

## Problems Faced by Handloom Industry - A Study with Handloom Weavers' Co-operative Societies in Erode District

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### Abstract

*Handloom is one of the ancient methods of making cloths by hand which exemplifies the richness of our country. It provides employment opportunities to millions of people in the rural and suburban belts of our country. In a decentralized Sector like handloom there are many problems related to weavers, input material, marketing etc. Most of the problems faced by handloom industry are perennial in nature and hence to sustain the cultural and economic importance of the industry the present study is an effort to understand the various problems faced by Handloom Weavers' Co-operative Societies. The present study is descriptive in nature. The required data for the study was collected from the primary sources. Stratified Random sampling technique was used to select a sample of 140 Handloom Weavers' Co-operative Societies in Erode District and to analyze the present study the Henry Garrett ranking Technique and percentage analysis have been used.*

Keywords: Handloom, Co-operative Societies, Weavers

### Introduction

The handloom sector plays a very important role in the country's economy. It is the second largest sector in terms of employment, next only to agriculture. This sector accounts for about fourteen percentage of the total cloth produced by the country (Annual Report Ministry of Textile 2010-11). Handloom Weaving is one of the major economic activities in Tamil Nadu which employs more than 1.89 lakh weavers household and 3.19 lakh weavers. It is mainly in the Co-operative Sector where 50% of the handloom weavers have been brought under the Co-operative fold which is against the national average of 25%. According to the Handlooms and Textiles Policy Note (2012 – 2013) in the year 2011-2012, the Handloom Weavers' Co-operative Societies in TamilNadu have produced 892.22 lakh metres of handloom cloth valued at Rs.695.08 crore and sold handloom fabrics to the extent of Rs.852.42 crore . During the year 2011-2012 as many as 824 Weavers Co-operative Societies are working on profit. But of late the performance of the working Societies in the Co-operative fold has been affected. There are various factors responsible for deteriorating performance of handloom Societies, of which the problems associated with weavers, input material and marketing clutches more weightage.

## Review of Literature

Tripathy (2009) made an attempt to study the problems and perspectives of Handloom Industry in Orissa. It was opined in the study that in decentralized handloom industry there are many problems due to illiteracy of the weavers', inadequate finance and wasted interests, procurement of raw-materials, product developments, quality control, cost control, unable to fix a stable price due to fluctuation in yarn price etc. The study suggested that handloom products marketer should understand the customer preferences about design and colour combination in selection of Handloom products and they should consider product development as an essential exercise for successful marketing of Handloom products.

Mathiraj and Rajkumar (2008) made an analytical study on Handloom products-production and marketing. The study narrated the production related problems of the Handloom Weavers' Societies and reviewed the marketing process carried out by the Weavers' Societies. It was found in their study that the societies in Ramanathapuram District are facing wide fluctuation in yarn price, lack of availability of skilled labour force. It was suggested that the production pattern, sales design may be formulated to accelerate the handloom products in the market and modernization of handloom industries can be made with a moderate cost to ease down the problems of weavers.

Gurumoorthy and Rengachary (2002) studied the problems faced by handloom industry. The study identified the major problems as shortage of input, poor working capital, and accumulation of huge stock and marketing of handloom products. It was stated in the study that pricing is one of the major problem of the handlooms sector. The price of handloom fabrics fixed by the society covers only the direct expenses known as cost of raw materials and wages. It does not cover indirect expenses known as overheads which in turn affect the profit of the handloom products. It was suggested in the study that to overcome the shortage of input the capacity of the spinning mills can be increased, to overcome the working capital problem the Co-optex has to settle its dues to Handloom Co-operatives as and when the procurement is made, to overcome the accumulation of huge stock. Co-optex may be directed by government to increase its procurement further Co-optex and Handloom Co-operatives should jointly promote the publicity of the products through fairs and exhibition. It was also suggested that instead of following market oriented approach the handloom industry has to follow consumer oriented approach in their production and marketing.

Narsaiah and Krishna (1999) studied the crisis in Handloom Industry. It was identified in the study that Handloom Industry has been facing the problem of improper financial facilities and irregular supply of yarn. As a result of this the Weavers' Societies and corporations are not functioning well. The raw material price increase every year and the cost of the handloom cloth has increased than the power loom Cloth. The study found that the

number of Co-operative sales outlet in Andhra Pradesh is very limited and they are located at inconvenient place at respective centers.

Roy (1998) in his study made an attempt to answer for the handloom industry's problem related to productivity and competition. It was answered in the study that Handloom Industry can survive only with the existence of two factors one is demand for the traditional garments and the other one is government policy sympathetic to handlooms.

### Objectives

1. To enlist the various input related problems faced by Handloom Weavers' Co-operative Societies.
2. To enlist the weavers related problems faced by Handloom Weavers' Co-operative Societies.
3. To enlist the marketing related problems faced by Handloom Weavers' Co-operative Societies.

### Research Design and Sampling Method

The present study has been conducted in Erode District which is one of the major handloom hub in Tamilnadu. This study is descriptive in nature. The present study is mainly based on primary data. Stratified Random Sampling was used to select a sample of 140 Handloom Weavers' Co-operative Societies in Erode District. The required data have been collected for analyzing problems faced by Handloom Weaver's Co-operative Societies. Structured questionnaire was used as a main tool for collecting the primary data. The questionnaire has been mainly composed of ranking scale and to analyze the ranking questionnaire, the Henry Garret ranking technique has been employed.

