



## Problems Of Handloom Weaver's Co- Operative Societies in Chittoor District

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### ABSTRACT

*The handloom industry plays a vital role in the economy of the country, yet the industry is facing many problems. The main problems facing by the handloom weavers' Co-operative societies in Chittoor District are shortage of raw materials, lack of skilled workers, climatic conditions, lack of technology and insufficient work places in production problems. Competition, channel of marketing, less number of sales outlets and lack of sales promotion are marketing problems. Lack of awareness, delay in sanction, inadequate finance, lack of security and limited owned funds are financial problems. Here an attempt is made to discuss the above problems in the specific context of weavers' Co-operatives in Chittoor District. This article analyzes the problems of weavers' Co-operatives regarding production problems, marketing problems and financial problems.*

**KEYWORDS : – Handloom Weavers Co-operative Societies – Production Problems – Marketing Problems – Finance Problems.**

### 1. INTRODUCTION

The handloom industry plays a vital role in the economy of the country, yet the industry is facing many problems. The main problems facing by the handloom weavers' Co-operative societies in Chittoor District are shortage of raw materials, lack of skilled workers, climatic conditions, lack of technology and insufficient work places in production problems. Competition, channel of marketing, less number of sales outlets and lack of sales promotion are marketing problems. Lack of awareness, delay in sanction, inadequate finance, lack of security and limited owned funds are financial problems. Here an attempt is made to discuss the above problems in the specific context of weavers' Co-operatives in Chittoor District. This article analyzes the problems of weavers' Co-operatives regarding production problems, marketing problems and financial problems.

### 2. PROBLEMS OF HANDLOOM WEAVERS CO-OPERATIVES:

#### 2.1 PRODUCTION PROBLEMS

Co-operatives are facing a major production problem due to raw materials as its supply is very unstable and inadequate. Co-operatives get the least preference when it comes to raw materials, thus hindering constant production. These fluctuations lead to increase in the price of final product.

Most of the weavers' Co-operatives are situated in rural areas and also scattered all over the country. They are financially weak and thus it is not possible for them to appoint trained personnel to look after the management, thus they have to manage with unskilled and inefficient staff, which leads to deterioration in quality.

#### Reasons for Low Productivity

Productivity of the looms in the selected area is very low and the output per loom per day is only 6 to 8 meters. Lack of training, inadequate working capital, not keeping rapidly with the market trends, conventional production range, old looms, obsolete technologies, unorganized production system, lack of design development and product diversification are the causes for low productivity among the weaver Co-operatives in Chittoor District. Members of weavers' Co-operatives distributed according to their production problems. The members of weavers Co-operatives distributed according to their production problems are presented in the table 1.1

**Table – 1.1**  
**Members of Weavers' Co-operatives distributed according to their Production problems**

Sl. No.	Production Problems	Cotton Cloth Making	Silk Cloth Making	Polyster Cloth Making	Total
1	Shortage of raw materials	25	15	10	50 (33.33)

2	Lack of skilled workers	20	10	7	37 (24.67)
3	Climatic conditions	14	9	5	28 (18.67)
4	Lack of technology	10	6	4	20 (13.33)
5	In sufficient work place	6	5	4	15 (10)
Total		75 (50)	45 (30)	30 (20)	150 (100)

#### Figures in the parentheses indicate the percentage.

Table 1.1 reveals that the total members of cotton cloth making are 75, out of them 25 members faced the problem of shortage of raw material, 20 members lack of skilled workers, 14 members problem of climatic conditions, 10 members lack of technology and 6 members the problem of insufficient work place.

The total members of silk cloth making are 45, out of them 15 members faced the problem of shortage of raw material, 10 members lack of skilled workers, 9 members problem of climatic conditions, 6 members lack of technology and 5 members insufficient work place.

The total members of cotton cloth making are 30, out of them 10 members faced the problem of shortage of raw material, 7 members lack of skilled workers, 5 members problem of climatic conditions, 4 members lack of technology and 4 members insufficient work place.

Among the members of weavers Co-operatives 33.33 percent faced with the shortage of raw material problem followed by 24.67 percent lack of skilled workers, 18.67 percent problem of climatic conditions, 13.33 percent technology problem and 10 percent the problem of insufficient workplace.

#### 2.2 MARKETING PROBLEMS

Weavers' cooperatives are extremely weak in marketing and sales promotion. They are also weak in finance and the capability to undertake aggressive marketing activities. Due to these problems they are unable to increase sales.

