A COMPARATIVE ANALYSIS OF THE COTTAGE AND FACTORY SUB SECTORS OF THE CO-OPERATIVE SECTOR IN THE HANDLOOM INDUSTRY OF KERALA

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THESIS

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DECLARATION

I hereby declare that this thesis entitled "A Comparative Analysis of the Cottage and Factory Sub Sectors of the Co-operative Sector in the Handloom Industry of Kerala" is a bonafide record of research work done by me during the course of research and that the thesis has not previously formed the basis for the award to me of any degree, diploma, associateship, fellowship or other similar title of any other university or society.

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CERTIFICATE

Certified that this thesis entitled "A Comparative Analysis of the Cottage and Factory Sub-Sectors of the Co-operative Sector in the Handloom Industry of Kerala" is a record of research work done independently by Sri Toney Joseph under my guidance and supervision and that it has not previously formed the basis for the award of any degree, fellowship or associateship to him.

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CHAPTER - I

INTRODUCTION

The handloom industry is part of the ancient cultural heritage of India. Agnihotri (1985) observed that handloom weaving is the pulse beat of Indian cultural life. But during the British rule, they had to face the danger of extinction on account of their discriminatory and exploitative policies. The modernisation of organised textile industry further aggravated the problems of handlooms.

Despite all these challenges, the handloom industry has managed to survive and even grown in some regions. The tenacity of handicrafts like handlooms in developing economies such as ours have now become an accepted fact.

1.1 Handloom industry in India

Although the industry is spread all over the country, it is concentrated in certain regions and states (see Appendix I). These centres tended to reveal historically a certain dynamism which has been variously explained. The degree of co-operitivisation in different states varies widely. In certain states the degree of co-operitivisation is far from satisfactory. The lot of weaver is still not improved since he is unable to free himself from his bondage with master-craftsman-cum-employer due to socio economic factors. Eventhough

weavers' co-operatives have been established to countervail the exploitation of the weavers by the master weavers, the movement has not made much headway.

The resilience of the handloom industry in India can be interpreted in two ways. Firstly, as a handicraft industry in a developing country, it has certain advantages like availability of cheap labour, substantial government patronage, existence of national market and so on which enable it to survive. Secondly, the industry has managed to grow in some regions partly due to the relatively more pronounced intervention by certain state governments and partly owing to specific conditions obtaining there.

The outlook at the macro level, thus, appear somewhat dismal. But as we have observed earlier in some states, the industry has performed relatively better. Therefore, location specific studies which throw light on the structure and functioning of the industry in particular regions will provide greater insight into the dynamics of this industry.

1.2 Handloom industry in Kerala

Kerala presents a distinct picture in the matter of distribution of loomage and structural pattern. The industry is concentrated in the northernmost district of Cannanore and the southernmost district of Trivandrum.

The structural pattern also vary widely in between these two regions. While the household sector is predominant in southern parts of the state, the industry is more or less non-household in nature in the northern parts of the Kerala. The co-operative structure of the industry in the state has also dichotomous characteristic which is an off-shoot of the traditional pattern. The co-operative structure of Kerala consists of two types of societies, namely, the household type which is usually referred to as 'Primary Societies' or 'Production and Sales Societies' and the non-household type which is termed as 'Industrial Societies'. The structural differences with respect to organisation, production, cost and working conditions of these two types of societies need to be studied and analysed in the present day context wherein the industry is facing crisis.

1.3 Problems of the Industry

Inspite of the co-operitivisation of the production and marketing and years of government protection the handloom industry in Kerala is in the grip of a serious crisis. Several co-operative societies are faced with closure. The number of days of work has declined. The industry also threatened by flight of units into

neighbouring states due to inter state wage differentials and high degree of unionisation among the workers in the state. The difference in the prices of yarn between Kerala and other states and also the escalating prices of yarn are other factors. Stocks of unsold output have also piled up due to inflated cost and shrinking markets. Since a large number of working people and their families depend on the handloom industry in Kerala, an investigation into their socio economic characteristics and production conditions seem to be very relevant.

1.4 Significance of the study

The present study is an attempt to fill the gap in our understanding of the development of the co-operative sector in the handloom industry of Kerala. The co-operative sector of the industry in Kerala exhibits fundamentally contrasting industrial structure which consists of both factory and cottage sub sectors. The study intends to reveal the development of these two sub sectors in the co-operative sector by bringing about their structural differences. One explanation for the decline of the co-operative sector in the handloom industry of Kerala is reported to be a high cost structure which has made its product incompetitive.

So an analysis which enquires about the production and cost structure would throw light on the reasons for mounting costs and also on differing production structure. Since the weavers form the chunk of the industry, the success of the co-operative societies depend on their loyalty attitude and level of utilisation of co-operative. The comparative analysis of both the sub sectors helps us to have a general understanding of the existing systems of operations of the industry and also to identify the more appropriate form of co-operative organisational set up by looking into the operational efficiency as well as working conditions.

1.5 Objectives of the study

The objectives of the study are the following:

(i) to examine the structural differences in the cottage and factory sub sectors of the co-operative sector in the handloom industry of Kerala.

(ii) to examine the comparative differences in the operational costs and profit margin

(iii) to examine the relative differences in the working

conditions enjoyed by the members in both the sub sectors.

1.6 Scheme of the study

The study is presented in six chapters including introduction. In the second chapter a review of relevant literature is given. The third chapter contains a brief description of the handloom industry in Kerala. In the fourth chapter, materials and methods of the study are discussed. The results and discussions are presented in the fifth chapter, and the summary of findings are given in the sixth chapter followed by references and appendices.

Review of Literature

CHAPTER-II

REVIEW OF LITERATURE

A number of studies have been undertaken on the handloom industry. This chapter briefly reviews some of the previous studies which are relevant to the present study. Broadly the literature can be classified into the following categories:

2.1 Studies on handloom industry based on specific regions/states

2.2 Studies relating to the organisation, development and problems of handloom industry

2.3 Studies dealing with the performance of the co-operative sector in the handloom industry

2.4 Studies connected with the production and cost structure of the industry

2.5 Studies pertaining to the socio economic characteristics and production conditions of weavers

2.1 Studies on handloom industry based on specific regions/states

Venkataraman (1935) studied the handloom industry in South India. He explored the nature of relationship between production and marketing. He was of the view that the system of production determined the method of

distribution. He also pinpointed on the need for an organised system for production and marketing.

National Council of Applied Economic Research (1958) enquired into the economics of handloom industry in selected centres of Karnataka and Maharashtra. The organisational deficiency and the resultant dependence of units and its undesirable consequences were focussed by the study. The study suggested for a systematic reorganisation of the industry through the formation of co-operatives which would cover production, marketing and finance if handloom industry had to survive the world of technological advance.

Shetty (1963) while studying the small industries of Delhi referred to handlooms. He observed the problems of the industry of the area as finance and low capacity utilisation.

Lakshman (1966) covered cottage and small industries of Mysore. He showed the need for strengthening the organisational base of cottage industries. Other problems cited were low level of skill formation, the supreme role of middlemen, poor standards of raw material, low quality products, imperfect sales organisation and keen competition from mills.

The focus of Programme Evaluation Organisations Study (1967) was on marketing, employment, technological and co-operativisation programmes of handloom industry. Adoption of modern tools was low due to the unawareness, lack of skills and at times, due to unsuitability. The handloom development programmes were more beneficial to co-operative members. But in the organisational set up of co-operatives there was weak link between the weavers' societies and the apex society which has led to inadequate marketing arrangements resulting in unsuitable employment of co-operative sector weavers.

Riazuddin Ahamed's (1968) enquiry was on the economics of cottage industries of Gaugapur, Allahabad. The study covered handloom industry. The methodological difficulties associated with the study of rural industries were detailed in the book. The disorganised nature of handlooms led to marketing problems. The other problems were procedural delay, lack of skill and lack of governmental assistance to the desired extent especially for sectors like handlooms.

Upadhyaya (1973) examined certain economic aspects of handicrafts with reference to Aurangabad which also covered handlooms of the area. As against the general problem of marketing faced by small and cottage industries, he found market as not a constraint but the more pressing problem was lack of finance.

Venkatappa (1977) analysed the progress and probelms of weavers' co-operatives in Karnataka. He observed that due to lack of organisational set up among the weavers and the non-effective working of the existing co-operatives the coverage of looms under the co-operative fold was less. He opined that handloom weavers in general and the society in particular were in a miserable plight due to various problems like social, managerial, organisational and administrative.

Choubey (1978) examined the problems and prospects of weavers' co-operatives in Bihar. He observed that most of the societies were organised and registered without proper planning and adequate preparation for their success. Many spurious weavers' co-operatives were registered in the hope of getting government rebate and other concessional facilities. The handloom weavers were not given to understand the usefulness of these co-operatives by organising them into such societies. He stressed on the need for rehabilitation and revitalisation of handloom co-operatives. The poor management and supervision also hindered the progress of weavers co-operatives in Bihar. Timely procurement of raw-materials at reasonable cost was a great problem for these co-operatives. The existence of intermediaries and distance of co-operatives from yarn market resulted in high cost of yarn.

Kundu Abanti (1980) in her study of the industry in West Bengal analysed the impact of government intervention in the industry. She found that the failure of the Government to control the supply and distribution of raw materials as well as to start an effective marketing network had resulted in the industry being still dominated by mahajans.

Bharathan (1983) observed a number of changes in the industry of Tamil Nadu during the period 1961-71. He noticed that the industry was becoming more urban and non-household in character. Further, while production for domestic market declined exports went up and consequent changes have occured both in product mix and in organisation of production.

Kutty Krishnan (1985) in his study on Economics of Handloom Industry in Cannanore District observed that the industry was neither material nor market based. The existence of large innovative firms created large markets for handloom products encouraging new units to come up. Labour was also available in the district since traditionally weaving was a caste based occupation.

Rajagopalan (1986) observed that handloom industry in Kerala exhibited fundamentally contrasting industrial structure. In Trivandrum the household or unorganised sector predominated and production was oriented primarily towards the domestic Kerala market. In contrast

in Cannanore nearly half of the loomage was in the non-household or organised sector and production was oriented towards export. As a consequence of this structural diochotomy between the two regions, difference were evident in a number of factors like production strategy, product mix, markets, marketing organisations, composition of work force, degree of co-operativisation and so on.

Thanulingam and Gurumoorthy (1987) presented the extent of social obligation fulfilled by the handloom weavers' co-operatives to weavers in Paramkudi town. He observed that through statutory obligation the societies had organised various deposit schemes to improve the savings of weavers. Weavers savings and security schemes, housing schemes and employees provident fund schemes had been operated promptly in the handloom co-operatives of Paramkudi town for providing benefit to the weavers and employees.

Ramakrishna Rao and Subrahmanyan (1987) had undertaken a study on handloom industry with the objective of studying the socio-economic profile of weavers in coastal Andhra to know the organisational structure, production and marketing activities of weavers as well as primary societies and to suggest suitable measures for the betterment of the handloom industry. He found that lack of proper motivation

was conspicuous among the youth towards this industry. It was disclosed that average annual earnings of the weavers working independently was relatively higher than that of weavers working for master weavers. Only 40% of the respondents depended on co-operatives. It was evident that co-operative movement had not even developed on sound lines. The majority of respondents were suffering from debt burden.

2.2 Studies relating to the organisation, development and problems of handloom industry

Report of Fact Finding Committee (Handlooms and Mills) Government of India, (1942) is the most comprehensive and indepth analysis of the Indian handloom industry. Constituted against the backdrop of a major crisis in the industry, the committee attributed the crisis to the cumulative effect of a number of factors. These included the changes in the tariff policy, shift in the consumer taste and the competition from mill sector. There was also a general lack of dynamism in the industry due to the fact the majority of the weavers were enmeshed in a strong dependency relations with middlemen. The growing competition of the power loom sector which emerged around Second World War period was also clearly mentioned by the committee.

Ghosh (1947) while discussing the problems of handloom weavers stressed its locational importance. Weavers living in close proximity to markets enjoyed advantage as otherwise weavers had to walk 20 to 25 miles losing 2 to 2½ days a week to dispose off their products. However, he was of the view that location need not be overemphasized.

While examining the question of the implementation of minimum wages for handloom weavers in Kerala, the committee of the Government of Kerala (1960) documented the problems of weavers and its capital lightness.

Oommen (1972) in his study of small industries in Kerala had compared handloom with powerloom. According to this study, surplus generation was high in handloom compared to powerlooms and reinvestable surplus turned out to be considerably low due to high propensity to consume.

Report of the High Powered Study Team on the Problems of Handloom Industry, Government of India (1974) enquired into all aspects like organisational, financial and technical. It observed that increased co-operitivisation of the industry would be an effective means whereby many of the problems of the

handloom industry could be solved. The necessity for strengthening such institution like All India Handloom Board was also emphasized by the study team. Analysing the functions of reservation system and availability of necessary inputs to the handloom industry, study team noted that in practice very little protection was being given. This was due to the poor enforcement of various policy measures undertaken.

Kamat (1976) opined that the weakness of the handloom unit was due to a variety of reasons, the basic reason being the lack of rationalised institutional infrastructure. He found that an integrated co-operative structure covering those requirements right from the stage of raw material to the finished product could go a long way in providing stability to textile industry.

Mohanan (1977) discussed the issue of widespread unemployment among weavers of Cannanore and identified the related problems as lack of innovation, the role of intermediaries, unplanned production and the failure of Government in building a firm base for the industry.

Estimates Committee of Parliament (1978) in its report noted that inspite of handloom industry providing employment to many million people and accounting for more than 25% of the total cloth production, it had not been placed on sound footing. The committee had distresfully noted that although Government had been taking various steps for the development of handlooms since the inception of the Five Year Plans, no appreciable impact could be made to improve the working conditions of weavers.

Podar Kantikumar (1978) analysed the present position of handlooms, the reasons for the stagnation and the unsatisfactory state of affairs of the sector. He opined that, industry was in an unsatisfactory and disorganised state. He suggested for a thorough reorganisation of the handloom involving the modernisation of equipments and marketing facilities on systamatic lines and change in the pattern of production in keeping with the consumer demand and taste.

Batra (1978) made comparative evaluation of productivity between handloom mills and powerloom and observed that the handloom sector was the weakest.

The reasons for the low productivity of handloom sector were traditional methods of production, poverty and poor creditworthiness of weavers and dependence on mills for the supply of yarn. He stressed the need for some sort of protection to handloom sector to enable it to produce.

Srinivasan (1979) opined that though relatively unorganised, the handloom industry could not be considered as primitive and it presented both potentialities and problems which had socio economic significance on resurgent India whose main problem was to provide gainful employment in rural sector.

