi Craft is hand spun and hand woven and functioning under a separate department it is excluded from this study. However, the study incorporates the handloom weavers and cooperators associated with the handloom cooperatives and their attitude to the schemes.

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1.5. **Objectives of the Study**

The study has the following objectives

i. To trace the growth and development of the handloom cooperatives in Tamil Nadu and the performance of the Primary Handloom Weavers’ Cooperative Societies in Madurai district.

ii. To examine the background, administration and working of the various schemes in the Primary Handloom Weavers’ Cooperative Societies in Madurai district.

iii. To study the socioeconomic and other profile of the weavers of Primary Handloom Weavers’ Cooperative Societies in Madurai district.

iv. To analyse the attitude of the weavers of Primary Handloom Weavers’ Cooperative Societies in Madurai to the welfare schemes and development schemes.

v. To analyse the profile of the officials of Primary Handloom Weavers’ Cooperative Societies in Madurai and their attitude towards various schemes.

vi. To summarise the findings and to offer suggestions to make the various schemes more effective in the Primary Handloom Weavers’ Cooperative Societies.
1.6. Hypotheses

i. The level of opinion of the weavers to the Welfare Schemes is independent of age, gender, marital status, social group, educational qualification, family size, family income and type of family.

ii. The level of opinion of the weavers to the Development Schemes is independent of age, gender, marital status, social group, educational qualification, family size, family income and type of family.

iii. There is no variation between the factors determining the opinion of the cooperators to the various schemes and their age, gender, marital status, educational qualification, designation and service experience.

1.7. Operational Definition of Concepts

The operational definitions of the concepts relating to the terms used in the present study are given below.

1.7.1. Primary Handloom Weavers’ Cooperative Societies (PHWCS)

The handloom weaving societies which are registered as Weavers’ Cooperative Production and Sale Societies under the Tamil Nadu Cooperative Societies Act, 1961. They are under the control of the Director of Handlooms and Textiles in Tamil Nadu.
1.7.2. **Industrial Primary Handloom Weavers’ Cooperative Societies**

The societies which facilitate the weavers for the centralised production and sale where the handloom weavers assemble at the work shed for the different types of weaving and allied activities instead of operating looms at their homes.

1.7.3. **Shuttle**

The shuttle is an instrument designed to neatly and compactly store weft yarn while weaving. Shuttles are thrown or passed back and forth through the shed between the yarn threads of the warp in order to weave in the weft. The simplest shuttles known as "stick shuttles" are made from a flat, narrow piece of wood with notches on the ends to hold the weft yarn. More complicated shuttles incorporate bobbins or pirns.

1.7.4. **Treadle**

The treadle is the footpad which the weaver operates with his feet for weaving in a handloom. These treadles enable the warp yarn to be open for the passing of the shuttles with the weft yarn. The number of treadles in a loom depends upon the design of the fabric to be woven.

1.7.5. **Members**

The term members has been used to denote the members of the Primary Handloom Weavers’ Cooperative Societies. The term is also used to denote the ordinary members and directors combined.
1.7.6. Schemes

The several financial and non-financial assistance provided by the Central and State Governments to the PHWCS for their welfare and upliftment is called Scheme.

1.7.7. Welfare Schemes

Schemes introduced for the welfare and social well-being of the weavers are Welfare Schemes.

1.7.8. Development Schemes

The schemes introduced by the governments for the development of the handloom sector including the infrastructure facilities of the Primary Handloom Weavers’ Cooperative Societies are called development schemes.

1.7.9. Officials

The term official refers to staff, managers and special officers working in the Primary Handloom Weavers’ Cooperative Societies.

1.8. Period of the Study

For analysing the rebate administration and its impact on the sales of the handloom cooperatives, the secondary data for 11 years starting from 2000-01 to 2010-11 are taken into consideration. The primary data were collected from both the weavers of the handloom cooperatives and the cooperators from 1st May 2011 to 31st December 2011.
1.9. Methodology

This is an empirical study based on a survey. In order to study the type, nature of the schemes and their implementations, interactions and discussions were held with officials in the handloom department. In the case of the weavers, the non-random sampling procedure was applied to select the respondents and for the officials, the officials of the select societies were contacted following the Census method.

