CHAPTER VI

ROLE OF FINANCIAL INSTITUTIONS IN DEVELOPMENT OF HANDLOOM INDUSTRY

6.1. INTRODUCTION

Although handloom serves as a source of livelihood for millions of people directly and indirectly, most of the weaver's economic conditions are below the poverty line (Table 4.2). The weavers are not able to produce at their full potential due to shortage of financial resources, lack of proper training and design facilities, lack of raw materials at cheaper rates, lack of marketing set up for finished goods and lack of co-operative feeling among the members of the weavers societies. These conditions are prevalent to the weavers of Manipur with serious impetus on the financial resources, because of the predominant agrarian based economy with low level of earnings. In view of these various needs, the Government of India and state Government have taken up various steps to implement projects and programmes for improvement of the handloom sector.

6.2 CENTRAL GOVERNMENT

The central Government under the aegis of Minister of Textiles has instituted study groups from time to time to investigate and come up with solutions for problems in the handloom sector. The Sivaraman Committee Report of July, 1974 has recommended that sources of finance is the key factor to stimulate the growth of handlooms. The committee also suggested to cover 60 percent of the weavers in the co-operative fold by the end of Fifth plan. The study group on the working of RBI scheme for handloom finance, (1978) suggested to avail a larger flow of finance to the sector. The Textile Policy of 1985 has suggested various developments in the co-operative culture, improving productivity, modernisation, to meet the needs of raw materials, protection through reser-
vation of articles, promotion of marketing activities and strengthening of database. A committee to review the Textile Policy of 1985 was set up and it submitted its report in 1990. It reported that the textile policies objectives were achieved to a limited degree of success and it also presented a new set of recommendations.

6.2.1 Office of the Development Commissioner for Handloom

This office has formulated a number of centrally sponsored schemes to enable the State Governments to take up necessary programmes for effective co-operativisation of handlooms in the country. The schemes are as follows:

(a) Share Capital Loan: - This scheme is available to the weavers, also who would become the member of the Primary Weaver’s Co-operative Society. The central Government and the state Government provides 45 percent each as loan. The rest 10 percent is to be provided by the member as contribution. In Manipur, this scheme is used primarily as a tool for revival of dormant societies.¹

(b) Modernisation/Renovation/Purchase of looms: - Under this scheme the Central Government and the State Government bears 50 percent of the total financial assistance. The subsidy on the total assistance is \(\frac{2}{3}\)rd and loan portion is \(\frac{1}{3}\)rd. For the hill areas, the subsidy is 50 percent and rest is loan portion. The quantum of assistance differs according to the type of looms. The ordinary loom and the jacquard loom’s quantum of assistance is Rs.2000/- while for the semi-automatic loom/ pedal loom/modernisation of frame loom (Ichalkaranji loom) is Rs.4,000/-. For the purchase of accessories in the modernisation of looms, the financial assistance provided is Rs.1000/-. This scheme is also available through the District Industries Centre (Handloom section), Imphal. Although the scheme is available, it has not been used to the maximum potential extent.

(c) Market Development Assistance Schemes (MDAS): - This scheme is available for the purpose of rebate, engaging local people in mobile sales, advertisement and publicity, purchase of new designs and any other purpose approved by the Development Commissioner for Handlooms.

¹ Data collected through Interview with Superintendent of Handloom, Directorate of Industries, Govt. of Manipur
The scheme is available to the primary weaver societies as 15 percent grant on cash credit limit sanctioned by the financial institutions, or the amount equal to the average of rebate assistance, share capital assistance received/receivable for 3 years preceding to the financial year for which the assistance is in consideration. The scheme is also available for an amount equal to rebate assistance, share capital assistance and managerial subsidy assistance received during the year preceding the financial year or Rs.2.80 lakhs. Central Government and state Government bears 50 percent each of the assistance. The scheme has been introduced as an alternative to the existing Special Rebate Scheme. This scheme is available through the District Industries Centre, Imphal. Unfortunately, the figures are not available in the District Industries Centre, Imphal.²

There are other various schemes like the Contributory Thrift Fund, Group Insurance Scheme, Health Package Scheme, Handloom Development Centre etc. These has been discussed under the heading of the state Government and District Industries Centre.