Mathew (1982) observed the main problems facing the contemporary handloom industry in Kerala were market sluggishness, increased wages rates as compared to other states and frequent price hike of yarn. In addition to this mill cloth and powerloom products imitated the design and pattern of handloom products and captured the traditional market of handloom.

Doshi (1984) commented that the handloom industry is forced with prevalence of traditional technology, lack of new development in the field of production,

caste specific nature of industry, lack or inadequacy of infrastructure, difficulties in securing adequate finance, administrative lags, lethargy and inefficiency and inadequate entrepreneurial ability.

Goswamy Omkar (1985) examined the reasons for declining of handlooms, such as factors dealing with production and cost, the penetration of powerlooms and mill cloth into the interior market and change in consumer taste.

Rajagopalan (1986) observed that the type of industry profoundly affected the product mix and the marketing of products. Even the difference in extent of co-operitivisation was a reflection of these differ#ing organisational characteristics. He pointed out that the organised nature of the industry in Cannanore enabled it to produce specialised goods for distant markets. With the introduction of new organisational set up there was a change in the type of loomage. He found a positive correlation between the type of looms employed in the industry and type of goods produced. He also observed some correlation between the nature of industry and degree of co-operitivisation.

2.3 Studies dealing with the performance of the co-operative sector in the handloom industry

Trivedi (1982) opined that the handloom industry with least involvment of capital, space and energy had potential to give maximum yield or return on capital investment and production and thereby ensuring raising of living standards of weavers. The weavers co-operatives had not been able to provide desired level of the benefits to the weaker sections of the community which immediately called for needs to boost approaches at all levels.

Koshy (1982) narrated a number of reasons for the poor performance of co-operative sectors in the handloom industry in Kerala such as slow pace in modernisation of handlooms, soft peddling of product diversification, dependence for higher counts of yarn on spinning mills in Tamil Nadu which led the industry into the hands of traders in yarn, lack of managerial input and dearth of working capital finance and a host of other inbuilt problems.

Gopalan and Doraiswamy (1986) attempted to study with empirical evidence the historical and development perspective of handloom co-operatives and the spatial

as well as temporal trends of the partial trends of the production and marketing of handloom goods by weavers co-operatives at all India, Tamil Nadu and selected district level. The developmental perspectives could be guaged in terms of organisational help, financial help, managerial help and so on. He found a positive correlation between production and marketing at decentralised level and also a positive relationship between sales and net profit. He observed certain problems faced by the selected societies such as non-loyalty of members, insufficient quantity of allotment of yarn, inferior quality of yarn, accumulation of finished product and stiff competition from powerlooms.

Rajagopalan (1986) clearly made the distinction between primary weaver's co-operatives (household co-operatives) and industrial weaver's co-operatives (non-household co-operatives). He observed that a primary society functioned as a procurement cum sales outlet rather than a production unit while an industrial society operated in the capacity of the production unit. He also observed that higher yarn costs and wage costs affected the profitability of co-operatives.

Thanulingam and Gurumoorthy (1987) analysed the financial performance of thirty handloom co-operatives using financial ratios. He had found out that heavy accumulation of stock and large quantity of debtors created high current ratio. Gross profit margin was too little to meet further expenses to be incurred. Profit earning societies was less than loss incurring societies. The financial performance of handloom co-operatives was too poor to maximise the profit of the society and thereby in maximising the wealth of members.

2.4 Studies connected with the production and cost structure of the industry

Geetha Devi (1982) analysed the cost structure of the industry in Kerala and found out that yarn and wages together accounted for more than 80% of the total cost. She observed wide differences in the degree of utilisation of capital and labour among different units. The high cost of production in Kerala made the handloom products less competitive compared to neighbouring states.

Kuttikrishnan (1985) observed that per loom output declines as size of unit increased. The labour productivity in physical terms declines as production shifted towards finer varieties. A categorywise comparison of capital output ratio

revealed the ratio as too high in the private sector which was due to lower level of capacity utilisation. He also found out that raw material and labour cost constituted a major share in the total cost. A comparison of factor returns in different categories in the private sector and co-operative sector demonstrated organisational deficiency of handloom industry. The economic efficiency of factor inputs was examined by estimating the production function of Cobb-Douglass type. The coefficiency of capital was leas significant.

Rajagopalan (1986) observed that the prices of yarn might be increased between the time an order was placed and the time of the raw material was actually purchased. He noticed that wage cost was comparatively higher in Cannanore district.

2.5 Studies pertaining to the socio economic characteristics and production conditions of weavers

Estimate Committee of Parliament (1978) noted that lot of difficulty was being experienced by weavers in obtaining adequate supply of hank yarn at reasonable prices. Another finding of the Committee was that there was considerable difficulty being faced by the weavers with regard to processing facilities. Most of the handloom weavers were still using obsolete and outdated techniques of production

and designs not in accordance with market trends. The Committee opined that while it had been widely accepted that best way to save weavers from exploitation would be organising them into economically viable co-operatives.

Rao and Shanmughasundaram (1980) studied the utilisation of weavers co-operatives by members. The study found out that there was no significant positive correlation between shareholding and tenure of membership and socio economic status. The correlation between shareholding and socio economic status was significant.

Geetha Devi (1982) analysed the socio economic characteristics and production condition of weavers in Trivandrum and Cannanore. She observed caste bound nature of the industry in both centres. She noted the deplorable conditions of weavers due to debt burden, health problems and unsteady employment. She opined that weaving work was done by most of the weavers out of their economic compulsion.

Karunanidhi (1986) conducted a study on the living and working conditions of weavers to know what extent they earn, number of days they found employment, different areas of problems faced by them, their social participation, the relationship among weavers under co-operatives and their housing and working conditions

and other such difficulties. They study revealed that most of the weavers belonged to middle income group (Rs. 4,000 - 8,000 per annum) and majority of the respondents were indebted. Regarding the working conditions, they were poorly treated. The weavers faced the problems of availability of raw materials. While analysing the living conditions with regard to employment, income, expenditure, savings, problems faced by them, nature of jobs and job satisfaction, it seemed that their standard of living was in a poor condition.

The review has highlighted that the handloom industry has lost its past glory and at present passing through a critical phase with awful lot of problems. These problems vary from region to region and sector to sector. Handloom industry in Kerala is also not an exception to these general findings. It poses severe problems of market sluggishness, price hike of raw materials, competition from neighbouring states and so many other hurdles. The nature and gravity of the problems change in accordance with the regional and organisational contexts of the industry. But specific studies highlighting the problems emerging from different organisational context are negligible, especially in Kerala. Hence a study is required to explore and exhibit the structural differences in the sub sectors of handloom industry in Kerala. The present study is an attempt in this direction.

Profile of the Handloom Industry in Kerala

CHAPTER-III

PROFILE OF THE HANDLOOM INDUSTRY IN KERALA

Textile is one of the oldest industries known to civilization and it flourished in India from time immemorial. Textiles and silk from Indian subcontinent were popular throughout the world. The industrial revolution which led to the establishment of modern spinning and weaving mills in England and subsequent dumping of cheap foreign cloth caused the ruin of ancient textile industry in India. Textile was the first organised industry to be established in India and it progressed through the years in the first and second world war and became a major industry in India after independence.

In Kerala handloom occupies a prominent place among the traditional industries. According to the report of the High Level Committee on Industry, Trade and Power (1982), the industry provides direct employment to over 2 lakhs of people. The industry is concentrated in northernmost districts of Cannanore and Calicut and southernmost districts of Trivandrum. The present structure of the industry in North and South Kerala is the outcome of the different historical experiences that the two regions had undergone. This chapter attempts to

deal breifly the evolution of the industry in Kerala, its growth, problems and emerging trend.

2.1 Historical Overview

While geographically and culturally homogeneous North and South Kerala have different historical and administrative backgrounds. Prior to independence, South Kerala was under the erstwhile princely state of Travancore while North Kerala Constituted the Malabar District of Madras Presidency. It was only in 1956 with the reorganisation of states that North and South Kerala were merged to form the present state of Kerala.

2.1.1 Evolution of the Handloom Industry in Travancore

Nagam Aiya (1906) and Velu Pillai (1940) had commented on the state of the Industry during the period from the second half of the 19th century to the first three decades of 20th century. The pre 19th century history is shrouded in legends. According to one such legend the Raja of Travancore imported six families of weavers from Devagiri and settled them near Kottar. Kottar soon became a flourishing centre for silk weaving industry. But silk had only a limited market since the main buyers belonged to rich and noble class. Then they took to the weaving of cottons of fine counts.

During the reign of Vishakhom Thirunal Maharaja of Travancore in the latter part of the 19th century, some weaver families were brought from Tirunelveli in the Madras State and they settled in Neyyattinkara and Balaramapuram. This accounted for the high concentration of the industry in the southern area.

In addition to the expatriate weaving community settled in specific regions and producing for a specific market under royal patronage, weaving also seemed to have been an important subsidiary occupation of agriculturists especially during the slack season. This was observed by Rev. Samuel Mateer (1833). He found, weaving to be a cottage industry and apparently decentralised. The bulk of cloth produced was of the coarse variety. While hand spinning had declined by the end of the 19th century, in the face of competition from English yarn, the weaving industry seems to have survived.

2.1.1.1 Growth in loomage

Nagam Aiya (1906) on the basis of the 1891 census observed that there was a marked decline in the number of persons engaged in the industry. This process seemed to have continued throughout the second decade of the 20th century. This decline may possibly have been on account of severe competition from mill made goods, both imported and indigenous. This is

substantiated by enormous increase in the import of cotton piece goods in Travancore. However, by 1940 there appears to have been some growth in the industry as is evident by the Report of Fact Finding Committee (1942). Thus by this time there were about 19,000 looms and weavers in Travancore.

2.1.1.2 Composition of workforce

Rev. Samuel Mateer (1883) had observed that majority of the weavers were Hindus and that there was only a sprinkling of Christians and Muslims. It was also reported that weaving was a hereditary occupation followed mainly by saliyas. T.K.Velu Pillai (1940) noted that women constituted only 13% of the work force in 1931.

2.1.1.3 Product mix

There was a remarkable continuity in the type of goods that were being produced in Travancore. This is borne out by the fact that as late as in 1883 the cloth in use among the local people was essentially waist and head cloth. By 1906, the range had widened to include 'neriyathu', 'dupatta', 'kavani' and so on. By 1940 the major products were 'mundu', 'thorthu' and 'neriyathu'. The Fact Finding Committee (1942) also observed more or less the same pattern of product mix in the industry. This would tend to suggest that the

product mix in this region had remained stable in the present century. Even today all types of 'mundus', 'neriyathu' and 'thorthu' constitute the bulk of product mix in South Trivandrum (See Appendix II for Glossary of terms).

As mentioned earlier, the industry in Travancore was traditionally differentiated in its product mix. While one section of industry produced fine varieties catering to the royal, aristocratic and other higher strata of Travancore society, the remaining section concentrated on the production of coarse varieties of cloth. It may also be noted that the industry in Travancore was essentially oriented towards domestic market.

2.1.1.4 Role of Government

The active involvement of Government in promoting the industry started only in 1095 ME (1919-20) at Iraniel. This was observed by Velu Pillai (1940). Its purpose was to instruct the weavers in improved methods of weaving. The government seemed to have achieved considerable success in the introduction of fly shuttles. Though, around the last decade of the 19th century, a substantial number of looms were throw shuttle looms. It was observed that situation had

changed and almost 80% of the looms in the Travancore were fly shuttle looms by 1940 (Report of Fact Finding Committee 1942, p.74). Perumal Pillai (1934) observed that in audition to the modernisation of looms, the state was also making attempts by mid thirties to introduce weavers' co-operatives.

2.1.2 Evolution of Handloom Industry in Malabar

Apart from the records of Basel Mission, information on handloom industry in Malabar is scarce. Therefore, we have relied on a few select mission records and the report of Fact Finding Committee 1942.

There are legends and stories current in Malabar about Chirakkal Rajas of Cannanore importing weaver families from other regions and settling them in colonies. The majority of the weavers are reported to belong to the traditional weaving community of Saliyas. Before the coming of Basel Mission, the weavers were apparently producing articles for domestic consumption in the traditional pit looms.

2.1.2.1 Basel Mission Industries

Basel Mission commenced activities in India in Mangalore in 1834. Subsequently branches of mission were started in Tellichery, Cannanore, Calicut and Palghat . While the basic thrust of their work was

directed towards religious and educational activities, the promotion of industry was also an important allied activity. It was around 1844 that weaving was taken up as an important activity in Mangalore. The initial weaving establishments were small in size and were usually attached to the mission house itself. As a consequence of the successful functioning of the establishment at Mangalore, weaving establishments were started in Cannanore in 1852 and in Calicut in 1859. By 1913, both these establishments had grown to huge complexes employing over 600 workers in each. in 1911 to facilitate better management, the establishments were united under one head and called the Basel Mission United Weaving Establishment with their head office at Calicut. During the First World War the properties of Basel Mission were taken over as enemy property. Subsequently the Commonwealth Trust Limited was formed to run the industries.

2.1.2.2 Technological innovation

The present structure of the industry in Cannanore has to a considerable extent been conditioned by the historical legacy of the Basel Mission. The technical improvements introduced by them revolutionised the industry.

The 'frame loom' referred to as 'European loom' in mission records was introduced as early as in 1847. The introduction of fly shuttle loom was another innovation. The introduction of jacquard looms in 1872 helped to widen the range of products that the industry could produce.

2.1.2.3 Organisational changes

Together with technical improvements, there was a major transformation in the organisation of production and marketing. According to Chandhan (1982) the Basel Mission pioneered the concept of integrated handloom factories. The unique feature of these factories was that they had integrated all the processes from the purchase of raw materials to manufacturing and marketing under one roof. The advantages of these factories encouraged a number of private enterpreneurs to start similar factories. According to the Report of the Fact Finding Committee (1942) there were 122 factories of different types in Cannanore by 1940.

2.1.2.4 Product mix

Changes in Technology and organisation were also reflected in the product mix. Right from 1850 onwards new items of clothings were introduced. The mission

establishments produced mainly table clothes, napkins, handkerchiefs, cotton, check shirtings and suitings. During the inter-war period a whole range of new product was introduced. These included gingham (ladies and childrens dress material), sheets, turkey and honey combed towels and drill and canvas cloth.

Thus by the 1940s, the Handloom industry in Cannanore had assumed certain distinctive features. For reasons already spelt out, the industry became increasingly responsive to external market. This had significant implication for its subsequent growth and development.

Thus whole the industry in Travancore remained essentially decentralised, the industry in Cannanore was relatively more organised. This is further reflected in the product mix, technology and above all in the nature of markets they catered to. The industry in Cannanore had geared its production to an external market.