1.9.1. Research Design

Research design is the blueprint of the various methods for conducting the research project. It includes the procedures for obtaining the information needed, the way in which they are processed and the method of the presentation of the result to solve the research problems. Even though the research designs are too many, the present study follows the ‘descriptive’ research design. The applied research design of the framework analysis is ‘descriptive research’. Since the present study has its own objectives and pre-determined methodology, it is descriptive in nature. Apart from this, the present study has made an attempt to explain the background of the weavers, officials and their view on various schemes implemented at the societies.
1.10. **Sampling Design**

Out of twenty-eight Primary Handloom Weavers’ Cooperative Societies functioning in Madurai District, weavers from top fifteen societies were taken for the study to analyse the attitude of the weavers to the various schemes provided to the Primary Handloom Weavers’ Cooperative Societies by the government. Out of fifteen societies, two hundred members were selected from five societies which have more than 200 ID holders at the rate of forty members per society and the rest two hundred members were selected from the societies having less than 200 ID holders at the rate of twenty each from each society.

In order to select the officers of the Primary Handloom Weavers’ Cooperative Societies, the Census method was used. Out of twenty-eight PHWCS in Madurai District, the officers of fifteen PHWCS which utilise all the schemes provided to the PHWCS by the government were contacted.

1.11. **Collection of Data**

Both primary and secondary sources were tapped for this study. The primary data required for the study were collected through a well-structured questionnaire from the handloom weavers and officers of the select primary weavers’ cooperative societies. Some pertinent information was collected from the officials through interactions. The secondary data were collected from the audited annual reports of the PHWCS,
Records of Assistant Directorate of Handlooms, Madurai, Directorate of Handloom, Chennai, policy notes, reputed journals and other related data from the respective offices.

1.11.1. Questionnaire Development

Two different questionnaires have been developed for weavers and officers. The first questionnaire was divided into three important parts. The first part includes the profile of the weavers, whereas the second part covers the usage of the schemes. The third part of the questionnaire consists of the opinion on various schemes among the wearers. The second questionnaire for the officers consists of two parts. The first includes the profile of the officers whereas the second part covers their view on the various schemes. A pre-test was conducted among 50 weavers and 20 officers. Based on their feedback, certain modifications, additions and deletions were carried out to prepare the final questionnaire.

1.12. Framework of Analysis

The statistical analysis has been selected and used to process the collected data according to the requirements of the study. The analysis is selected according to the scale of data and the objectives of the study. The included statistical analysis and its application are presented below:
1.12.1. T-test

The ‘t’ test is one of the parametric tests to analyse the significant difference among the two groups of samples. It is applied when the criterion variable is in the interval scale. The ‘t’ statistics are calculated by

\[
t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{(n_1-1) \sigma^2_{s1} + (n_2-1) \sigma^2_{s2}}{n_1 + n_2 - 2}} \sqrt{\frac{1}{n_1} + \frac{1}{n_2}}}
\]

Which is compared with the degree of freedom of (n1-n2-2)

Whereas \( t \) = ‘t’ statistics

\( \bar{X}_1 \) = Mean of the first group of sample

\( \bar{X}_2 \) = Mean of the second group of sample

\( n_1 \) = Number of the samples in the first group

\( n_2 \) = Number of samples in the second group

\( \sigma^2_{s1} \) = Variance in the first sample

\( \sigma^2_{s2} \) = Variance in the second sample

The ‘t’ test has been applied to test the significant difference among the male and female weavers, and male and female officers regarding their view on the various aspects related to the welfare and development schemes.
1.12.2. One Way Analysis of Variance (ANOVA)

The one way analysis of variance is applied when the criterion variable is in the interval scale and the number of groups of samples included for the study is more than two. The ‘F’ statistics is calculated by

\[
F = \frac{\text{Trss}/\text{df}}{\text{Ess}/\text{df}} = \frac{\text{Greater Variance}}{\text{Small Variance}}
\]

Compared with the (K-1; N-k) degree of freedom

Whereas F = ‘F’ statistics
N = Number of sample size
K = Number of groups included
Trss/df = Variance between groups and
Ess/df = Variance within groups

The one way ANOVA has been applied to examine the association between the profile of the weavers and the officers regarding their view on various aspects related to the welfare and development schemes.