6.2.2 Fiscal Concessions

In a developing country, fiscal policy is expected to subserve interests of the long term growth. To this end, the tax structure must encourage the productive activity, savings and transformation of savings into productive investment.³ This is particularly relevant for direct taxes. The Government tries to impart a growth oriented policy by providing tax concessions and exemptions for productive investment. The following are the concessions provided by the Central Government for the handloom sector

i) Complete exemption from excise duty on plain reel hank yarn.

ii) 50 percent concession on double reel hank yarn when purchased by registered handloom co-operative societies and State Handloom Development Corporation.

iii) Complete exemption of processing duty (excise) for cotton, wool and polyester fabrics made on handlooms when processed in process houses set up by State Handloom Development Corporation and Apex Handloom Co-operative Societies.

² Interview with the Superintendent of Handloom, Directorate of Industries, Govt. of Manipur, Imphal.

iv) Concessional processing duty on processing of cotton fabrics made on handloom when processed by independent processors approved by the Government.

v) Complete exemption from excise duty on processing of woolen fabrics woven on handlooms when processed by independent processors approved by the Government.

vi) Complete exemption from excise duty on certain types of polyester blended yarn when purchased by State Handloom Development Corporation and Handloom Co-operative Societies.

vii) Complete exemption from excise duty on polyester fibre used in the blended yarn consumed for the production of blended fabrics on handlooms under a programme approved by Development Commissioner for Handlooms.

viii) Concessional rate of excise duty @ Rs.10.44 per kg. on polyester filament yarn (PFY) used in the production of polyester fabrics under a programme approved by Development Commissioner for Handlooms.

ix) 50 percent concession in the excise duty leviable on viscose filament yarn when purchased by registered handloom co-operative society or any organisation approved in this behalf by the Government.

x) Complete exemption from customs duty on the raw wool imported into India by a registered apex handloom co-operative society or a state handloom development corporation.

6.3 STATE GOVERNMENT

The Sivaraman Committee has recommended a separate Directorate for Handloom is to be set up by the State Government where the handloom population is reasonably large. Where the Directorate of Handlooms is not functioning, the Directorate of Industries or the Registrar Co-operative Societies is in-charge of Handloom sector.

6.3.1 Directorate of Industries

In Manipur, the Directorate of Industries has a special Handloom Section which looks after the affairs of handloom sector in the State. All the schemes financed by the Ministry of Textiles, Development Commissioner for Handlooms and National Co-operative Development Council are channelised through the Directorate of Industries. The various schemes available under the Direc-
torate of Industries, Imphal are as follows:

(a) Working Capital Loan: Under this loan scheme, the maximum credit limit which can be availed by the societies is fixed by the District Co-operative Banks at 90 percent guarantee of the state government. The loan portion of the scheme is 8 to 10 times the owned funds of the society. Some societies have used the benefit of this scheme during the year.

(b) Interest Subsidy: If the share capital loan is repaid in time, an interest subsidy of 3½ percent and if the working capital loan is repaid in time a subsidy of 2½ percent at the rate of interest is provided by bank.

(c) Weavers Welfare Fund Scheme: Under the scheme, the following are the grants provided. For marriage - Rs.1000/-, Electricity Connection Rs.500/-, Long illness Rs.300/-, Opticals Rs.40/-, Water Connection Rs.500/-, Stipend to children for their educations high school Rs.400/-, Intermediate Rs.500/-, Graduation/Post Graduation-Rs.1000/-, Nursery Teachers - Rs.3000/-. This scheme is available in the Handloom Section of DIC, Imphal and some societies have availed it.

(d) Thrift Fund Scheme: This scheme provides social security to the weavers whose annual income is below Rs.2000/- per annum. Under the scheme the weaver contributes 6 percent of his wages to the fund. The central and State Government contributes 3 percent subjected to a ceiling of Rs.90/- per weaver per annum. During 1989-90, Rs.142.50 lakhs has been sanctioned in the budget to provide central assistance for the working of this scheme.

(e) Group Insurance Scheme: Introduced in 1992-93, the scheme covers all weavers who are under Thrift Fund Scheme. The scheme covers the weavers to an insurance of Rs.10,000/- with a premium of Rs.120/- per annum. The scheme has been recently introduced at Manipur.