2.2 Growth During Post-independence Period in Kerala

During the post independence period the handloom industry continued to be concentrated mainly in the northernmost district of Cannanore in North Kerala and southernmost district of Trivandrum in South. The growth of the industry is examined with respect to growth of looms, extent of co-operitivisation and the government support.

2.2.1 Growth of looms

At the time of formation of Kerala State in 1956, a reliable account of number of handlooms in the state was not available. The district wise growth of loomage during the period 1968 to 1984 is presented in Appendix III. According to the first census of Handlooms (1968), total number of looms in Kerala was 71,325. The number of looms stood at 95,038 during 1984 marking a growth rate of 33.2% when compared with 1968 figures. Of the total looms in Kerala State during 1968, 25.1% was in Trivandrum district and 38.5% were in Cannanore District. During 1984, the share of Trivandrum and Cannanore districts were 22.1% and 41.2% of total looms respectively.

2.2.2 Extent of co-operativisation

Weavers' Co-operative Societies were in existence both in Malabar and Travancore even prior to independence. However it was after the independence that the co-operative movement really got a fillip. According to the Administration Report of Department of Industries and Commerce (1956-57) there were 313 handloom co-operatives in the state, of which 222 (71%) were in the erstwhile Travancore region. (Districts of Trivandrum, Quilon and Kottayam). By the end of 50s it was estimated that about 37% of the looms in the state had been brought under the

co-operative sector. In Malabar the Textile Enquiry Committee Report in 1954 gave a fresh impetus to the co-operatives. The committee favoured the co-operativisation of the industry to overcome the general crisis. Accordingly in Malabar in the early 50s a scheme was launched to convert the crisis ridden private factories into industrial co-operatives. Of the total looms during 1968, only 30% was covered by co-operatives. The share of looms under co-operative fold in Trivandrum and Cannanore districts during 1968 was 35% and 10% respectively. A committee was constituted by the Government in July 1975, popularly known as Sivaraman Committee, to formulate a comprehensive scheme for the development of the handloom industry in the state. The committee recommended for strengthening of weavers' co-operatives, expansion of co-operative coverage of looms and emphasis on the activities of apex society. The share of looms under co-operative fold was 52% during 1984. The number of looms under co-operative sector marked a growth rate of 129% during the period 1968 to 1984. The looms under co-operative fold constituted 83% and 23% in Trivandrum and Cannanore districts respectively. When we analyse the share of co-operative sector, we could see that it was on the increase and it got momentum after government had taken necessary steps to bring in more looms under co-operative fold.

2.2.3 Government support

The economic incentives provided by the government were intended for four major purposes.

i) Strengthening of the co-operative base

ii) Modernisation of production

iii) Removal of existing hurdles in the marketing of handloom goods

iv) Promotion of welfare of weavers

Strengthening of the co-operative base included provisions such as bringing new looms under the co-operative coverage, strengthening of the existing looms and government participation in the share capital structure of societies and share capital loan.

Modernisation of production implied changes in the product mix according to changes in taste which in turn required more sophistication in existing looms, training programmes for weavers and guidance from the quality control experts.

Removal of organisational hurdles in marketing was one of the chief aims behind the establishment of Hantex and Hanveev. Infact, these two organisations helped the government in performing the first three functions mentioned above.

Promotion of welfare of weavers included offering of reasonable wages, economic benefits, rescuing the weavers from the clutches of master weavers, offering credit facilities and so on.

Inspite of all these measures taken by the government, the handloom industry has been facing a crisis in recent years. It has even been described as a languishing industry. The number of working looms in the industry is on the decline and there is a glut in the market for handloom products. The supply of yarn is irregular and inadequate. It is reported that wages in Kerala are higher than in neighbouring states which makes the handloom product of Kerala less competitive. Accumulation of stock at the hand of weavers co-operatives is another problem which obstructs their functioning.

Increased pressure on land and absence of remunerative occupations other than agriculture compelled the weavers to stick on hand weaving for subsistence. Exhorbitant cost of maintenance, high initial cost of equipment and scarcity of skilled labour were the major factors that hindered the powerloom sector in Kerala.

Looking at from the perspective of 2000 AD handloom industry cannot be viewed as a growing

industry. But still there is a preference for a number of handloom products. There are considerations other than cost that determine the buying pattern of people in affluent societies who continue to buy handloom cloth. Therefore, the handloom industry, though it is not a growth industry, is not a dying industry.

Materials and Methods

CHAPTER- IV

MATERIALS AND METHODS

The method adopted for data collection and analysis is the subject matter of the present chapter. It is divided into six parts.

4.1 Study area and organisation

4.2 Sampling procedure

4.3 Collection of data

4.4 Analytical tools and methods

4.5 Constraints of the study

4.6 Definitions of terms and concepts

4.1 Study area and organisation

Kerala state has lower concentration of looms when compared to other states (See Appendix I). Within the state largest concentration of looms is in Cannanore district. According to the statistics of Directorate of Handlooms (1984), 44.25% of the total looms of the Kerala state are in co-operative sector (Appendix III). When we consider the co-operative structure of the industry in Kerala, the primary and industrial societies are more or less equally found in Cannanore district.

Of the total 54 working societies, 25 societies are industrial societies and 29 societies are primary societies (the district wise break up of societies are given in Appendix IV). Thus in selecting the study area, concentration of the industry and regional importance were taken into account.

4.2 Sampling procedure

The 54 working societies in the study area was divided into their sub sectors such as industrial (25) and primary (29) societies. From each sub sector, five societies were selected at random for detailed study constituting the sample size of institutions as ten. It was approximately 20% of the total institutions under consideration (see Appendix V for list of societies selected for study).

The weaver members of the selected societies were the sample unit. The list of members of the selected societies was used as a sample frame and weavers for the detailed study were randomly selected from that list. The sample size for weavers respondents was 100 which was apportioned equally among the societies, making 10 weaver members from each society.

4.3 Collection of data

Data was collected from both primary and secondary sources. Primary data was made available from the secretaries of selected societies and weaver members. Interview schedule (Appendix VI) was used for secretaries and structured questionnaire (Appendix VII) was used for weaver respondents for data collection.

The secondary data was made available from Directorate of Handlooms and annual reports of societies.

The reference period was confined to three years only, namely, 1983-84, 1984-85 and 1985-86.

4.4 Analytical tools and methods

Though structure is the arrangement of components constituting an organisation, an industry or a manufacturing organisation may have different concepts of structure such as organisation, production, resource, cost, wage and so on in accordance with the sub systems prevailing in a wider system to undertake different functions. When we compare the sub sectors, structure of sub systems are more relevant. Among

the different types of structural comparison, our analysis was confined to production structure. Hence to examine the structural comparison of both categories of societies, the following variables were selected.

(1) Production organisation

(2) Membership

(3) Loomage

(4) Production and input efficiency

The production organisation was analysed separately for industrial and primary societies. Members as the most important components of co-operatives were analysed with respect to their average membership, sex wise composition and socio economic characteristics. The socio economic characteristics were analysed with respect to the following variables.

1. Age and family size
2. Literacy status
3. Occupational status
4. Sex and marital status
5. Caste
6. Income
7. Indebtedness
8. Territorial mobility
9. Occupational mobility

Besides the structural comparison, other objectives of the study were to assess the cost, profit margin and working conditions of weavers. The variables selected to examine the working conditions were as follows.

1. Wages and non-wage benefits
2. Working hours
3. Health condition
4. Preference for counts of yarn
5. Attitude towards the industry
6. Attitude towards the co-operatives

Wherever possible simple averages, percentages and chart were used to analyse the problem. Co-efficient of variation was used to find out the intra-sectoral difference in the values of certain variables like membership, loomage, production and wage. Co-efficient of variation is a measure of comparing the variability of two series. It is symbollically expressed as

$$\text{Co-efficient of variation(CV)} = \frac{\sigma}{\bar{X}} \times 100$$

Where, σ = Standard deviation

$\bar{X}$ = Mean

Cobb-Douglas production function was applied to examine the productivity differences of factors of production (labour and capital) in both sub sectors. For the purpose of the study the following formula was adopted.

$$Y = f(L,K)$$

$$Y = K^{\alpha} . L^{\beta}$$

Where Y = Value of output in money terms

K = Capital employed in money terms

L = Labour in terms of total wages paid (yearly)

α and β = Co-efficient of capital and labour

The cost sheet was prepared in accordance with cost accounting technique. The profit margin was assessed with the help of breakeven point or cost-volume profit analysis.

4.5 Constraints of the study

The study was limited to the production structure of the sub sectors of the handloom co-operatives in the study area. Cannanore district was selected for study due to the dichotomous structure of the industry in the northern and southern parts of Kerala which was discussed elsewhere in the study(Chapter III). Also

the proportionate concentration of the primary and industrial societies in cannanore district was also another reason for limiting the study area in Cannanore district. The reference period was confined to three years only for the want of data and non-uniform availability of data.

4.6 Definition of terms and concepts

4.6.1 Direct costs These are those costs which are incurred for and may be conveniently identified with a particular cost unit, process or department.

4.6.2 Indirect costs These costs cannot be conveniently identified with a particular cost unit, process or department.

4.6.3 Raw materials consumed They are material which can be conveniently identified with and allocated to cost units.

Raw Materials consumed = opening stock + purchases - Closing stock

4.6.4 Direct wages They are wages paid to workers directly engaged in converting the raw materials into finished product.

4.6.5 Direct Expenses These are expense which can be identified with and allocated to cost centres or units.

4.6.6 Prime cost This is the aggregate of direct materials cost, direct labour cost and direct expenses.

4.6.7 Administration expenses It includes the establishment expenses which are not directly related to production, selling and distribution.

4.6.8 Selling and distribution expenses Selling cost is the cost of selling to create and stimulate demand and of securing orders. Distribution cost is the cost of sequence of operations which begin with making the packed product available for despatch and ends with reaching the product to the consumer.

4.6.9 Fixed cost These cost remain fixed in total amount and do not increase or decrease when the volume of production changes.

4.6.10 Variable cost These costs tend to vary indirect proportion to the volume of output.

4.6.11 Profit volume ratio It expresses the relation of contribution to sales:

$$\text{PV ratio} = \frac{\text{Contribution}}{\text{Sales}}$$

4.6.12 Contribution It is the difference between sales and the marginal (variable) cost of sales.

4.6.13 Break-even point It is a point in the volume of output at which the total cost is exactly equal to the revenue.

$$\text{Break even point} = \frac{\text{Fixed cost X sales}}{\text{sales} - \text{variable cost}}$$

4.6.14 Margin of safety It indicates the extent to which sales may decrease before a firm suffers loss. It is the amount by which the actual or budgeted sale exceeds the break even sales.

$$\text{Margin of safety} = \frac{\text{Profit/loss X 100}}{\text{sales} - \text{variable cost}}$$

4.6.15 Capital employed It is the difference between total assets and current liabilities.

Results and Discussion

CHAPTER - V

RESULTS AND DISCUSSION

This chapter consists of three sections. Section one deals with the structural comparison of primary and industrial societies with respect to production. Section two describes the cost structure of the co-operatives. Section three consists of the analysis of the working conditions of weavers.

4.1 Structural Comparison of the Primary and Industrial Weavers' Societies

The organisational structure of the handloom industry in Kerala can be generally classified into the following four types:

1. Household co-operatives (Primary Societies)
2. Non-household co-operatives (Industrial Societies)
3. Private household sector
4. Private non-household sector

These can also be classified into organised and unorganised segments of the industry. The former includes primary and industrial co-operatives, single proprietorship concerns and private limited companies, While the latter includes individual weaving households and unregistered non-household units meant for production for buyer up and production for direct market.

The structure of the industry in Kerala is presented in the form of a chart (Fig. 4.1). Here the trust of the study was confined to co-operative sector alone which comprises of both factory and cottage sub sectors.

Since the factory and cottage societies are the sub sectors of the same sector called handloom co-operatives, there are several structural similarities among them. However, structural differences can also be seen among these sub sectors which are analysed with respect to the different components which constitute the structure of them. Since our study was confined to the production structure of the sub sectors of the handloom co-operatives, the structural variables analysed were,

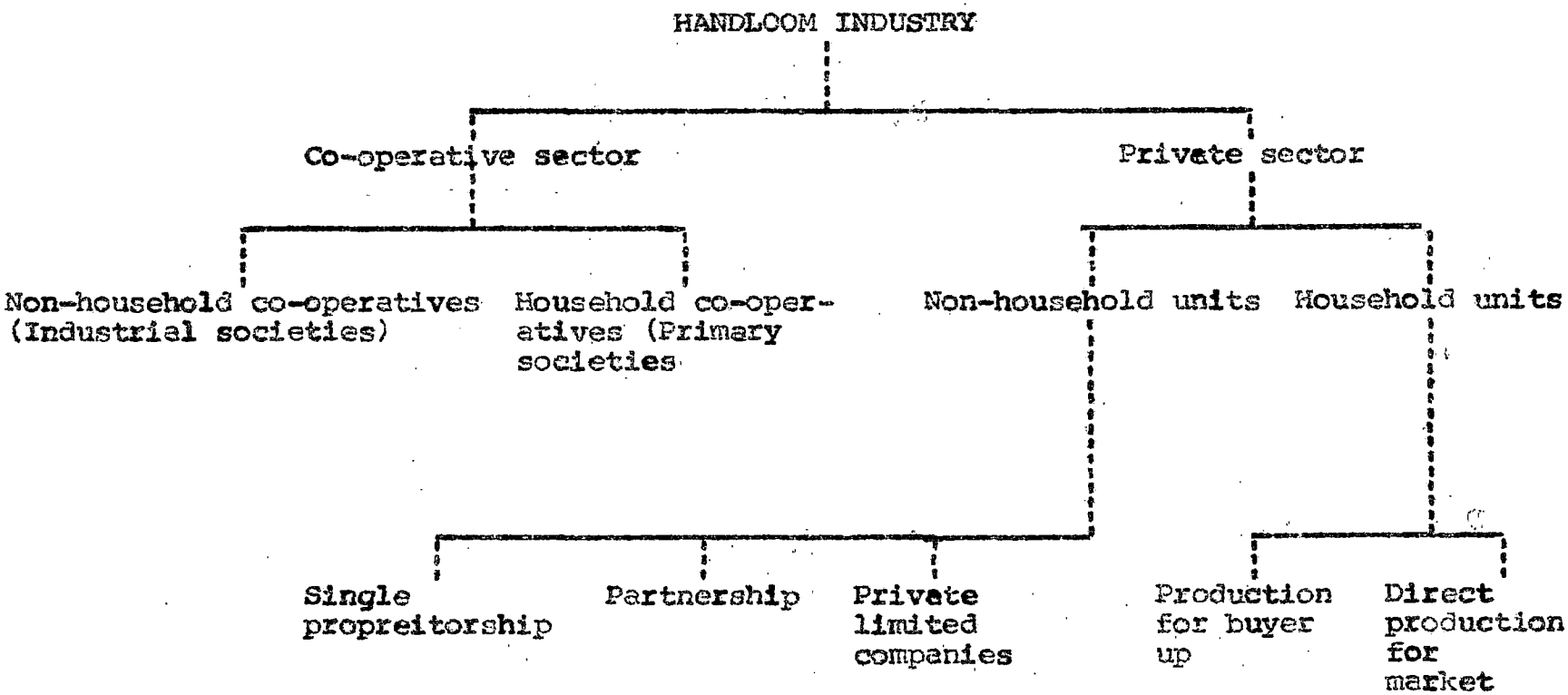
a) production organisation or structure of primary and industrial societies,

b) membership - their number, composition and socio economic characteristics,

c) looms - number and composition (total number of looms covered and share of active or working looms),

d) production and input efficiency - average volume of production per member and factor productivity.