The problem of marketing of handloom products is a vital factor for the growth and survival of the industry. Competition from the large-scale sector and power looms threatens the survival of the handloom industry. In fact, many weavers are ignorant of the international market as there is no proper guidance, channel through which they can get information regarding foreign trade. The progressive weavers are unable to undertake exporting their goods on their own because lack of capital, lack of mass production with limited varieties, slow production, not allow them to cope-up with the demand and orders for the

importing countries.<sup>1</sup>

Even in domestic market, there is great potential for handloom products. But the availability of organized information, formal documentation of market change, timely market research and customer survey for market feed-back are still not common practices for the handloom sector. There is another complaint that the handloom products are available only at very less number of outlets and that restricts the customers from purchasing the handloom in their vicinity.<sup>2</sup>

Inadequate marketing services and facilities have resulted in periodical accumulation of stocks, resulting in under-employment and unemployment among the weavers<sup>3</sup>. The Co-operative societies in Andhra Pradesh are wholly depending on the apex society (APCO) for marketing of their products. The APCO is not performing well and is not in a position to lift the finished products for selling. Hence, the societies should make alternative arrangements for marketing of the finished products. The societies will be in a position to provide more employment to weavers if there is a good market for the products of the primary weavers' cooperative societies.<sup>4</sup>

The master weavers are unable to undertake marketing of their products because there are no proper distributional channels, which are resulting in periodical accumulation of stocks. The independent weavers who are outside the Co-operative fold are not always able to dispose of their products directly to the consumers. He has to approach the middlemen like the master weavers and the price of cloth offered to the weaver is deliberately kept as low as possible. The weaver due to his poor bargaining power is compelled to dispose of these products at a price that 'may not be considered reasonable by any standard'.<sup>5</sup>

Without good marketing, a product could not survive in the market due to competition of similar products. Marketing is one of the major problems for weavers' Co-operatives in Chittoor District.

For smooth and efficient running, the weavers Co-operatives should have the knowledge of marketing awareness. The members of the weavers Co-operatives distributed according to their marketing problems are presented in table number 2.2

**Table – 2.2**  
**Members of weavers' Co-operatives distributed according to their Marketing problems**

Sl. No.	Marketing Problems	Cotton Cloth Making	Silk Cloth Making	Polyster Cloth Making	Total
1	Competition	28	18	12	58 (38.67)
2	Channel of Marketing	22	12	8	42 (28)
3	Less Number of Outlets	15	9	6	30 (20)
4	Lack of sales Promotion	10	6	4	20 (13.33)
Total		75 (50)	45 (30)	30 (20)	150 (100)

**Figures in the parentheses indicate the percentage.**

Table 2.2 shows that the total members of weavers' Co-operatives facing the competition problem are 58, out of which 28 members are cotton cloth making, 18 are silk cloth making and 12 are polyster cloth making.

The total members of weavers' Co-operatives facing the channel of marketing problem are 42, out of which 22 members are cotton cloth making, 12 are silk cloth making and 8 are polyster cloth making.

The total members of weavers' Co-operatives facing the less no of sales outlets problem are 30, out of which 15 members are cotton cloth making, 9 are silk cloth making and 6 are polyster cloth making.

The total members of weavers' Co-operatives facing the problem of sales promotion are 20, out of which 10 members are cotton cloth making, 6 are silk cloth making and 4 are polyster cloth making.

In marketing problems 38.67 percent of the members are facing the competition problem, 28 percent of the members are facing the channel of marketing problem, 20 percent of the members are facing the less number of sales outlets problem and 13.33 percent of the members are facing the sales promotion problem.

### 2.3 FINANCIAL PROBLEMS

Majority of members of weavers' Co-operatives in the Chittoor District belongs to the economically weaker sections of society and do not have enough capital to purchase yarn, dyes, chemicals and other requirements for carrying on their production. Though a few well-to-do master weavers are able to command credit facilities from commercial or nationalized banks, the small weavers do not command such facilities and therefore they are obliged to pay very high rates of interest on their borrowings from private moneylenders. Various governmental schemes have been implemented to provide financial assistance to handloom weavers' Co-operatives but majority of the handloom weavers have not been able to take advantage of these schemes for one or the other reasons. In Chittoor District, the members of weavers' Co-operatives are facing the problem of getting the institutional finance due to lack of awareness, delay in sanction of loan, inadequate finance and lack of security for obtaining loan from banks and other financial institutions. The members of weavers Co-operatives distributed according to their financial problems are presented in table 2.3

**Table – 2.3**  
**Members of weavers' Co-operatives distributed according to their Financial problems**

Sl. No	Finance Problems	Members of weavers Co-operatives			
		Cotton Cloth Making	Silk Cloth Making	Polyster Cloth Making	Total
1	Lack of awareness	14	9	7	30 (20)
2	Delay in sanction of loans	15	10	8	33 (22)
3	Inadequate finance	22	15	12	49 (32.67)
4	Lack of security	18	11	9	38 (25.33)
Total		69 (46)	45 (30)	36 (24)	150 (100)

**Figures in the parentheses indicate the percentage.**

Table 2.3 shows that the total members of cotton cloth making are 69, out of which 14 members faced the problem of lack of awareness, 15 members delay in sanction of loan, 22 members inadequate finance and 18 members lack of security.

The total members of silk cloth making are 45, out of which 9 members faced the problem of lack of awareness, 10 members delay in sanction of loan, 15 members inadequate finance and 11 members lack of security.

The total members of polyster cloth making are 36, out of which 7 members faced the problem of lack of awareness, 8 members delay in sanction of loan, 12 members inadequate finance and 9 members lack of security.

20 percent of the members of weavers Co-operative societies are expressed the lack of awareness regarding the institutional finance, 22 percent of the members expressed the problems of delay in sanction of loan, 32.67 percent of the members expressed the problem of inadequate finance and 23.33 percent of the members do not have the security to get loans.

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