(f) Health Package Scheme: This was introduced in 1992-93 to ameliorate some of the health problems related to handloom weaving. Under the scheme, it provides reimbursement of the cost of medicines, treatment of diseases viz. T.B., Asthma, inflammation of alimentary system; maternity benefit for women weavers, payment of additional monetary compensation for perma-
ent measures of family planning and infrastructure for primary health care.

(g) Margin Money for Destitute Weavers: - This scheme was taken up in 1992-93 as a Central Plan Scheme and has continued as a full-fledged scheme in the VIIIth Plan. It was introduced to cover weavers who live in utter destitution and those who are not covered by any scheme.

Apart from the above mentioned schemes, various other schemes like Handloom Development Centre, Common Facility Centre, Project Package Scheme, Integrated Handloom Development etc. are also taken up by the Handloom Section of Directorate of Industries.

6.4. NATIONAL CO-OPERATIVE DEVELOPMENT CORPORATION (NCDC)

It provides assistance under various schemes in the form of reimbursement finance through the state Governments or the State Co-operative Banks on guarantee of the State Governments. In other words, the State Government or the State Co-operative Bank has to first release funds to the beneficiary societies and thereafter draw reimbursements from the corporation. However, in the case of National level Co-operative Institutions, assistance is released directly to the society concerned. In the case of Union territories the assistance is released direct to the society, the loan portion being against the guarantee of the Central Government. The funds are released on the Head of the Department concerned with the programme. For a handloom co-operative, the primary society must have at least 100 weaver members. A society constructing a godown, a showroom or a godown-cum-showroom can also availed NCDC assistance only if it has acquired land using its own resources.

(a) Share Capital to Apex/Regional Primary Weaver's Societies: - Under this scheme, the quantum of assistance is depended on the requirement of each case as recommended by the State Government. The assistance is released to the societies in the form of clean or refundable share capital without any condition of minimum rate of interest.

(b) Creation of Processing Facilities by Apex/Regional Societies: - Under the scheme for the least developed states which Manipur belongs to 95% of total assistance is provided as loan. This
95% consist of 60% as loan and 35% as share capital and the remaining 5% is contributed by the members or the state government.

(c) Construction of Worksheds by Apex/Regional and Primary Weavers Societies: The loan portion under this scheme is 95% and contribution by members/state government is 5% for the least developed states like Manipur. The 95% loan portion is made up of 50% loan, 25% share capital and 20% subsidy. The mode of release of funds is 50% when the proposal is approved and when the society has acquired land for construction. The balance is disbursed only when the state Government has released its full share; the society has raised its share capital; the construction work is near completion and the new looms and equipment have been bought.

(d) Construction, Opening and Renovation of Showrooms, Central Godowns and Showrooms-cum-godowns by Apex/Regional Weavers’ Societies: This scheme is similar to the construction of worksheds by Apex/Regional and Primary Weavers Societies. The funding pattern and the mode of disbursement of assistance is same as the above. For opening/renovations of showrooms etc. NCDC releases finance after the work is complete. In all cases, assistance is given on the basis of actual expenditure incurred or amount sanctioned, whichever is less.

(e) Margin Money to Co-operative Spinning Mills for the Adoption of Weavers’ Co-operative Societies: This scheme is available for least developed states and Union Territories. From NCDC the quantum of loan assistance will depend on the requirements of each case. In all cases, the NCDCs loan assistance is for a period of 14 years. The corporation allows suitable moratorium period on repayment of the principal amount admissible upon the scheme and the state. The loan is disbursed by the State Government who later claims the money from NCDC.

Table 6.1 shows the interest rate available, type of facility, extent of refinance and loan provided by the NCDC to co-operative weavers societies.
### Table 6.1
Schemes Provided by National Co-operative Development Corporation.