Fig. 4.1 Organisation of handloom industry



The components like cost structure, wage structure and working conditions of production units were analysed separately as the part of section two and three of this chapter.

4.1.1 Production organisation of co-operatives

The production organisation of handloom co-operatives consists of two sub sectors namely primary societies and industrial societies.

4.1.1.1 Primary societies

The primary weavers' co-operatives are organised on a production cum sales pattern. The societies procure yarn, distribute it among their members for weaving and cloth is essentially produced in the house of members. The societies undertake the marketing of finished products. In all these societies production is decentralised as it is carried on in the members' households. Essentially the society functions as a procurement cum sales outlet rather than as a production unit. In principle the primary society has two advantages.

Firstly, it saves labour cost since all the benefits due to workers in a factory need not be given in a society. However, when there is a union and where there are collective weaving centres, it becomes necessary to equalise wages.

Secondly, the decentralised production system affects large savings in overheads like rent for office, factory premises, salary for technical and managerial staff.

But these types of societies have certain limitations also. The production of society become confined to a few standard varieties of cloth and thus it tends to perpetuate stagnation in product mix and technology. To overcome this disadvantage many societies have started collective weaving centres under a government assisted scheme. The scheme envisages the setting up of a workshed with about 25 looms. Sometimes additional assistance is given to set up other facilities like dye house.

4.1.1.2 Industrial societies

The production structure of industrial societies is similar to that of handloom factories where every activity from purchase of yarn to the final disposal of product is centrally planned and executed and monitored. All activities including dyeing, winding, warping, weaving and so on are centralised. The factory system has given rise to a large number of categories of work, each requiring specialised skill.

The weavers and other workers of industrial societies do not own the means of production. They are only paid employees though in theory they are owners

of the society. On the other hand, the weavers in a primary society own the implements of production but are dependent largely on the society for the supply of raw materials and marketing of output. All industrial co-operatives are attached either to Hantex or Hanveev.

It would appear that the production strategy of industrial societies, in contrast to its primaries, is based on commercial lines. The industrial societies do not show heavy dependence on Hantex. But here too the market forces have brought about substantial modification in the production strategies. Prior to mid 70s, production in most of the societies was organised on the basis of definite order placed by the commission agents in Bombay, Madras and Calcutta. However, with the collapse of crepe boon and the onset of the general crisis in the industry, the co-operatives were forced to alter their production strategy. Thus in post-crepe phase, production with definite orders constituted about 30 to 40% of the total output. This situation inevitably increased the dependence of these societies on Hantex and other marketing organisations. In other words, in the place of a definite production strategy based on assumed order, now there is a certain amount of uncertainity.

We, thus, found that the three most important characteristics of an industrial society are the centralisation of production process, division of labour and direct ownership of the means of production by the society.

4.1.2 Membership - Composition and Nature

The members are owners as well as production inputs for primary societies but only workers in the case of industrial societies. Their number, composition and socio economic characteristics can be areas of structural differences in the sub sectors.

4.1.2.1 Composition of membership

The co-operative is not an association of capital but of members. Hence members are the most important constituent of co-operative structure. The number of members and their composition (society wise) are given in Appendix VIII.

Table 4.1 analyses the average number and composition of members and their respective co-efficient of variation under both the sub sectors over the years.

Table 4.1 Coefficient of variation of average membership and their respective composition under industrial and primary co-operatives

Year	Average male membership	Co-efficient of variation	Average female membership	Co-efficient of variation	Average membership (total)	Co-efficient of variation
Industrial Societies						
1983-'84	156	39.13	36	16.34	192	34.08
1984-'85	156	40.86	40	23.01	196	36.38
1985-'86	159	41.26	44	33.16	203	38.02
Primary Societies						
1983-'84	279	42.37	154	21.78	433	31.79
1984-'85	278	41.68	158	27.18	436	32.29
1985-'86	278	38.89	158	29.67	436	31.18

Table 4.1 indicates that the average membership in primary societies was considerably high compared to industrial societies. The intra sectoral variation in membership was relatively low in primary societies. The sexwise composition of membership showed that the share of female members was high among primary societies. Thus, the number of members and sexwise composition indicated that primary socities were more widespread than the industrial societies.

Our next attempt is to expose the socio economic

characteristics of member weavers who constitute the handloom co-operatives in the study area.

4.1.2.2 Socio economic characteristics of members

The socio economic characteristics of weavers and their family provide an idea about the nature of members as the major component of the structure of co-operative sub sectors.

The socio economic characteristics were analysed with respect to the following attributes:

4.1.2.2.1 Age and family size

4.1.2.2.2 Literacy level

4.1.2.2.3 Occupational status of family members

4.1.2.2.4 Sex and marital status

4.1.2.2.5 Caste

4.1.2.2.6 Income

4.1.2.2.7 Indebtedness

4.1.2.2.8 Territorial mobility

4.1.2.2.9 Occupational mobility

4.1.2.2.1 Age and family size

The family size is one of the major factors which determine the social and economic status of the weaving community. The family size of the respondents are given in Table 4.2.

Table 4.2 Family size of handloom weavers

Sl. No.	Age group	Industrial societies		Primary societies	
		Frequency	Percentage	Frequency	Percentage
1.	Below 15 years	71	23.05	92	29.87
2.	15-59 years	220	71.43	196	63.64
3.	60 years and above	17	5.52	20	6.49
4.	Total	308	100.00	308	100.00

The average family size of the respondents under both the categories was six each. While we consider the family size, we could see that majority belonged to the age group of 15-59 year, that is, 71.43% in the case of industrial type societies and 63.64% in the case of primary societies. Children below 15 years constituted 23.05 and 29.87% respectively and persons in the age group of 60 years and above constituted 5.52% and 6.49% respectively under both the categories. Here the dependency rate was 28.57% and 36.36% for the respondents of industrial and primary societies respectively.

4.1.2.2.2 Literacy level

The literacy level of the family members of both the categories are given in Table 4.3

Table 4.3 Literacy level of family members of the weavers

Sl. No.	Level of education	Industrial societies		Primary societies	
		Frequency	Percentage	Frequency	Percentage
1.	Illiterate	22	9.28	18	8.33
2.	Primary	63	26.58	60	27.78
3.	Upper primary	47	19.83	38	17.59
4.	Secondary	66	27.85	62	28.70
5.	Pre-degree	32	13.50	26	12.04
6.	Above Pre-degree	7	2.96	12	5.56
7.	Total	237	100.00	216	100.00

From the Table 4.3 it is clear that majority of the family members of the respondents of both industrial and primary societies, that is, 27.85% and 28.70% respectively were having secondary education. The family members having educational status above Pre-degree level were meagre. They constituted only 2.96% and 5.56% in both cases respectively. The share of illiterates was 9.28% in the case of industrial societies and 8.33% in the case of primary societies.

The educational status of the weaver respondents is given in Table 4.4

Table 4.4 Educational status of weaver respondents

Sl. No.	Level of education	Industrial societies		Primary societies	
		Frequency	Percentage	Frequency	Percentage
1.	Illiterate	4	8	2	4
2.	Primary	29	58	31	62
3.	Upper primary	6	12	8	16
4.	Secondary	10	20	9	18
5.	Pre-degree	1	2	0	0
6.	Total	50	100	50	100

The majority of the weavers in both the types of societies were having primary education only. They constituted 58% and 62% respectively for industrial and primary societies. The weavers having educational status of pre-degree constituted 2% in the case of industrial societies and zero in the case of primary societies. The share of illeterates was 8% and 4% respectively in both the cases respectively.

4.1.2.2.3 Occupational status of family members

The occupational status of the family members of the respondents are given in Table 4.5.

Table 4.5 Occupational status of the family members of the respondents

Sl. No.	Level of occupation	Industrial societies		Primary societies	
		Frequency	Percentage	Frequency	Percentage
1.	Weaving	56	52.83	60	51.73
2.	Allied activities of weaving	15	14.15	30	25.86
3.	Other occupations	35	33.02	26	22.41
4.	Total	106	100.00	116	100.00

Of the 106 family members who were having occupations in the case of the respondents of industrial societies, 52.83% depended on weaving for their livelihood, 14.15% on allied activities of weaving like winding, joining, twisting and so on, 33.02% depended on other occupations like beedi work, wage employment and the like.

Of the 116 family members who were having occupations in the case of primary societies, 51.72% depended on weaving and 25.86% depended on allied activities. The share of persons depending on allied activities were more in the case of primary societies since the weaving and allied activities were conducted in the households themselves. 22.41% depended on other occupations like beedi work, wage employment and the like.

The details of family members associated in weaving and allied activities other than the respondents are given in Table 4.6.

Table 4.6 Family members associated in weaving and allied activities other than the respondents

Sl. No.	Family members	Industrial societies		Primary societies	
		Frequency	Percentage	Frequency	Percentage
1.	Male	1	4.76	3	7.50
2.	Female	20	95.24	31	77.50
3.	Children	0	0	6	15.00
4.	Total	21	100.00	40	100.00

Table 4.6 shows that the female members of the respondents family were mostly involved in weaving and allied activities. Their share was 95.24% and 77.5% in the case of respondents of industrial and primary societies respectively. The share of children was 15% in the case of respondents of primary societies since the weaving was undertaken on a group basis in the household itself. Thus it was found that family members were more involved in weaving and allied activities in the case of primary societies than in the case of industrial societies.

4.1.2.2.4 Sex and marital status

Of the 50 respondents of the industrial societies

46 (92%) were males while 42 (84%) of the 50 respondents of primary societies were males. The share of females was comparatively higher in primaries since it was a household industry.

Majority of the respondents were married. 96% of the respondents of industrial societies and 98% of the respondents of the primary societies were married.

4.1.2.2.5 Caste

In Kerala it is said that handloom industry is a caste bound industry. This is due to the historical reasons which were dealt elsewhere in this study (Chapter III). The caste-wise distribution of respondents is given in Table 4.7

Table 4.7 Caste-wise allocation of respondents

Sl. No.	Caste	Industrial societies		Primary societies	
		Frequency	Percentage	Frequency	Percentage
1.	Thiyya	4	8	1	2
2.	Saliya	34	68	36	72
3.	Muslim	5	10	2	4
4.	Nambiar	2	4	3	6
5.	Nair	2	4	2	4
6.	Scheduled Caste	3	6	6	12
7.	Total	50	100	50	100

The 'Saliya' community constituted the majority of weavers under both the categories. They constituted 34% and 36% in the case of industrial and primary societies respectively. But the existence of other castes in the industry showed the spreading of the industry for livelihood. Hence the majority of respondents belonged to Saliya community, the importance of caste in the industry is still holding good.

4.1.2.2.6 Income

The average monthly income of the respondents (average of total income of weavers from all sources) are given in Table 4.8

Table 4.8 Average monthly income level of respondents

Sl. No.	Sources of income	Industrial societies		Primary societies	
		Income (Rs)	Percentage to total	Income (Rs)	Percentage to total
1.	Weaving by respondents	346	48.33	387	50.92
2.	Weaving by other members of family	120	16.67	177	23.29
3.	Income from other sources	252	35.00	196	25.79
4.	Total	720	100.00	760	100.00

From the Table 4.8 it is understood that the average monthly income of respondents was Rs. 720 in the case of

industrial societies and Rs. 760 in the case of primary societies. Of the total monthly income of the respondents 48.33% in the case of industrial societies and 50.92% in the case of primary societies were constituted by the income of respondents by weaving. The income from allied activities of weaving by other members constituted 16.67% in the case of industrial societies and 23.29% in the case of primary societies. The income from other sources constituted 35% and 25.79% of the total monthly income of the respondents of industrial societies and primary societies respectively. When we take into account the average monthly income from weaving by respondents alone the figures were not satisfactory. Even this was not stable due to the interruption in the production process due to non-availability of yarn, high prices of yarn and other raw materials, seasonality in demand and the like.

4.1.2.2.7 Indebtedness.

Major protion of the selected respondents under both the categories were indebted to the financial institutions and private money lenders. Table 4.9 gives the source wise indebtedness of the weavers.

The share of indebtedness was 88% in the case of respondents of industrial type and 80% in the case of primary societies. The major source of borrowings was co-operative banks which accounted for 54.55% and

Table 4.9 Source wise indebtedness of weavers

Sl. No.	Source of borrowings	Industrial societies		Primary societies	
		Frequency	Percentage	Frequency	Percentage
1.	Commercial banks	8	18.18	10	25.00
2.	Co-operative banks	24	54.55	21	52.50
3.	Private money lenders	12	27.27	9	22.50
4.	Total	44	100.00	40	100.00
5.	Percentage of indebted respondents		88.00		80.00

52.5% of the total borrowings in the case of industrial and primary societies respectively. The high level of indebtedness was due to the irregularity of income from weaving due to the interruptions in the production operations.

4.1.2.2.8 Territorial mobility

The inhabitant status of the respondents are given in Table 4.10.

Majority of the respondents of both categories were living traditionally in their locality. They constituted 92% in the case of industrial societies and 90% in the case of primary societies. The rest were migrated from other places.

Table 4.10 Inhabitant status of weavers

Sl. No.	Status	Industrial societies		Primary societies	
		Frequency	Percentage	Frequency	Percentage
1.	Permanent inhabitants of the locality	46	92	45	90
2.	Migrated from other places	4	8	5	10
3.	Total	50	100	50	100

4.1.2.2.9 Occupational mobility

The characteristics of weavers with regard to their occupation are shown in Table 4.11.

Table 4.11 Occupational characteristics of weavers

Sl. No.	Occupational characteristics	Industrial societies		Primary societies	
		Frequency	Percentage	Frequency	Percentage
1.	Weaver by tradition	37	74	38	76
2.	Shifted to weaving	13	26	12	24
3.	Total	50	100	50	100

Seventy four per cent of the respondents of industrial societies and 76% of the respondents of primary societies were following the same occupation by tradition and the rest were shifted from other occupations.