### Results and Discussions

#### Henry Garrett Ranking Technique

This technique has been used to rank the factors to identify the problems faced by the Handloom Societies in the study area. In this method the respondents were asked to rank their opinion regarding the problems faced by them. The order of merit given by the respondents was converted into ranks by using the following formula.

$$\text{Percentage Position} = \frac{100(R_{ij} - 0.5)}{N_j}$$

Where,

R<sub>ij</sub> - Ranking Position  
N<sub>j</sub> - Total No. of Ranks

The percentage position of each rank thus obtained is converted into scores by referring to the Table given by Henry Garrett. Then for each factor the scores of individual respondents were added and divided by the total number of respondents for whom the scores were added. These mean scores for all the factors were arranged in order of ranks and from this inference were drawn.

It is identified from Table 1 that the societies considers 'high cost of production' as a prime input related problem and the same was ranked first with a Garrett score of 9176 points. It is followed by the 'poor quality of raw material', 'insufficient number of looms' and 'inadequacy in supply of yarn' were ranked second, third and fourth ranks with Garrett scores of 7778, 6486 and 6453 points respectively. The last rank is placed for the 'delay in supply of yarn and other zari materials' with a Garrett score of 5247 points. From the analysis it can be inferred that majority of the societies considers their input related problem as 'high cost of production' and 'poor quality of raw material'.

**Table 1: Input Related Problems**

Sl. No.	Problems	Total Score	Mean Score	Rank
1	Inadequacy in supply of yarn	6453	46.1	IV
2	Poor quality of raw material	7778	55.6	II
3	High cost of Production	9176	65.5	I
4	Delay in supply of yarn and other zari materials	5247	37.5	V
5	Insufficient number of looms	6486	46.3	III

It is indicated from Table 2 that the societies considers 'lack of active member' as a major problem related to the weavers and the same as was ranked first with a Garrett score of 9038 points. It is followed by the 'aged people', 'not satisfied towards wages' and 'lack of skilled weavers' were ranked second, third and fourth ranks with Garrett scores of 8612, 7717 and 6669 points respectively. The problems such as 'poor knowledge about the modernized technique' and 'lack of training' were ranked fifth and sixth ranks with Garrett scores of 5816 and 5752 points respectively. The last rank is placed for the 'not satisfied towards schemes provided' with a Garrett score of 5165 points. From the above analysis it is inferred that majority of the societies considers 'lack of active member' and 'aged people' as a major weavers related problem.

**Table 2: Weavers Related Problems**

Sl. No.	Problems	Total Score	Mean Score	Rank
1	Aged people	8612	61.5	II
2	Lack of skilled weavers	6669	47.6	IV
3	Lack of active member	9038	64.6	I
4	Lack of training	5752	41.1	VI
5	Poor knowledge about the modernized technique	5816	41.5	V
6	Not satisfied towards wages	7717	55.1	III
7	Not satisfied towards schemes provided	5165	36.9	VII

**Table 3: Marketing Problems**

Sl. No.	Problems	Total Score	Mean Score	Rank
1	Lack of Customer Relationship Management	5124	36.6	IX
2	Not understanding the customer preferences	6149	43.9	VI
3	Lack of intensive distribution	7771	55.5	III
4	Lack of attractive promotion	8671	61.9	II
5	Not stressing the Unique Selling Proposition	7198	51.4	IV
6	Competition from mechanized sector such as mill and power loom Sectors	9822	70.2	I
7	Lack of commercially marketable products	7058	50.4	V
8	Lack of knowledge regarding areas of Export potential and value addition to products	6047	43.2	VII
9	Competitive price fixation	5255	37.5	VIII

It is implied from Table 3 that of all the problems faced by the societies related to marketing 'Competition with mechanized sector such as mill and power loom Sectors' was ranked first with a Garrett score of 9822 points. It is followed by the 'Lack of attractive promotion', 'Lack of intensive distribution' and 'Not stressing the Unique Selling Proposition' were ranked second, third and fourth ranks with Garrett scores of 8671, 7771 and 7198 points respectively. The problems such as 'Lack of commercially marketable products', 'Not understanding the customer preferences', 'Lack of knowledge regarding areas of Export potential and value addition to products' and 'Competitive price fixation' were ranked fifth, sixth, seventh and eighth ranks with Garrett scores of 7058, 6149, 6047 and 5255 points respectively. The last rank is placed for the 'Lack of Customer Relationship Management' with a Garrett score of 5124 points. From the above analysis it can be inferred that majority of

the societies are facing the problems related to marketing as 'Competition with mechanized sector such as mill and power loom Sectors' and 'Lack of attractive promotion'.

### **Key Findings**

- Because of continuous increase in yarn price the societies consider high cost of production' as a major input related problem followed poor quality of raw material.
- Considering the weavers related problem the societies consider lack of active member as a major weavers related problem followed by aged people.
- The Competition from mechanized sector such as mill and power loom Sectors is considered as a as a major marketing problem followed by Lack of attractive promotion.

The above mentioned findings have been drawn from the analysis with the help of Henry Garrett Ranking Technique

### **Suggestions**

- In order to increase the number of active members in the society the Government can increase the wages of the weavers so that they will be motivated to work continuously.
- The Government can organize training programmes to weavers with respect to weaving clothes of improved designs, so that through training they will be able to earn more wages and their economic conditions will improve.
- The Government can form a special committee to examine and limit the fluctuating yarn price, so that the societies can fix a stable price for their products in the study area.
- In order to avoid the competition from mechanized sector the Government should insist the compulsory usage of handloom mark for all the products produced by Handloom Weavers' Co-operative Societies.

### **Conclusion**

Though the Handloom industry offers massive amount of employment opportunities to lakhs of artistic weavers, recently it is facing lot of problems and it has been pushed towards the decline stage of the Product Life Cycle. To bring the industry back to growth stage the above mention problems has to be well addressed.

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