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Interest Rate</th>
<th>Type of Facility/ Period of Loan</th>
<th>Moratorium Period</th>
<th>Extent of Refinance and loan eligibility of borrowers</th>
<th>Down Payment/ Borrowers contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>2.5% below NABARD to Banks (p.a.)</td>
<td>2.5% below Bank rate</td>
<td>Cash credit limit for financial year</td>
<td>-</td>
<td>40% to 50% of the anticipated sales (net disposable resources)</td>
</tr>
<tr>
<td>(2)</td>
<td>Working Capital Credit for procurement/marketing activities of Apex/Regional Weavers Societies.</td>
<td>2.5% below Bank rate</td>
<td>Cash credit limit for financial year</td>
<td>-</td>
<td>Two months average turnover based on anticipated value of yarn to be purchased during the year</td>
</tr>
<tr>
<td>(4)</td>
<td>(3)</td>
<td>(5)</td>
<td>(6)</td>
<td>(7)</td>
<td></td>
</tr>
<tr>
<td>(8)</td>
<td>3. Production &amp; marketing activities of primary handloom/powerloom weavers' societies</td>
<td>2.5% below Bank rate</td>
<td>Cash credit limit for financial year</td>
<td>-</td>
<td>40% of anticipated production on the basis of per loom sales* 100% of bank loan</td>
</tr>
<tr>
<td>(9)</td>
<td>4. Investment credit for acquisition &amp; modernisation of handlooms</td>
<td>6.5%</td>
<td>10%</td>
<td>3 to 5 years</td>
<td>-</td>
</tr>
<tr>
<td>(10)</td>
<td>5. Construction of workshops</td>
<td>6.5%</td>
<td>10%</td>
<td>8 to 10 years</td>
<td>-</td>
</tr>
<tr>
<td>(11)</td>
<td>6. Opening/renovation of Handloom Emporium by Apex/Regional Weavers Societies.</td>
<td>8%</td>
<td>11.5%</td>
<td>5 to 7 years</td>
<td>-</td>
</tr>
<tr>
<td>(12)</td>
<td>7. Purchase of Shares in Consumer Type Co-op. spinning mills.</td>
<td>2.5% below Bank rate</td>
<td>9%</td>
<td>7 years</td>
<td>2 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25% of cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5% of value of shares</td>
</tr>
</tbody>
</table>

* Per loom & scale of finance

1. Cotton handlooms 5000/-
2. Special variety of cotton 8,500/-like bed sheets, jacquard, terry towel etc.
3. Woollen Handlooms 7000/-
4. Silk handlooms 12,000/-
5. Polyester handlooms 13,000/-
6. Cotton powerlooms 17,000/-
7. Polyester powerlooms 26,000/-
8. Pure silk powerlooms 24,000/-
6.5 RESERVE BANK OF INDIA/NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT

In 1956, the Reserve Bank of India drew up a scheme for providing refinance facilities to the state/Central Co-operative Banks for refinancing the working capital requirements of the weavers Co-operative societies. This scheme is known as Reserve Bank Scheme for Handloom Finance. Under this scheme, it provides refinance facilities for financing the procurement and marketing of cloth by the apex/regional weaver societies. It also finances the production and marketing activities of the primary weavers societies which are working on production-cum-sale pattern. The interest rate charge on this scheme is 2½ percent below the bank rate. The State Government bears the interest subsidy at the rate of 3 percent to the financing banks to compensate the loss incurred in lending to the weavers societies.