The motivating factors behind adopting weaving as an occupation are indicated in Table 4.12

Table 4.12 Motivating factors behind adopting weaving as an occupation

Sl. No.	Motivating factors	Industrial societies		Primary societies	
		Frequency	Percentage	Frequency	Percentage
1.	Tradition bound	20	40	30	60
2.	Local influence	10	20	8	16
3.	Lack of alternate employment	20	40	12	24
4.	Total	50	100	50	100

In the case of industrial societies 40% of the respondents adopted weaving as their occupation since they were tradition bound. 40% of the respondents adopted weaving due to lack of alternate employment and the rest adopted it due to the importance of the industry in local areas.

In the case of primary societies 60% of the respondents adopted weaving since it was a tradition bound occupation. 24% considered it as a mean of earning their livelihood due to lack of alternate employment.

Majority of the weavers did not prefer to shift from weaving to other occupations. 62% of the respondents of industrial societies and 52% of the respondents of primary societies wanted to stick on weaving since weaving was the only work known to them.

4.1.3 Loomage

The type of looms in the state can be classified into two types, namely, pit looms and frame looms. Frame looms are the improved form of pit looms. According to the Report of Handloom Census (1976), all the looms in Cannanore were frame looms except for 62 pit looms in the household sector. In the case of primary societies the looms are owned by the members themselves and they are owned by the society in the case of industrial societies.

The number of looms and the share of active looms (working looms) represent the degree of functioning of societies (See Appendix IX for society wise figures). Table 4.13 examines the comparative position of primary and industrial societies with respect to total looms covered and share of active looms.

Table 4.13 Co-efficient of variation of looms covered and share of active looms of industrial and primary societies

Year	Average looms covered	Co-efficient of variation	Average active looms	Co-efficient of variation
Industrial sub-societies				
1983-'84	100	32.74	80 (80)	55.36
1984-'85	103	31.26	80 (78)	53.36
1985-'86	104	30.87	80 (77)	53.05
Primary Societies				
1983-'84	215	59.84	181 (84)	79.34
1984-'85	222	58.46	189 (85)	78.50
1985-'86	231	56.42	196 (85)	77.83

NOTE: Percentage to total in parenthesis

In the case of looms covered of the industrial societies the range of co-efficient of variation was 30.87 to 32.74. But for the same period the range was between 56.42 and 59.84 in the case of primaries. Compared to the average looms covered co-efficient of variation was greater in the case of average active looms covered both in the case of primary and industrial societies. The range of variation was between 53.05 and 55.36 in the case of industrial societies and

77.83 and 79.34 in the case of primary socities. Here the structure of industrial societies was more consistent.

4.1.4 Production and input efficiency

In co-operatives, members are owners as well as workers. They are means and objective of production. In this part analysis was made with respect to production per member and productivity per unit of labour and capital.

4.1.4.1 Production

Production per member (society wise) are given in Appendix X.

The average production per member of industrial and primary societies and its co-efficient of variation are given in Table 4.14.

Table 4.14 Coefficient of variation of average production per member of industrial and primary societies

(Production in metres)

Year	Industrial societies		Primary societies	
	Production	Co-efficient of variation	Production	Co-efficient of variation
1983-'84	586.92	38.22	512.98	62.51
1984-'85	578.98	50.77	464.88	76.60
1985-'86	663.33	53.18	381.60	88.84

The average production per member was high among industrial societies. On an average the performance of primaries were about 30% lower than that of industrial societies during the period. In the case of average production per member, more consistency was observed in the case of industrial sub sector. The range of coeefficient of variation was between 38.22 and 53.18 in the case of industrial societies and 62.51 and 88.84 in the case of primary sub sector. The average production per member declined over the years and hence there was high co-efficient of variation in the case of primary sub sector.

4.1.4.2 Input efficiency

The economic efficiency of factor inputs was examined by estimating the production function of the Cobb-Douglas type. A production function is a precise way to represent the technology involved in the process of production. In other words, a production function is a mathematical expression to the relationship between the quantities of inputs employed and the quantity of output produced.

In the simplest case where there are only two inputs, labour and capital, the functional form becomes

$$X = f(K,L).$$

Where X = Output

K = Capital

L = Labour

The exponential type of production function $X = A.K.L.U$ has no more claim to general validity as a description of technology than other mathematical functions where A is the efficiency parameter, α and β are parameters and U stands for random disturbance term.

The Cobb-Douglas function is convenient in inter firm or inter industry comparisons. Since α and β are elasticity co-efficients, they are pure number and easily be compared among different samples using varied units of measurement.

Rajalakshmy (1985) tried to derive Cobb-Douglas function for the analysis of public sector transport equipment industry in India and proved that labour elasticities were statistically significant. Similarly Verma (1985) tried to develop the same model of production function to jute industry in the country and found that the industry was operating under returns to scale.

Eventhough the Cobb-Douglas production function are normally worked out for the manufacturing sector there are instances in which this type of production function is fitted even to the handloom industry.

Kutty Krishnan (1985) developed the same function for measuring the input co-efficients of different handloom industrial units. Following the same pattern an attempt was made to estimate the Cobb-Douglas production function to the industrial sub sector and primary sub sector (See Appendix XI A and XI B for society wise figures of output, capital employed and labour).

Table 4.15 Input co-efficients of labour and capital of primary and industrial societies

Year	Industrial societies			Primary societies		
	Co-efficient of labour	Co-efficient of capital	Sum	Co-efficient of labour	Co-efficient of capital	Sum
1983-84	1.285	-0.174	1.111	0.999	0.068	1.067
1984-85	1.537	-0.537	1.000	0.924	0.156	1.080
1985-86	1.136	-0.085	1.051	0.888	0.199	1.087

From the Table 4.15 it is found that both industrial and primary societies were operating under increasing returns ($\alpha + \beta > 1$). But the co-efficient of capital in industrial societies for the three years under review seemed to be negative.

This finding is in conformity with the observation of Kutty Krishnan (1985). If a co-efficient of input becomes negative the following explanations could be offered.

a) Over use of capital
b) Over use of labour
c) either exclusion or inclusion of an important variable
d) insignificance of that input.

The specific factor responsible for the above presented results could not be easily pinpointed due to a number of bottlenecks.

4.2 The Cost Structure in Handloom Production

Like any other manufacturing organisation, co-operative society engaged in the production of handloom goods is concerned with the conversion of raw materials into finished products. The analysis of the cost production is necessary since the profit margin depends on it. It would also help to identify the areas wherein costs appear high/low and enable to minimise them to the advantage of the society. The production of handloom cloth is the result of a variety of processes (Appendix XII). So costs

are incurred at each stage. Though cost of production differ¢s on account of varying products and organisational structure, the analysis was confined to cost structure of sub sectors, since the thrust of our study was comparison of sub sectors.

This section of analysis consists of the following sub sections

4.2.1 Cost of production- product wise.
4.2.2 Cost of production- sub sector wise
4.2.3 Cost-volume-profit analysis.

4.2.1 Cost of production - product wise

The primary and industrial societies followed the same pattern in the determination of the cost of production and profit margin. But costs varied in accordance with the type of products. The societies used to work out the costs in the specified proforma for all standard varieties. The costs included value of raw materials consumed, weaving charges and charge for allied activities of weaving, benefits due to workers, packing expenses and the sales commission. The costs were usually worked out for the production of 100 metres of cloth. When the societies receive

an order from the parties, the cost of production was worked out by considering the prevailing market prices of the raw materials and wage rates. So the costs of production of each product might be different from order to order. So the computation of the product wise cost of production for both industrial and primary societies seemed to be different. However filled up proforma for cost computation for certain varieties as on particular data are given in Appendix XIII.

4.2.2 Cost of production- sub sector wise

The society wise analysis of the cost of production and profit margin are presented in Appendix XIV A and XIV B Table 4.16 gives the sub sector wise analysis of the costs of production.

The direct cost included the value of raw materials consumed (yarn, dyes and chemicals, packing materials and fire wood), direct wages (wages for weaving and allied activities) and direct expenses (calendering charges and cloth printing charges). The indirect cost comprised of factory insurace, rent, license fee and so on. The administration expenses included salary to office and managerial staff and establishment expenses. The selling and

Table 4.16 Cost structure of the industrial and primary sub sectors

(Rs. in lakhs)

Elements of cost	Industrial societies				Primary societies			
	1983-'84	1984-'85	1985-'86	Percentage change over the period	1983-'84	1984-'85	1985-'86	Percentage change over the period
I Direct cost								
a) Raw materials consumed	9.69 (50.8)	8.83 (46.4)	8.53 (43.0)	-11.9	17.43 (51.6)	15.85 (47.2)	13.25 (44.2)	-23.9
b) Direct wages	4.53 (23.7)	5.17 (27.2)	5.65 (28.5)	24.7	8.18 (24.2)	9.02 (26.9)	8.31 (27.7)	1.6
c) Direct expenses	0.09 (0.5)	0.09 (0.5)	0.10 (0.5)	11.1	0.14 (0.4)	0.14 (0.4)	0.14 (0.5)	0
Prime cost	14.31 (75.0)	14.09 (74.1)	14.28 (72.0)	-0.2	25.75 (76.2)	25.01 (74.5)	21.70 (72.4)	-15.7
II Indirect cost works overhead charge	1.86 (9.7)	1.99 (10.5)	2.60 (13.1)	39.8	3.74 (11.2)	4.02 (12.0)	2.72 (12.5)	-0.5
Works cost	16.17 (84.7)	16.08 (84.6)	16.88 (85.1)	4.2	29.49 (87.4)	29.03 (86.5)	25.42 (84.9)	-13.8
III Administration expenses	1.99 (10.5)	1.95 (10.3)	2.16 (10.9)	8.5	2.48 (7.3)	2.68 (8.0)	2.94 (9.8)	18.5
Cost of production	18.16 (95.2)	18.03 (94.9)	19.04 (96.0)	4.8	31.97 (94.7)	31.71 (94.5)	28.36 (94.7)	-11.3

Contd.

Table 4.16 (Contd.)

	Elements of cost	Industrial societies				Primary societies			
		1983-'84	1984-'85	1985-'86	Percentage change over the period	1983-'84	1984-'85	1985-'86	Percentage change over the period
IV	Selling and distribution expenses	0.92 (4.8)	0.98 (5.1)	0.80 (4.0)	-13.0	1.80 (5.3)	1.86 (5.5)	1.58 (5.3)	-12.2
V	Total cost	19.08 (100.0)	19.01 (100.0)	19.84 (100.0)	3.9	33.77 100.0)	33.57 (100.0)	29.94 (100.0)	-11.3
VI	Total revenue	18.85	18.61	19.66	4.3	33.61	33.08	29.68	-11.7
VII	Profit margin(VI - V)	-0.23	-0.40	-0.18	-21.7	-0.16	-0.49	-0.26	62.5

NOTE: Figures in parenthesis represent the percentage share of each element of cost to total cost

distribution expenses covered commission to agents, transportation charges, exhibition expenses, advertisement expenses and so on.

Table 4.16 depict the cost structure of the two sub sectors of the co-operative sector. When we take into account the total cost position of industrial sub sector we could see that it marked 3.9% growth rate over the period. Of all the elements of cost, direct wages had highest growth rate over the period. The industrial sub sector could not achieve profit during any period under review. But the intensity of loss seemed to be reduced by 21.7%.

In the case of primary sub sector the total cost declined by 11.3%. This did not reveal the efficiency of the sub sector because the elements of cost also followed the negative growth rate except in the case of direct wages (1.6% increase) and direct expenses (no change). The total revenue also declined by 11.7%. This sub sector could not achieve profit during any period under review. The loss marked a growth rate of 62.5% over the period.

The two major components of the total costs were material cost and labour cost. Rent, interest and other establishment expenses also formed part of the total cost. Cost further included the expenditure

incurred for marketing the total product, that is, charges incurred for packing and transporting, sales commission and so on. The share of components in the total cost is illustrated in Table 4.16.

The componentwise analysis of the total cost reveals that direct cost had the maximum share. The share of direct cost ranged between 72% and 74% in the case of industrial sub-sector and 72.4% and 76.2% in the case of primaries. The share of indirect cost ranged between 9.7% and 13.1% in the case of industrial sub sector and 11.2% and 12.5% in the case of primary sub sector. The share of administration expenses ranged between 10.3% and 10.9% in the case of primary societies. The selling and distribution had a share ranging between 4% to 5.2% in the case of industrial sub sector and 5.3% to 5.5% in the case of primary sub sector. The component wise analysis of the costs depicts that the percentage composition was almost the same for both types of societies.

4.2.3 Cost-volume-profit analysis

Of all the meesures of the performance of a handloom co-operative society, profit or surplus is one of the most important factor. It is considered as a signal for the allocation of resources and a yardstick for judging the managerial efficiency.

For planning and decision making, an understanding of the effects of various actions on profit is important. Such an understanding requires techniques for analysing the responses of revenues, costs and profit to changes in sales volume.

The proportion of fixed costs to total costs is an important factor in the relationship of cost, volume and profit. Break even analysis provides a particular approach stressing the relationship between sales revenue and costs with respect to volume, so as to anticipate how the relationship may affect profit earning. The volume of sales whereby the revenue and costs are exactly matched is known as the break-even volume or break-even point. It is a no profit no loss point. If the volume of sale is higher than the break-even volume, there are profits, if it is less than the break-even volume of sales, there will be loss. That is, each unit of product sold is expected to yield revenue in excess of its variable costs and thus contribute an amount towards meeting the fixed costs and then earning profits. The break-even quantities of sale is that volume of product which upon sales would cover the total costs including variable and fixed costs.

One of the important pre-requisites for using the break-even analysis is that the costs should be

Table 4.17 Break-even point of industrial and primary sub sectors of co-operative sector

(Rs. in lakhs)

Year	Fixed cost	Variable cost	Total cost	Sales	Profit/ loss	Break-even point	Profit volume ratio	Margin of safety
Industrial societies								
1983-'84	1.53	17.55	19.08	18.85	-0.23	22.18	0.07	-17.69
1984-'85	1.61	17.40	19.01	18.61	-0.40	24.76	0.06	-33.06
1985-'86	1.66	18.18	19.84	19.66	-0.18	22.05	0.07	-12.16
Primary societies								
1983-'84	2.20	31.46	33.76	33.61	-0.15	35.95	0.06	-6.98
1984-'85	2.58	30.99	33.57	33.08	-0.49	40.83	0.06	23.44
1985-'86	2.85	27.09	29.94	29.68	-0.26	32.66	0.09	10.04

separated as fixed and variable costs (See Appendix XV A and XV B). The break-even analysis of individual societies is presented in Appendix XVI A and XVI B.

