Village and small industries (VSI) sector comprises both traditional and modern small industries in India. It is a broad concept, constituted by eight specific groups viz. Handloom, Handicrafts, Coir, Sericulture, Khadi, Village Industries, Small scale Industries and Power looms. Next to agriculture, the VSI sector provides the greatest employment opportunities, which is in rural and semi-urban areas. Handloom is one of the most important, ancient, national traditional industries of India. The Handloom Industry is the major traditional industry of Kerala, after coir. It directly gives employment to 1.75 lakhs of people. The industry is dominated by the cooperative sector with 94% of the total looms in the State.

Kerala Government has been seriously implementing liberalisation and globalisation policies only from the year 2001. However, it is criticised that the traditional sectors, especially handloom has been seriously affected by the policies of globalisation even before 2001. If village and traditional industries are to be developed during the period of globalisation, old development approaches should be supplemented or even replaced. Government of India has declared Kannur district in Kerala as the Town of Export Excellence for handloom industry. Kannur is the major export-oriented handloom production centre in the State with its exports accounting for 10% of the total handloom exports from the country. Kannur (northern) region produces only 32% of the total handloom production in the State. On the other hand, central and southern regions of Kerala produce the major portion (68%). Though there is great potential of export growth and employment generation, the central and southern regions are often neglected by the researchers and policy makers. Therefore the researcher found it necessary to study the performance of village industries in Kerala with special reference to handloom industry during the period of globalisation, by focusing the empirical analysis on central/ Ernakulam region.

The study is based on the collection of primary and secondary data and analytical and statistical treatment of data including trend analysis, growth rates and coefficients, averages, percentage analysis, graphs and diagrams. Primary data is collected from Ernakulam district, for empirical study. To substantiate the study, secondary data collected from Kannur district, HANTED, HANVEEV, Directorate of Handloom, Department of Industry and Commerce, Handloom Exports organization, Handloom Export Promotion Council, KVIB, Annual Reports of Ministry of Textiles, Handloom weaving cooperative societies (HWCSs), various publications and reliable websites.

The study is classified into eight chapters. The introductory chapter presents the subject, objectives, methodology, etc. The second chapter discusses the review of literature, The third chapter presents the performance and prospects of village industries in Kerala, The fourth chapter discusses the performance of handloom industry in Kerala, The fifth chapter deals with the performance and prospects of handloom industry in Ernakulam district, Detailed discussion of globalisation and related issues is made in the sixth chapter, Seventh chapter empirically analyses the impact of globalisation on
The handloom industry in Ernakulam district, The major findings and conclusions are summarised in the last chapter.

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