NABARD was established in July, 1982 by transferring portions of funds from RBI. It also took over from the RBI the refinance, development and statutory inspection of co-operative banks. Thus, Reserve Bank Scheme for Refinance was also transferred to NABARD. It also provides different types of loans and other short-term credit facilities for various purposes like purchase of raw materials, looms etc. The data available on NABARD credit to SCBs and RRBs in India is shown in Table 6.2. As it can be seen that the credit limit sanctioned has increased from Rs. 14531 lakhs in 1982-83 to Rs. 52630 lakhs in 1993-94. The withdrawals also have increased from Rs. 70570 lakhs in 1982-83 to Rs. 88916 in 1993-94 with the highest withdrawal in 1989-90 for Rs. 115587 lakhs (Table 6.2).
Table 6.2
Credit Sanctioned to State Co-operative Banks and
Regional Rural Banks to State Governments by NABARD
(Rs. in Lakhs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Credit limit sanctioned</th>
<th>Withdrawals</th>
<th>Repayment</th>
<th>Outstanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982-83</td>
<td>14531</td>
<td>70570</td>
<td>64688</td>
<td>11613</td>
</tr>
<tr>
<td>1983-84</td>
<td>18917</td>
<td>47296</td>
<td>44428</td>
<td>14481</td>
</tr>
<tr>
<td>1984-85</td>
<td>22410</td>
<td>37562</td>
<td>35654</td>
<td>16389</td>
</tr>
<tr>
<td>1985-86</td>
<td>24450</td>
<td>36177</td>
<td>36645</td>
<td>15921</td>
</tr>
<tr>
<td>1986-87</td>
<td>25583</td>
<td>64044</td>
<td>69751</td>
<td>10214</td>
</tr>
<tr>
<td>1987-88</td>
<td>31307</td>
<td>69372</td>
<td>61276</td>
<td>18310</td>
</tr>
<tr>
<td>1988-89</td>
<td>33820</td>
<td>79624</td>
<td>68951</td>
<td>28983</td>
</tr>
<tr>
<td>1989-90</td>
<td>36057</td>
<td>115587</td>
<td>114482</td>
<td>30088</td>
</tr>
<tr>
<td>1990-91</td>
<td>38174</td>
<td>102273</td>
<td>99978</td>
<td>32383</td>
</tr>
<tr>
<td>1991-92</td>
<td>45235</td>
<td>58243</td>
<td>56188</td>
<td>34438</td>
</tr>
<tr>
<td>1992-93</td>
<td>49237</td>
<td>80996</td>
<td>77286</td>
<td>38148</td>
</tr>
<tr>
<td>1993-94</td>
<td>52630</td>
<td>88916</td>
<td>99322</td>
<td>27822</td>
</tr>
</tbody>
</table>

Sources: NABARD Annual Report from 1982-83 to 1993-94.

The table also shows that the repayment has increased by 53.54 percent in the year 1993-94 compare to the repayment made in 1982-83. It also shows that outstanding has also increased to the extent of 139.58 percent in comparison to 1982-83’s outstanding amount of Rs. 11613 lakhs. It represents that NABARD’s performance has been satisfactory except for few years.

Although NABARD’s performance is satisfactory in the national level, the NABARD’s office at Imphal, has not given a satisfactory performance. NABARD, Imphal arranges loans up to Rs. 50,000/- to individuals and Primary Weavers Co-operative societies Ltd. regarding handloom. Unfortunately no data is available and weavers are less aware of it.5

6.6 STATE BANK OF INDIA/COMMERCIAL BANKS

The State Bank of India and all scheduled Commercial Banks also extends credit facilities to

5. Personal interview with the General Manager, NABARD, Imphal.
handloom sector at concessional rates for term finance for acquisition of machinery/land/worksheds and working capital for raw materials, carry over of semi-finished and finished goods and against receivables.

(a) Stree-shakti package Scheme: - The scheme is directed towards women in cottage, village, small industries including handloom. It provides composite term/working capital loan up to Rs. 25,000/- for village industries. The interest rate charge is 10% p.a. for backward areas and 12% p.a. for other areas. No margin money is required for composite term and working capital loan. The bank officials at Imphal are not even aware of the scheme.

(b) Composite Loan for equipment and/or working capital: - The other commercial Banks provides composite loan up to Rs. 20,000/- for equipment and/or working capital. The rate of interest charged is 13% p.a. and the repayment mode is for the period of 7-10 years.

6.7 APPRAISAL OF FINANCIAL INSTITUTIONS’ ROLE

The above schemes has shown that the Government has been protective towards handloom. The census of handloom has found that there are 36.9 lakh loom in India. The numbers is not very different compared to estimates 20 years back, but there are more frame loom today with dobbies and jacquard located in towns. In several ways, weaving remains an extremely heterogeneous industry. A major difference occurs along product lines as handlooms makes a wide range of products. Some of these products are successful and others compete with powerlooms. This in a way is the deciding factor for who requires state aid to survive in weaving.

The policy package followed since the fifties has been related to three fields - cloth market, finance and institutions. In the market sector, handlooms are selectively sheltered from competition by reservation of products, differential excise duties, restricting mills’ weaving capacity etc. Financial aid ranges from cheap working capital to direct subsidies. On institutions, the Government encourages co-operative societies. Co-operatives were originally a choice based on ideology as the

Textile Ministry says that collective are needed to implement policies. Indeed as things stand now, co-operatives functions more or less as a medium by which most institutions and financial support reaches the weavers. But the scenario of the registered Primary Weaving Co-operative Societies picture in Manipur is very dismal. The following Table 6.3 shows the working and dormant registered PWCS in all the districts of Manipur.