Table 4.17 indicates the break even point of industrial and primary sub sectors.

Since both the industrial and primary sub sectors were having loss throughout all the years under review, the break-even point of sales was above the actual sales. The profit volume ratio was low in both the cases. The loss of the societies resulted in negative margin of safety.

4.3 Working Conditions

The working conditions of the weavers were assessed with respect to the following variables:

4.3.1 Wages and non wage benefits
4.3.2 Working hours
4.3.3 Health conditions
4.3.4 Preference for counts of yarn
4.3.5 Attitude towards the industry
4.3.6 Attitude towards co-operatives

4.3.1 Wages and non wage benefits

In both the types of societies wages are based on piece rate system. Wages are fixed on the basis

of the pieces woven, counts of yarn used, picks of reeds and so on. So the wage rates of weavers are not uniform every day (See Appendix XVII for wage rates of certain varieties). The co-efficient of variation of wages paid per member of industrial and primary societies is illustrated in Table 4.18.

Table 4.18 Co-efficient of variation of average wages paid per member (yearly) of industry and primary societies

Year	Industrial societies		Primary societies	
	Wages paid	Co-efficient of variation	Wages paid	Co-efficient of variation
1983-'84	2475.74	66.05	1618.91	64.75
1984-'85	2793.47	63.98	1736.74	67.90
1985-'86	2899.05	62.83	1621.64	84.01
Average over the year	2722.75	-	1659.10	-

The average wages paid per member was considerably high for industrial societies than primary societies. This might be due to the higher wages in industrial societies since they produced high quality product using higher counts of yarn. The co-efficient of variation of wages paid per member was high in both the sectors. But more consistency was observed in the case of industrial societies (See Appendix XVIII for wages paid per member of each society).

The non-wage benefits like dearness allowance, bonus, provident fund, casual leave, leave with wages, medical benefits, holiday wages and so on were granted by the industrial societies. But the members of thee primary societies were also getting the same benefit due to the unionisation of the weavers in the hand-loom industry. Eventhough the primary societies were not giving the benefits in the set pattern followed by the industrial societies, each society followed its own methods in disbursing the benefits accordigg to their financial soundness.

4.3.2 Working hours

The working hours in the industrial societies were fixed that is from 8 a.m to 5 p.m. They were given one hour rest. But in the case of members of primary societies no fixed time limit was there since they were undertaking the working in the house-hold. In an industrial society normal working hours were 8 hours and they were eligible for weekly holidays and other regional and national holidays. The holidays were not applicable to member of primary societies. The average working hours of the respondents of primary societies was 9 hours/day. But their average production of cloth was almost same in both

cases, that is, 8.42 metres in the case of industrial societies and 8.48 metres in the case of primary societies. The weavers worked on an average of only 21 days in the case of industrial societies and 22 daysin the case of primary societies in a month.

4.3.3 Health condition

The weaving work needs continuous physical strain which results in health problem. Majority of the respondents were having ill health due to Asthama and other bronchile diseases. Seventy two percent of the respondents of industrial societies and 66% of the respondents of primary societies were having health problem.

4.3.4 Preference for counts of yarn

The counts of yarn have significant influence in the production and productivity of weavers. The preference of weavers towards different counts of yarn are given in Table 4.19

Table 4.19 Preference for counts of yarn

Sl. No.	Preference	Industrial societies Frequency	Percentage	Primarysocieties Frequency	Percentag
1.	Higher counts	7	14	3	6
2.	Lower counts	24	48	31	62
3.	No specific preference	19	38	16	32

Forty eight percent of the respondents of industrial societies and 62% of the respondents of primary societies favoured for lower counts of yarn. Thirty eight percent of the respondents of industrial societies and 32% of the primary societies had no specific preference. The rest prefered for higher counts of yarn.

4.3.5 Attitude towards the industry

Fifty four percent of the respondents of industrial societies and 56% of the respondents of primary societies had a feeling of low status in the society. All the respondents under both the categories did not favour for bringing their children to this field.

4.3.6 Attitude towards co-operatives

The weavers were working on individual basis or under master weavers prior to their joining in the co-operatives. The motive behind their joining in the co-operatives are given in Table 4.26.

Table 4.20 Motive of joining the co-operatives

Sl.	Motives	Industrial societies		Primary societies	
		Frequency	Percentage	Frequency	Percentage
1.	Better remuneration	29	59	25	50
2.	Protection from exploitation	14	28	16	32
3.	No specific motive	7	14	10	20
4.	Total	50	100	50	100

Fifty eight percent of the respondents of industrial societies and 50% of the respondents of primary societies joined in co-operatives for better remuneration in co-operatives. Twenty eight percent of the respondents of industrial societies and 32% of the respondents of primary societies considered co-operatives as a means of protection against the exploitation of private factories or master weavers. Fourteen percent of the respondents of industrial societies and 20% of the respondents of the primary societies had no specific motives in joining in the co-operatives.

Fifty two percent of the respondents of the industrial and 50% of the respondents of the primary societies were not fully satisfied with the functioning of the co-operatives since co-operatives could not give steady and continous employment to members. They were not getting dividends on profit since majority of the societies were faced with continuous loss.

Though the analysis of the working conditions of co-operative sectors revealed that there were more similarities than dissimilarities, the points of difference cannot be neglected. The industrial societies had high preference for high counts and hence their members received higher wages than that of the primary societies. Non wage benefits were also high for industrial societies. But relatively more people were suffering from ill health in industrial societies.

Summary

CHAPTER - VI

SUMMARY

India is renowned for her excellent craftsmanship in handloom cloth from time immemorial. But the handloom industry had undergone the vicissitudes of fortunes due to ever so many historical facts and co-operatives were emerged in 20th century to organise the weavers for collective production and marketing of their products. In Kerala about 33% of the weavers are under the co-operative sector.

The co-operative structure of the handloom industry in Kerala can be broadly classified into two sub sectors such as factory type industrial societies and cottage type primary societies. Though these two sub sectors have so many similarities, structural differences are also pronounced. Our study was an attempt to highlight the structural differences among these sub sectors. The comparative differences in operational costs, profit margin and working conditions of member weavers were also examined in the study.

Due to the dichotomous nature of the industry in the northern and southern parts of Kerala, the study was confined to Cannanore district where both sub sectors are prevailing.

The sample size of the institution was ten which was divided into five each from industrial and primary societies. By randomly selecting 10 weaver members from each sample societies, the sample size of the weaver respondents constituted 100 for our study. Both primary and secondary data were collected through interview schedule and structured questionnaires.

In the analysis, structure was defined as the arrangements of components constituting the organisation. Our study was confined to production structure of handloom co-operatives. The structural differences of the sub sectors were analysed with respect to the following variables.

(1) Production organisation

(ii) membership-number, sex wise composition and socio economic characteristics.

iii) loomage- number and composition (active and non-working)

(iv) production and input efficiency.

Besides the structural comparison, operational costs, profit margin and working conditions were also analysed. The variables taken for working conditions were wage and non wage benefits, working hours , health, preference for counts of yarn and attitude towards the industry/co-operatives.

Simple averages, percentages and chart were used to analyse the problem . Co-efficient of variation was used to find out intra sectoral differences. Cobb-Douglas production function, cost-volume-profit analysis were also used to facilitate the analysis.

The primary societies were organised on a production cum sales pattern. The production by the members were decentralised. The societies had the role of procuring yarn, distributing among their members for weaving and undertaking the marketing of finished products. The production structure of industrial societies were similar to that of handloom factories where every activity from the purchase of yarn to the final disposal of the products was centrally planned and executed under the same roof. The workers of industrial societies did not own the looms or any other factors of production.

The average membership in primary societies was considerably high compared to industrial societies. Intra sectoral variation in membership was low in primary societies. The share of female members to total members was also found to be high among primaries.

The socio economic characteristics of weavers showed that more people were associated with weaving in primary societies (77.59%) than industrial societies (66.98%). In the case of other variables like literacy, family size, age, sex and marital status, caste, income, occupational mobility and territorial mobility, considerable difference was not noticed.

The number of average looms and active looms covered was high among primary societies. But the average production was found to be high among the industrial societies which showed their relatively higher productivity. The factor productivity analysis with the help of Cobb-Douglas production function showed that though labour productivity was high among industrial societies, over capitalisation could also be seen there. In general both the primary and industrial societies were found to be highly labour intensive.

The analysis of the cost structure revealed that raw materials and wages constituted more than 70% of the total costs. The sub sectoral analysis showed that cost structure was more or less similar in their characteristics. The cost-volume-profit analysis also showed that both the sectors were incurring loss throughout the periods under review with negative margin of sagety. The break-even point of sales was above the actual sales.

The working conditions prevailing in the sub sectors of handloom co-operatives were widely varied. The average wages received by workers in industrial societies was considerably higher than that of primary societies. Since the working hours and average production were more or less the same in both the sub sectors, the difference in wages was due to higher counts of yarn and resultant higher piece rate of industrial societies. It was found that preference to higher counts was high in industrial societies. Health problems were wide spread among the weavers. In general, weavers felt that they were pursuing a job of low status and hence majority of them did not like to bring their children in handloom sector. More than 80% of the weavers jointed co-operatives either for

better remuneration or for protection against exploitation.

The major structural difference in the sub sectors of the handloom co-operatives was found to be with respect to organisation of production. With the high number of members and large share of family members associated with weaving, primary societies can be considered as more popular. But the average wages paid per member and labour productivity were comparatively high in the industrial societies. However both types of societies were running at a loss and facing a lot of problems endangering the very existence of the industry. But handloom co-operatives were prevailing in the society by several reasons other than economic. Besides the government patronage and effective sales promotion techniques, the survival of the industry depends on rationalisation of the production and wider coverage by co-operitivisation.

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Appendices

Appendix I. State wise distribution of looms and the share of co-operatives 1982-'83

Sl. No.	State/U.T	Total No. of hand-looms in lakhs	No. of looms in co-operative sector (lakh)	Percentage share of co-operatives
1.	Andhra Pradesh	5.29	3.82	72.0
2.	Assam	2.00	0.58	29.0
3.	Bihar	1.00	0.61	61.00
4.	Gujarath	0.20	0.11	55.0
5.	Naryana	0.41	0.06	15.0
6.	Jammu & Kashmir	0.37	N.A	—
7.	Karnataka	1.03	0.58	56.0
8.	Kerala	0.95	0.36	38.0
9.	Madhya Pradesh	0.33	0.18	55.0
10.	Maharashtra	0.80	0.59	74.0
11.	Manipur	1.00	0.24	24.0
12.	Orissa	1.05	0.46	44.0
13.	Punjab	0.21	0.05	24.0
14.	Rajasthan	1.44	0.20	14.0
15.	Tamil Nadu	3.56	3.04	85.0
16.	Tripura	1.00	0.04	4.0
17.	Uttar Pradesh	5.09	3.15	62.0
18.	West Bengal	2.12	0.96	45.0
19.	Other states/ Union Teritories	0.37	0.03	8.0
	Total	30.22	15.06	50.0

Source: Annual Report and Review of the All India Federation of Co-operative Spinning Mills Ltd, 1982- '83.

Appendix II. Glossary of terms

1.	'Neriyathu'	- A fine textured cloth.
2.	'Dupatta'	- A kind of cloth worn around the neck.
3.	'Kavani'	- A laced cloth used to cover one's head or worn around the shoulder
4.	'Mundu'	- A loin cloth the short cloth worn by Malayalees.
5.	'Thorthu	- A hand or bath towel.
6.	'Double Veshti'	- Dhothi with two layers of cloth
7.	'Lungi'	- A checkered cloth worn as a lower garment.

Appendix III Growth of Loomage in Kerala - 1968-'84

District	1968	1973	1976	1980	1984
Trivandrum					
Co-operatives	6250 (35)	8147 (37)	5235 (27)	12000 (61)	17500 (83)
Private	11650 (65)	13752 (63)	13999 (73)	7700 (37)	3500 (17)
Total	17900	21899	19234	19700	21000
Quilon					
Co-operatives	2953 (48)	2092 (57)	3131 (75)	3100 (75)	4400 (92)
Private	3244 (52)	1567 (43)	1032 (25)	1150 (25)	370 (8)
Total	6197	3659	4163	4250	4770
Alleppey					
Co-operatives	476 (34)	322 (34)	412 (49)	150 (19)	375 (37)
Private	938 (66)	627 (66)	420 (51)	650 (81)	650 (63)
Total	1414	949	832	800	1025
Kottayam					
Co-operatives	568 (48)	612 (57)	635 (71)	500 (56)	650 (66)
Private	619 (52)	466 (43)	257 (29)	400 (44)	330 (34)
Total	1187	1078	892	900	980
Idukki					
Co-operatives	-	-	-	100 (67)	150 (30)
Private	-	-	28	50 (33)	350 (70)
Total	-	-	28	150	500

Contd.

Appendix III (Contd.)

District	1968	1973	1976	1980	1984
Ernakulam					
Co-operatives	1791 (61)	1888 (69)	1898 (72)	2250 (78)	3500 (86)
Private	1133 (39)	827 (31)	729 (28)	650 (22)	580 (14)
Total	2924	2715	2627	2900	4080
Trichur					
Co-operatives	765 (36)	895 (45)	992 (49)	1150 (42)	2000 (17)
Private	1352 (64)	1058 (55)	948 (49)	850 (42)	420 (17)
Total	2117	1922	1940	2000	2420
Palghat					
Co-operatives	-	2775 (62)	3408 (78)	3850 (88)	4300 (90)
Private	-	1715 (38)	946 (22)	550 (12)	500 (10)
Total	5515	4490	4354	4400	4800
Malappuram					
Co-operatives	-	296 (19)	396 (26)	350 (23)	600 (38)
Private	-	1226 (81)	1102 (74)	1150 (77)	963 (62)
Total	-	1522	1498	1500	1563
Kozhikode					
Co-operatives	1991 (30)	2660 (26)	2873 (20)	4500 (31)	6500 (44)
Private	4608 (70)	7506 (74)	11445 (80)	10000 (69)	8200 (56)
Total	6599	10166	14318	14500	14700

Contd.

Appendix III (Contd.)

