Research Paper Management

Socio-Economic Condition of Powerloom Entrepreneurs in Erode District, Tamilnadu-An Analysis

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ABSTRACT

The MSME sector covers the full range of medium and small enterprises. It includes industries using state of art of technology with medium capital investment. The SSI sector has played an important role in the Indian economy. Powerloom sector products meet a substantial part of the essential requirement of rural and semi urban areas. This will play a significant role in uplifting and removal of poverty. This article highlights the role of state government, DIC, Govt. of India, Commercial banks, SIDBI & IDBI, as well as state finance corporation to promote Powerloom sectors in Erode District.

KEYWORDS :

Introduction

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14% to industrial production, 4% to the GDP, and 17% to the country's export earnings.The Textiles sector is the second largest provider of employment after agriculture.

Review of Literature

Dutta[1] presents an overview of the textile industry in Tamil Nadu in which he reports that all the new fibres have considerable influence on the industry, economy and also society. He suggests that the Tamil Nadu textile industry should concentrate on stepping up value addition of textile more towards high value realization in the export market.

Despite being an important activity, powerloom units are not a homogeneous group with respect to income earned by them. Powerloom units fall into 3 distinct categories 12 per cent in High income, 36 per cent low income and the remaining 52 per cent in middle income). The low income units have not been able to upgrade quickly to the higher income brackets, but have been leaving powerloom weaving altogether.[2]

Statement of the Problem

The powerloom industry in Tamil Nadu, which plays a pivotal role at the national level, typically faces all the problems mentioned above. This calls for an in-depth analysis about the performance of the textile industry with particular reference to the powerloom industry in Erode district of Tamil Nadu.

Objectives of the Study

1. To examine the structure of the textile industry in general and that of the powerloom sector in particular at all-India and Tamil Nadu level.
2. To know the Characteristic of employment among weaving workers and master weavers.

Social Characteristics of the Sample Unit Owners

This section examines the social characteristics of the sample unit owners, which include their gender, community, age, marital status, educational standards, experience, etc. To begin with, Table – 2 presents the area-wise sex of the sample unit owners.

Table – 2 Sex-wise distributions of the Sample Unit Owners in the Study Area

Sex	Erode	Perundurai	Total
	257	186	443
Male	(58.0)	(42.0)	(100.0)
	[95.9]	[96.9]	[96.3]
	11	6	17
Female	(64.7)	(35.3)	(100.0)
	[4.1]	[3.1]	[3.7]
	268	192	460
Total	(58.3)	(41.7)	(100.0)
	[100.0]	[100.0]	[100.0]

Note: Figures in round brackets are row-wise percentages and those in square brackets are column-wise percentages. Source: Field survey.)

Table - 2 reveals that among the 460 sample unit owners, as many as 443 (96.3 per cent) are males and only 17 unit owners (3.7 per cent) are females. This is not surprising, given the fact that in most of the cases, the looms are operated within the homesteads, wherein the males take care of these activities.

Monthly Income of the Workers

Table – 8 Monthly Income of the Workers in the Sample Units

Income	Male	Female	Total
	395	413	808
UptoRs. 5000	(48.9)	(51.1)	(100.0)
	[25.7]	[65.5]	[37.2]
	543	218	761
Rs. 5001-10000	(71.4)	(28.6)	(100.0)
	[35.3]	[34.5]	[35.1]
	493	Nil	493
Rs. 10001-15000	(100.0)	Nil	(100.0)
	[32.0]	Nil	[22.7]
	108	Nil	108
Above Rs. 15000	(5.0)	Nil	(100.0)
	[7.0]	Nil	[5.0]
	1539	631	2170
Total	(70.9)	(29.1)	(100.0)
	[100.0]	[100.0]	[100.0]

(Note: Figures in round brackets are row-wise percentages and those in square brackets are column-wise percentages. Source: Field survey.)

Table – 8 shows that among the 2170 workers, 808 (37.2 per cent) earn uptoRs. 5000 per month, 761 (35.1 per cent) belong to the monthly income range of Rs. 5001-10000, 493 (22.7 per cent) earn in the range of Rs. 10001-15000 and 108 workers (5 per cent) earn above Rs. 15000 per month.

Monetary and Non-Monetary Benefits for the Workers

Table – 9 Monetary and Non-Monetary Benefits Extended to the Workers in the Sample Units

	Yes		No		Total	
	No.	%	No.	%	No.	%
MONETARY BENEFITS						
Annual Increment	1458	67.2	712	32.8	2170	100.0
Allowances (D.A., H.R.A., M.A.)	Nil	Nil	2170	100.0	2170	100.0
Overtime	1489	68.6	681	31.4	2170	100.0
Paid Holiday	Nil	Nil	2170	100.0	2170	100.0
Bonus	459	21.2	1711	78.8	2170	100.0
Festival Advance	1785	82.3	385	17.7	2170	100.0
Provident Fund	Nil	Nil	2170	100.0	2170	100.0
Gratuity	Nil	Nil	2170	100.0	2170	100.0
Accident Insurance	Nil	Nil	2170	100.0	2170	100.0
Pension	Nil	Nil	2170	100.0	2170	100.0
NON-MONETARY BENEFITS						
Free medical aid	Nil	Nil	2170	100.0	2170	100.0
Employee State Insurance	Nil	Nil	2170	100.0	2170	100.0
Free schooling for children	Nil	Nil	2170	100.0	2170	100.0
Rent free house	Nil	Nil	2170	100.0	2170	100.0
Free refreshment during working hours	Nil	Nil	2170	100.0	2170	100.0

(Note: D.A. – Dearness Allowance; H.R.A. – House Rent allowance and M.A. – Medical Allowance. Source: Field survey.)

Table – 9 indicates among the monetary benefits, annual increment is given to 67.2 per cent of the workers, while no one is given dearness allowance (DA), house rent allowance (HRA) and medical allowance (MA), 68.6 per cent of them get overtime and no one is given paid holiday. Bonus is given only in the case of 21.2 per cent of the workers and festival advance is extended to 82.3 per cent of them.

Testing of Hypothesis

H_0: There is no significant relationship between the size of investment and labour productivity among the sample powerloom owners.

H_1: There is a significant relationship between the size of investment and labour productivity among the sample powerloom owners.

Table – 10 Testing the Relationship between Size Investment and Labour Productivity

Statistics	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	596.042***	6	0.000
Likelihood Ratio	588.981***	6	0.000
Linear-by-Linear Association	332.924***	1	0.000
N of Valid Cases	460		

(Note: *** indicates 1 per cent level of significance. Source: Computed from field survey data.)

It is inferred from the table that the calculated Chi-square value is significant at 1 per cent level and thus, the null hypothesis is rejected. This implies that there is a significant relationship between size of investment and labour productivity among the sample units in the study area.

Conclusion

Powerloom industry is not only an unorganised industry, but also a highly labour intensive industry. The Government can come forward to take a holistic view about the industry to protect the interest of numerous poor and less educated weavers. The following measures already taken by government to improve the labour productivity like- Powerloom service centre, group insurance scheme, group workshed scheme, integrated schems for powerloom owners, marketing development programme, powerloom cluster development, powerloom hi-tech park.

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