1.12.3. Exploratory Factors Analysis (EFA)

The exploratory factor analysis is used when the researcher wants to narrate the variable into handsome factors and also find the relationship between the variable and narrated factors. It is also called narration analysis. Whenever the variables related to a
particular event are unmanageable or plenty and also in interval scale, the factor analysis has to be executed convert these variables into factors. Before applying the factor analysis, the validity of data for factor analysis has to be executed with the help of the Kaiser-mayer-ohlin (KMO) measure of sampling adequacy and the Bartletts test of sphericity. The acceptable KMO measure of sampling adequacy is 0.5, whereas the acceptable level of significance of the chi-square value is up to 0.05 per cent level. In the present study, the exploratory factor analysis has been executed to identify the important schemes for the weavers as per the view of the officers.

1.12.4. Confirmatory Factors Analysis (CFA)

The Confirmatory Factor Analysis has been executed with the help of the LISREL eight software package. It is applied to test the reliability and validity of the variables included in each construct. In the present study, the CFA has been applied to test the reliability and validity of variables in all concepts related to the welfare and development schemes.

1.12.5. Discriminate Analysis (Two Group Model)

The discriminate analysis is used when the dependent variable is in nominal scale and the independent variables are in interval scale. It is used to identify the important discriminate variables among the two groups formulated in the study. The unstandardised common discriminate function was estimated by

\[ Z = a + b_1x_1+b_2x_2+b_3x_3+b_4x_4+ \ldots \ldots \ldots \ldots b_nx_n \]
Whereas

\[ Z = \text{Discriminant criterion} \]

\[ X_1, X_2, \ldots, X_n = \text{Discriminant variables} \]

\[ B_1, b_2, \ldots, b_n = \text{Discriminant coefficients} \]

The Wilks Lambda was calculated as a multi-variant measure of groups difference over discriminating variables. The relative discriminating power of the variables was calculated by

\[ I_j = K_j (X_{j1} - X_{j2}) \]

Whereas

\[ I_j = \text{the important value of jth variable} \]

\[ K_j = \text{unstandardized discriminant co-efficient for the jth variable} \]

\[ K_{jk} = \text{mean of the jth variable for jth group} \]

The relative importance of a variable \( R_j \) is given by

\[ R_j = \frac{I_j}{\sum_{j=1}^{n} I_j} \]
In the present study, the two group discriminant analysis has been administered to identify the important discriminant schemes among the weavers and officers as per their views.

1.13. Limitations of the Study

Member education among weavers in the Primary Handloom Weavers’ Cooperative Societies is very low. In any cooperative organization to develop the philosophy of members education is essential. In interactions with the weavers, it was found that they are unable to speak about various schemes such as the Handloom Product Reservation Act, sources of rebate and the method of reimbursement on rebate, ceiling on rebate, the complete benefits of the Savings and Securities Scheme and the Marketing Incentive Schemes.

1.14. Scheme of the Report

The first chapter deals with the introduction and the research design including the statement of the problem, the objectives, the scope, the review of the previous studies, the operational definition of the concepts, the data collection, the tools used for analysis, and the limitations of the study.

The second chapter portrays the profile of the Handloom Cooperative Sector in Tamil Nadu and highlights the performance of the Primary Handloom Weavers’ Cooperative Societies in Madurai district.
The third chapter examines the working of the various schemes in the Primary Handloom Weavers’ Cooperative Societies in Madurai district.

The fourth chapter describes the socioeconomic and other profile of the weavers in the study area.

The fifth chapter analyses the attitude of the weavers of the Primary Handloom Weavers’ Cooperative Societies in Madurai district towards the various schemes.

The sixth chapter analyses the profile of the officers of the Primary Handloom Weavers’ Cooperative Societies in Madurai district and their attitude towards the various schemes.

The seventh and final chapter presents the summary of the findings of the study and suggestions for improving the working of the schemes in the handloom cooperatives in Madurai district.