District	1968	1973	1976	1980	1984
Cannanore					
Co-operatives	2661 (10)	3950 (15)	3568 (9)	5550 (13)	9000 (23)
Private	24831 (90)	22681 (85)	36576 (91)	38250 (87)	30200 (77)
Total	27492	26631	40144	43800	39200
Kerala					
Co-operatives	21353 (30)	23637 (31)	22548 (25)	33500 (35)	48975 (52)
Private	49972 (70)	51420 (69)	67482 (75)	61400 (65)	46063 (48)
Total	71325	75057	90030	94900	95038

Source: 1. Census of Handlooms 1960, 1968 and 1976
2. Directorate of Handlooms, Government of Kerala

Note: Figures in parenthesis represent percentage distribution

Appendix IV. District wise break up of working primary and industrial societies(1984)

Sl. No.	District	Industrial societies	Primary societies	Total
1.	Trivandrum	20 (10.36)	173 (89.64)	193 (100)
2.	Quilon	13 (28.88)	32 (71.12)	45 (100)
3.	Pathanamthitta	1 (100)	Nil	1 (100)
4.	Allepey	3 (27.27)	8 (72.73)	11 (100)
5.	Kottayam	2 (15.38)	11 (84.62)	13 (100)
6.	Idukki	Nil	2 (100)	2 (100)
7.	Ernakulam	3 (15)	17 (85)	20 (100)
8.	Trichur	8 (34.78)	15 (65.22)	23 (100)
9.	Palghat	3 (9.37)	29 (90.63)	32 (100)
10.	Malappuram	2 (22.22)	7 (77.78)	9 (100)
11.	Kozhikode	10 (31.25)	22 (68.75)	32 (100)
12.	Cannanore	25 (46.29)	29 (53.71)	54 (100)
13.	Wynadu	Nil	Nil	Nil
14.	Kasargode	2 (25)	6 (75)	8 (100)
15.	Total	92 (20.76)	351 (79.24)	443 (100)

Source: Directory of Handloom Weavers' Co-operatives in Kerala (1984), Directorate of Handlooms, Trivandrum

Note : Figures in parenthesis represent percentage to total co-operatives

Appendix V. List of industrial and primary weavers' societies selected for the study.

Sl. No.	Code No.	Name of the Society
		Industrial Societies
1.	I_1	Kausallya Handloom Weavers' Industrial Co-operative Society Ltd., Thottada.
2.	I_2	Loknath Handloom Weavers' Industrial Co-operative Society Ltd., Chovva.
3.	I_3	Morazha Handloom Weavers' Industrial Co-operative Society Ltd., Morazha.
4.	I_4	Royal Handloom Weavers' Industrial Co-operative Society Ltd., Alavil.
5.	I_5	Vanaja Handloom Weavers' Industrial Co-operative Society Ltd., Panamkavu.
		Primary Societies
1.	P_1	Chirakkal Production and sales Weavers' Society Ltd., Chirakkal
2.	P_2	Chovva Production and sales Weavers' Society Ltd., Mundyad.
3.	P_3	Kanhirode Production and sales Weavers' D Society Ltd., Kanhirode.
4.	P_4	Kannapuram Production and sales Weavers' Society Ltd.,Kannapuram.
5.	P_5	Koodali Production and sales Society Ltd., Koodali.

Appendix VI- Interview Schedule I

COMPARATIVE ANALYSIS OF THE COTTAGE AND FACTORY SUB SECTORS OF THE CO-OPERATIVE SECTOR OR IN THE HANDLOOM INDUSTRY OF KERALA

(Schedule to collect details from societies)

BLOCK A

1. Name of the Co-operative Society:

2. Address

3. Year of establishment :

4. Number of shareholders:

5. Type society : Factory/Cottage

6. How did the society come into being? Private factory converted, Newly started

7. a. Are you a member of Hantex ? Yes/No

   b. If not, state the reasons :

8. Capital structure:

Sl.No.	Items	Amount
1.	Authorised share capital	
2.	Paid up share capital	
3.	Borrowed funds	
4.	Deposits	
5.	Reserves	

Contd.

Appendix VI (Contd...)

BLOCK B

1. Cost of looms

Sl. No.	Type of looms	No.	Year of purchasing	Purchase cost	Depreciation	Book value 0

2. Particulars of looms

Sl. No.	Type of looms	No.of working looms	Non-working	Damaged but repairable	Total

Contd.

Appendix VI (Contd.)

3. Processing facilities

Sl.No.	Particulars	Whether owned or not	If not owned from where they are done
1.	Bleaching		
2.	Dyeing		
3.	Warping/sizing		
4.	Winding		
5.	Beaming		
6.	Processing (after weaving)		
7.	Drying		
8.	Calendering		
9.	Rolling		
10.	Boiling		
11.	Others (specify)		

4. State the difficulties you experience in getting the processing and other works done from outside if any?

Contd.

Appendix VI(Contd.)

BLOCK C

Particulars of loans

Sl.No.	Purpose	Source	Period	Amount	Interest

BLOCK D

1. Volume of production

Year	Items	Count No.	Qty.	Value (Rs.)

2. Procurement of yarn

Sl.No.	Type of yarn	Source	Average qty./ month	Rate	Total	Average qty. consumed	Average stock

Contd.

Appendix VI (Contd.)

3. Cost of processing for standard varieties

Sl.No.	Varieties	Count No.	Qty.	Pre-loom operation	Weaving operation	post-loom operation	Others	Total

4. Staff pattern of employees

	Number			
	Male	Female	Children	Total
1. Office staff				
2. Skilled				
3. Unskilled				
4. Others(specify)				

5. Wage rates

Sl.No.	Variety	Count No.	Qty.	Time spent	Nature of work	No.of workers	wage rate

6. Other expenses in connection with weaving operations:

7. Rate of yarn to output-variety wise

Sl. No.	Variety	Count of yarn	Qty. of yarn required

Contd.

Appendix VI (Contd.)

8. Working hours in the society.
9. Rest hours :
10. Weavers' benefits.

i) E.S.I
ii) P.F
iii) Gratuity
iv) Bonus
v) Medical allowance
vi) Dividend on profit
vii) Others (specify)

BLOCK E

1. Sales particulars

Sl.	Variety	Yarn No.	Agency to which sales are made	Rate/ metre	Qty. in metre	Total anount

2. Sales price of selected varieties

Sl.No.	Variety	Yarn No.	Selling price/metre

BLOCK F

1.(a) Are you facing any difficulty in the procurement of yarn? Yes/No

(b) If yes, specify the difficulties:

2. Is there any production interruption due to the shortages in yarn availability?

Appendix VI(Contd.)

3. Do you give specific guidelines for the production of cloth to the members?

4. The type of cloth produced most often.

5. (a) Do you have the problem of stock accumalation. Yes/No

   (b) If yes, reasons:

   (c) In such cases what is the strategy adopted by you:

6. (a) Are you satisfied with the exsiting marketing system: Yes/No

   (b) If not, what suggestions do you have:

7. (a) Are you satisfied with present Government policies: Yes/No

   (b) If not why?

8. (a) Were you able to attain full capacity production during last period? Yes/No

   (b) If not, why:

9. Market trend during the last period : Favourable/Unfavourable
   Ordinary satisfactory

10. (a) What is your opinion about the present co-operative structure of the industry in Kerala:

    (b) Have you got any suggestions for improvement.

11. a. Do you give any advance payment to members. Yes/No

Contd.

Appendix VI (Contd.)

b. If yes, specify the amount:

12. What is your opinion about members' participation in the activities of co-operatives?

13. Any other problems

14. Suggestions.

Appendix VII- Interview Schedule II

A COMPARATIVE ANALYSIS OF THE COTTAGE AND FACTORY SUB SECTORS OF THE CO-OPERATIVE SECTOR IN THE HANDLOOM INDUSTRY OF KERALA

(Schedule to collect details from weavers)

1. Name of the respondent:
2. Address :
3. Sex : Male/Female
4. Caste/Community:
5. Marital Status: Single/Married
6. Name of the society in which he/she is a member:
7. Type of society: Factory/Cottage
8. Number of shares held by the member:
9. Tenure of membership:
10. Family particulars.

Sl. No.	Name of member	Age	Education	Occupation	Occupational income

11. Asset particulars

Sl.No.	Type of asset	volume	Income

Contd.

Appendix VII (Contd.)

12. (a) Is weaving a full time or a subsidiary occupation. Full time/ Subsidiary

(b) If subsidiary indicate details.

Sl. No.	Type of occupation	time spent/ day	Average monthly income
1.	Full time		
2.	Subsidiary		

c) Particulars of family members associated in weaving

Sl. No.	Name of member	Relation-ship with respondent	Type of work	Time spent/ day	Member of society or not

14. Particulars of current indebtedness

Sl. No.	Purpose	Source	Amount	Year of borro-wing	Rate of inte-rest	Balance due

Contd.

Appendix VII (Contd.)

BLOCK B

(This part is meant for weaver member of cottage type societies)

I. Looms

1. No. of looms possessed by the repondent.

2. Particulars of looms

Type of loom	No.	Year of purchasing	Purchase price

3. (a) Have you got any financial assistance for the purchse at looms: Yes/No

(b) If yes, specify the financing agency and the amount of loan:

(c) Have you repaid the loan amount?:

II. Procurement of yarn:

1. Procurement details

Sl. No.	Count	Quantity purchased/ month	Price	Frequency of purchase	Processed or not	Processing cost

2. Is there any production interruption due to the shortage in yarn availability: Yes/No

III. Weaving operations

1. Average weaving hours/day:

2. Average production of cloth (in metres) :

Contd.

Appendix VII (Contd.)

IV. Production

1. What are the common varieties of cloth produced:
2.
2. State the common counts of yarn used for producing the above items:

3. Cost incurred for producing these items.

Sl. No.	Variety	Count of yarn	Qty.	Pre-loom opera-tions	Weav-ing	Post-loom opera-tions	Others (specify)

4.(a) Are you in receipt of any non-monetary benefits from society. Yes/No

(b) If yes, specify:

5. (a) Do you undertake production/ work on behalf of private parties? Yes/No

(b) If yes, state the details:

Sl.No.	Nature of work	wages	Time spent

BLOCK C

(This part is meant for weavers of factory type) societies)

1. Nature of work you are doing: Pre-loom operations/ weaving/post-loom operations/All of the abov

Contd.

Appendix VII (Contd.)

2. a). Are you in possession of looms at your house? Yes/No

b) Details of work

Sl. No.	Variety	Quality	Production	Time spent	Wage rate	Agency
1.	Weaver					
2.	Family Member					
3.	Hired labourer					

3. Details of looms

Sl. No.	Type of loom	No.	Year of purchase	Purchase cost	Source of finance	Rate of interest	Balance due

4. (a) Are you a regular worker in the Soceity? Yes/No

(b) If not specify the frequency:

5. (a) Are you engaged in other types of work after working hours in the society. Yes/No

(b) If yes, specify the working hours, nature of work, wage:

6. Number of days' work/month :

7. Per day production in metres :

Contd.

Appendix VII (Contd.)

8. Average monthly income:

   i) Weaving:

   ii) Other sources:

BLOCK D

1. Are you a permanent inhabitant of this particular locality?

2. Are you a weaver by tradition or shifted to weaving?

3. What are the alternative employment when weaving operations are adversely affected?

4.a) Have you/family member got any health problem by doing the weaving continuously? Yes/No

   b) If yes, specify

5. What is the motivating factor behind adopting weaving as an occupation?

6. What is your attitude towards the adoption of this occupation by your children?

7. Do you prefer to weave with lower counts of yarn or higher counts of yarn?

8. Do you prefer to shift from the weaving operation?

9. What was your motive behind joining in the co-operative?

Contd.

Appendix VII (Contd.)

10. Are you satisfied in being the member of the society?

11. Have you got any limitation in buying being the member of the society?

12. Do you have the feeling of low status in the society by doing the job?

13. Is the production undertaken on the basis of guidelines from the society?

14. Have you got any specific problems.

15. Suggestions if any:

Appendix VIII Membership and sex wise composition of members in industrial and primary societies

Societies	1983-'84			1984-'85			1985-'86		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Industrial									
I_1	112 (81.15)	26 (18.85)	138 (100)	112 (81.15)	26 (18.85)	138 (100)	118 (81.37)	27 (18.63)	145 100)
I_2	135 (77.58)	39 (22.42)	174 (100)	132 (77.64)	38 (22.36)	170 (100)	130 (78.79)	35 (21.21)	165 100)
I_3	260 (85.80)	43 (14.20)	303 (100)	265 (82.81)	55 (17.19)	320 (100)	272 (79.30)	71 (20.70)	343 (100)
I_4	88 (72.13)	34 (27.87)	122 (100)	85 (68.00)	40 (32.00)	125 (100)	86 (66.67)	43 (33.33)	129 (100)
I_5	183 (82.06)	40 (17.94)	223 (100)	185 (51.14)	43 (18.86)	228 (100)	190 (80.85)	45 (19.15)	235 (100)
Primaries									
P_1	420 (69.42)	185 (30.58)	605 (100)	422 (67.95)	199 (32.05)	621 (100)	419 (68.24)	195 (31.76)	614 (100)
P_2	201 (52.75)	180 (47.25)	381 (100)	199 (51.82)	175 (45.57)	384 (100)	215 (53.61)	186 (46.39)	401 (100)
P_3	385 (74.76)	130 (25.24)	515 (100)	363 (75.94)	115 (24.06)	478 (100)	342 (76.85)	103 (23.15)	445 (100)
P_4	288 (61.93)	177 (38.07)	465 (100)	305 (59.92)	204 (40.08)	509 (100)	307 (59.84)	206 (40.16)	513 (100)
P_5	99 (49.75)	100 (50.25)	199 (100)	99 (49.75)	100 (50.25)	199 (100)	106 (51.71)	99 (48.29)	205 (100)

Source: Records of societies for various years

Note : Figures in parenthesis represent percentage to total

Appendix IX Comparison of weavers' societies - Looms covered and share of active looms

Societies ?	1983-'84		1984-'85		1985-'86		Percentage change over the period	
	Looms covered	Share of active looms	Looms covered	Share of active looms	Looms covered	Share of active looms	Looms covered	Share of active looms
Industrial								
I_1	101	95 (94.06)	105	95 (94.06)	107	107 (100)	5.94	12.63
I_2	82	82 (100)	90	86 (95.56)	90	79 (87.78)	9.76	-3.66
I_3	159	155 (97.48)	161	148 (91.95)	161	145 (90.06)	1.26	-6.45
I_4	96	34 (35.42)	96	34 (35.42)	96	40 (41.67)	0	17.65
I_5	61	36 (59.02)	63	35 (55.56)	64	30 (46.87)	4.92	-16.67
Primaries								
P_1	376	370 (98.40)	376	370 (98.40)	382	382 (100)	1.60	3.24
P_2 P_2^2	95	30 (31.58)	98	32 (32.65)	110	36 (32.73)	15.79	20.00
P_3	345	335 (97.10)	366	355 (196.99)	376	376 (100)	8.99	12.24
P_4	205	120 (58.54)	208	123 (59.13)	215	125 (58.14)	4.86	4.17
P_5	55	50 (90.91)	65	54 (83.08)	70	60 (85.71)	27.27	20.00

Source: Records of societies for the years 1983-84 to 1985-86.
Note : Figures in parenthesis represent the percentage share of active looms to total looms covered

Appendix X. Average production of cloth by industrial and primary societies

(Unit in metres)

Year	Industrial Societies					Primary Societies				
	I_1	I_2	I_3	I_4	I_5	P_1	P_2	P_3	P_4	P_5
1983-84	617.68	803.47	675.33	682.36	154.78	745.58	313.01	1017.25	348.73	140.31
1984-85	612.83	1005.67	530.77	657.26	88.38	722.85	305.91	1021.48	230.78	43.39
1985-86	543.21	1238.98	757.66	629.73	147.08	683.16	121.46	887 .44	180.83	35.18
Percentage change over the period	-12.06	54.20	12.03	-7.71	-4.97	-8.37	-61.20	-12,76	-48.15	-74.93

Source: Records of Societies

Appendix XI A- Output, Labour and Capital Employed of Industrial Weavers' Societies (1983-84 to 1985-86)

Figures in Rs.