Table 6.3

Number of Registered Primary Weavers Co-operative Society of Working and Dormant in Manipur till 30.6.91

<table>
<thead>
<tr>
<th>Districts</th>
<th>Working</th>
<th>Dormant</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Imphal</td>
<td>595</td>
<td>113</td>
<td>708</td>
</tr>
<tr>
<td>Thoubal</td>
<td>119</td>
<td>15</td>
<td>134</td>
</tr>
<tr>
<td>Bishenpur</td>
<td>102</td>
<td>19</td>
<td>121</td>
</tr>
<tr>
<td>Churachandpur</td>
<td>47</td>
<td>3</td>
<td>50</td>
</tr>
<tr>
<td>Senapati</td>
<td>46</td>
<td>7</td>
<td>53</td>
</tr>
<tr>
<td>Ukhral</td>
<td>45</td>
<td>6</td>
<td>51</td>
</tr>
<tr>
<td>Chandel</td>
<td>24</td>
<td>12</td>
<td>36</td>
</tr>
<tr>
<td>Tamenglong</td>
<td>20</td>
<td>3</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>998</strong></td>
<td><strong>178</strong></td>
<td><strong>1176</strong></td>
</tr>
</tbody>
</table>

Source :- Registrar Co-operative Society, Lamphelpat, Imphal.

The table shows that out of 1176 registered PWCS, 998 PWCS have been dormant, Assuming that 100 weavers are present in every society, the total number of weavers covered under co-operative is 99800, out of the fully employed handloom weavers of 350000, the weavers under the co-operative fold is just about 28.5 percent. This shows that Sivaraman Committee’s 60 percent cooperativisation has not achieved in the state. Thus the financial support has not effectively reached the weavers as the medium (co-operatives) of transfer are not strongly based.
Under the institutions, handloom production and sale takes place under four systems. They are :-

(a) Weavers enter into a contract with a merchant or master-weaver viz. they receive yarn as bank or as a weavers loan and deliver cloth against a price wage,

(b) They work in a factory for price rates,

(c) They work at home and sell cloth in bazars or to wholesale shops.

(d) They belong to a Co-operative and work on orders from the government.

In Manipur, most of the weavers falls in the category (c) and (a) and to some extent category (d). The schemes relating to marketing of the finished goods should consider these points. Outside the network of Co-operatives, other type of weavers are the masterweavers and independent weavers who depend on the open market. It means that most financial aid which reaches weavers indirectly via product or yarn price leave these people out. Yet the big master weaver is present everywhere.

The Government’s financial commitment to weaving is somewhat like this :-

(a) The budget provides for capital assistance, modernisation, welfare, extending Co-operative coverage (the biggest item). In 1989-90, the planned assistance in all this was Rs. 19 crore.

(b) The budget subsidises the unsold cloth stock. (Rs. 4.5 crores in 1989-90)

(c) NABARD refinance working capital loans is Rs. 52.6 crores in 1993-94.

Any subsidy in India today implicates a state in fiscal crises. While this is a good reason to cut transfers, there is a ground to treat consumers subsidy addressed to poverty less harshly than producers subsidy addressed to efficiency.

Although there are various schemes available through the Handloom section, Directorate of Industries, Imphal, the weavers are not mostly aware of these schemes. These can be made aware by advertising through the media of local newspaper, radio and television just like the advertisement of the rural development programmes.
6.3 CONCLUSION

It has been seen that although the policies and programmes of the Central and State Government has been directed towards Co-operativisation of the weavers, the result is that only 28.5 percent of the weavers are covered in the co-operative fold. As Co-operatives has been used as a medium for transfer of benefits to the weavers, the media is very weak in Manipur. Therefore the weavers benefits received in the State are poor in comparison to highly co-operativised states.

Most of the Co-operatives exist in paper and lacks the idealism of co-operative. Rather the co-operatives are run as one man show. The Co-operatives are used as a platform for financial gains and politicking. The Co-operatives become more active only during the time of elections. Therefore, before a co-operative is to be registered, there should be a criteria for ascertaining whether the members will be able to function on the idealism of the Co-operative.