Year	Output	Labour	Capital Employed
1983-84			
I_1	900489.67	347825.39	575034.92
I_2	3183150.00	954305.79	1741155.38
I_3	3598198.99	624034.51	1008126.54
I_4	931476.76	211671.23	309166.65
I_5	446680.97	129162.16	160994.60
1984-85			
I_1	1057615.26	442877.94	583252.03
I_2	3264855.00	1005799.03	2732291.73
I_3	3319878.98	854203.61	1613417.98
I_4	107896.54	175381.00	331281.08
I_5	284805.56	107748.25	144783.00
1985-86			
I_1	970814.16	317449.25	581686.12
I_2	3983244.00	1043664.05	3034546.63
I_3	4018349.88	1027869.57	1682287.93
I_4	1076513.76	248575.71	400763.30
I_5	572928.99	189007.64	171906.35

Source : Records of Societies.

Appendix XI B- Output, Labour and Capital employed of Primary Weavers' Societies (1983-84-to 1985-86)

(Figures in Rs.)

Year	Output	Labour	apital employed
983-84			
P_1	6250350.41	1726730.09	2136309.00
P_2	1161396.23	365995.98	607819.89
P_3	4956824.00	1508113.39	1953526.86
P_4	1807132.00	381553.29	724110.17
P_5	336858.45	105649.75	139980.90
984-85			
P_1	6733337.75	1976377.64	2568307.77
P_2	1004988.05	308966.08	512857.80
P_3	4810893.00	163888.03	2185008.00
P_4	1704404.00	557592.38	597419.58
P_5	95661.25	35557.85	129727.75
1985-85			
P_1	7797384.00	1955751.20	2841749.03
P_2	779066.79	228078.51	400156.96
P_3	5036474.00	1485441.70	2363547.32
P_4	1531609.00	459638.44	620654.40
P_5	78451.75	24745.18	113979.20

Source: Records of societies

Appendix XII- Production Process

The preliminary process of handloom production is different for different varieties of products. Boiling of yarn is the first step. Yarn is boiled in oure water along with chemicals such as caustic soda and soda ash. A little amount of soap oil is also used. For the production of all varieties, yarn is boiled like this. But staple yarn needs no boiling. The cleaned yarn is now bleached or dyed depending on varieties to be woven. Full bleaching is needed for white coloured fabrics. For light colour shades, half bleaching is doe before dyeing. Dyeing is essential for weaving all colour fabrics.

Sometimes the yarn is dyed by the weaver himself in his own dye house. Industrial societies and factory type organisation have their own dye houses and dye matters. Some experience is needed for the process. Caustic soda, hydrosulphate, dyes and vat powders are used for dyeing. The dye is mixed in cold water and the boiled, washed and squeezed yarn is dipped into it. The yarn is turned up well in the colour for about half an hour. This is the process of dyeing.

The dyed yarn is washed before drying. The yarn is dried in sunlight. For some varieties the yarn is beaten up in order to make it soft, after dyeing and drying. The next process is bobbin winding. The yarn is wound around in the bobbins which are then arranged on a window like form called 'nelli'. The thread from those bobbins are put together and warping is done. Pirn winding is done in the case of weft yarn. After the yarn in loosened and un wound, it has to bee wound again in the pirns. This is done with the help of spinning wheel by women workers or children. The warped threads are now rolled on to a warp beam. This is called beaming. The wooden beam is cylindrical shape. This beam is then fixed on the loom.

The loom is now fixed up with warp passing through the healed shaft, reed over the breast beam to the cloth rod. The shutters are fed with the required weft thread.

Depending on the design to be woven, the side levers are to be worked with foots, while the shuttle in passed to and fro through the shed formed by the warp threads and the cloth is made. The edges of the cloth are stiched before sale.

Appendix XIII. Cost of production of 100 metres of cloth (certain varieties) in primary and industrial co-operatives as on March 30th, 1986.

Sl. No.	Items of cost	Shirting (60X40)	Napkin (2/40 X 2/30)	Satin Bed Spread (2/40X14)	Table Cloth (160 X 160)
1.	Cost of yarn	366.57	755.18	826.08	1326.12
2.	Cost of dyes	67.50	97.94	35.00	180.00
3.	Dyeing charges	5.51	8.15	8.15	15.00
4.	Weaving charges	358.04	227.00	216.00	256.80
5.	Bobbin winding charges	34.20	39.30	24.00	24.03
6.	Pirn winding charges	21.60	54.72	16.82	20.00
7.	Warping charges	9.00	10.26	14.02	30.00
8.	Twisting and joining	4.25	7.12	4.00	15.00
9.	Benefits to weavers	115.25	128.10	201.60	269.00
10.	Packing charge	15.12	17.12	12.12	15.18
11.	Sales Commission	70.38	56.36	81.46	136.86
12.	Profit Margin	106.70	138.61	143.92	241.79
13.	Total cost	1174.12	1539.86	1583.17	2659.78
14.	Cost per metre	11.74	15.39	15.83	26.59

Source: Records of societies

Appendix XIV A Statement of cost of Industrial Weaver's Societies

(Rs. in lakhs)

Particulars	I_1			I_2			I_3			I_4			I_5		
	1983-84	1984-85	1985-86	1983-84	1984-85	1985-86	1983-84	1984-85	1985-86	1983-84	1984-85	1985-86	1983-84	1984-85	1985-86
I Direct cost															
a) Raw materials consumed	7.13	3.96	3.53	21.78	20.35	17.53	12.56	15.81	15.44	4.74	2.76	3.63	2.27	1.27	2.56
b) Direct wages	3.48	4.43	3.17	9.54	10.06	10.44	6.24	8.54	10.28	2.12	1.75	2.49	1.29	1.08	1.89
c) Direct expenses	0.08	0.10	0.10	0.14	0.16	0.13	0.08	0.08	0.10	0.07	0.09	0.09	0.06	0.03	0.09
Prime cost	10.69	8.49	6.80	31.46	30.57	28.10	18.88	24.43	25.82	6.93	4.60	6.21	3.62	2.38	4.54
II Indirect cost															
Works overhead charge	1.48	1.37	1.37	4.41	3.86	5.03	2.27	3.72	4.90	0.70	0.60	1.01	0.43	0.42	0.68
Works cost	12.17	9.86	8.17	35.87	34.43	33.13	21.15	28.15	30.72	7.63	5.20	7.21	4.05	2.80	5.22
III Administration expenses	2.37	2.53	2.28	4.21	3.74	5.12	1.87	2.05	2.22	0.87	1.15	0.91	0.62	0.27	0.26
Cost of production	14.54	12.39	10.45	40.08	38.17	38.25	23.02	30.20	32.94	8.50	6.35	8.12	4.67	3.07	5.48
IV Selling and distribution expenses	0.64	0.36	0.35	2.65	3.34	2.20	0.26	0.90	0.80	0.19	0.08	0.23	0.27	0.24	0.42
V Total cost	15.18	12.75	10.80	42.73	41.51	40.45	23.28	31.10	33.74	8.69	6.43	8.35	4.94	3.31	5.90
VI Profit margin (VII - V)	-0.47	-1.13	-1.08	0.14	0.13	0.29	0.06	0.14	-0.04	-0.14	-0.75	0.26	-0.17	-0.14	-0.02
VII Sales revenue	14.71	11.62	9.72	42.87	41.64	40.74	23.34	30.96	33.34	8.55	5.68	8.61	4.77	3.17	5.88

Source: Annual Reports of Societies for various years

Appendix XIV B Statement of cost of Primary Weavers Societies

(Rs. in lakhs)

Particulars	P_1			P_2			P_3			P_4			P_5		
	1983-84	1984-85	1985-86	1983-84	1984-85	1985-86	1983-84	1984-85	1985-86	1983-84	1984-85	1985-86	1983-84	1984-85	1985-8
I Direct cost															
a) Raw material consumed	39.48	39.36	33.29	7.28	5.28	3.09	31.59	27.12	23.35	6.98	7.29	6.15	1.80	0.20	0.39
b) Direct wages	17.27	19.76	19.56	3.66	3.09	2.28	15.08	16.36	14.85	3.81	5.54	4.60	1.06	0.36	0.25
c) Direct expenses	0.15	0.19	0.19	0.10	0.12	0.15	0.32	0.28	0.31	0.11	0.10	0.07	0.01	0.00	0.00
Prime cost	56.90	59.31	53.04	11.04	8.49	5.52	46.99	43.76	38.51	10.90	12.96	10.82	2.87	0.56	0.64
II Indirect cost															
Works overhead charges	7.88	8.83	8.95	1.78	1.44	0.99	7.94	8.45	7.23	1.07	1.35	1.44	0.01	0.02	0.01
Works cost	64.78	68 .14	61.99	12.82	9.93	6.51	54.93	52.21	45.74	11.97	14.31	12.26	2.88	0.58	0.65
III Administration Expenses	3.95	4.45	5.57	1.97	2.11	2.01	4.63	4.57	4.84	1.59	2.07	2.06	0.27	0.21	0.22
Cost of production	68.73	72.59	67.56	14.79	12.04	8.52	59.66	56.78	50.58	13.56	16.38	14.32	3.15	0.79	0.85
IV Selling and distribution expenses	4.94	4.84	3.87	0.62	0.53	0.33	2.76	3.20	3.00	0.45	0.69	0.67	0.22	0.04	0.02
V Total cost	73.67	77.43	71.43	15.41	12.57	8.85	62.32	59.98	53.58	14.01	17.07	14.99	3.37	0.83	0.87
VI Profit Margin (VII - V)	0.54	-0.07	-0.12	-0.91	-1.73	-1.03	0.48	-0.09	-0.02	-0.086	-0.52	-0.14	0.02	-0.05	-0.01
VII Sales Revenue	74.21	77.36	71.31	14.50	10.84	7.82	62.80	59.89	53.56	13.15	76.55	14.85	3.37	0.78	0.88

Source : Annual Reports of Societies for various years.

Appendix XV A Variable cost of industrial and primary societies

Societies	1983-'84			1984-'85			1985-'86		
	Operat-ional expenses	Cost of goods sold	Variable cost	Operat-ional expenses	Cost of goods sold	Variable cost	Operat-ional expenses	Cost of goods sold	Variable cost
Industrial									
I_1	1.09	12.34	13.39	1.88	9.50	11.38	1.36	7.89	9.25
I_2	5.78	33.92	39.70	4.72	32.99	37.71	6.44	30.27	36.71
I_3	1.03	20.93	21.96	1.56	27.87	29.43	1.20	30.60	31.80
I_4	0.64	7.35	7.99	0.53	4.85	5.38	0.84	6.62	7.46
I_5	0.79	3.97	4.69	0.52	2.57	3.09	0.77	4.90	5.67
Primaries									
P_1	2.54	67.22	69.76	2.42	70.26	72.68	2.30	63.35	65.65
P_2	0.33	13.07	13.40	0.37	10.10	10.47	0.10	6.72	6.82
P_3	2.92	55.31	58.23	3.09	52.77	55.86	2.85	46.24	49.09
P_4	0.92	11.78	12.70	0.68	14.55	15.23	0.57	12.63	13.20
P_5	0.21	3.02	3.23	0.17	0.53	0.70	0.05	0.65	0.70

Source: Annual reports of societies for various years.

Appendix XV B Fixed cost of industrial and primary societies

(Rs. in lakhs)

Societies	1983-84				1984-85				1985-86			
	Non operational expenses	Depreciation	Salary	Fixed cost	Non operational expenses	Depreciation	Salary	Fixed cost	Non operational expenses	Depreciation	Salary	Fixed cost
Industrial												
I_1	0.75	0.14	0.89	1.78	0.72	0.09	0.74	1.37	0.67	0.11	0.77	1.55
I_2	1.15	0.30	1.58	3.03	1.44	0.30	2.06	3.80	1.29	0.32	2.12	3.73
I_3	0.43	0.32	0.58	1.33	0.62	0.40	0.66	1.68	0.83	0.30	0.81	1.94
I_4	0.24	0.05	0.41	0.70	0.60	0.08	0.36	1.04	0.44	0.12	0.34	0.90
I_5	0.09	0.02	0.13	0.24	0.06	0.02	0.13	0.21	0.08	0.02	0.12	0.22
Primaries												
P_1	1.75	0.70	1.41	3.91	2.18	0.86	1.72	4.76	3.08	0.99	1.72	5.79
P_2	0.96	0.26	0.79	2.01	0.87	0.26	0.97	2.10	0.83	0.26	0.94	2.03
P_3	2.18	0.38	1.54	4.10	1.99	0.39	1.74	4.12	2.10	0.62	1.77	4.49
P_4	0.47	0123	0.61	1.31	0.86	0.16	0182	1.84	0.92	0.17	0.70	1.79
P_5	0.05	0.01	0.07	0.13	0.08	0.01	0.04	0.13	0.07	0.01	0.09	0.17

Source: Annual reports of societies for various years

Appendix XVI A Break-even point of Industrial weavers Societies

Society	Year	Fixed cost	Variable cost	Total cost	Sales	Profit/ loss	Break even point	Profit volume ratio	Margin of safety
I_1	1983-'84	1.78	13.39	15.17	14.71	-0.46	19.84	0.09	-34.85
	1984-'85	1.37	11.38	12.75	11.62	-1.13	66.33	0.02	-470.83
	1985-'86	1.55	9.25	10.80	9.71	-1.04	32.72	0.04	-236.96
I_2	1983-'84	3.03	39.70	42.73	42.87	0.14	40.48	0.07	4.42
	1984-'85	3.80	37.71	41.51	41.64	0.13	40.26	0.08	3.31
	1985-'86	3.73	36.71	40.44	40.74	0.30	37.71	0.10	7.44
I_3	1983-'84	1.33	21.96	23.29	23.34	0.05	22.49	-0.06	3.62
	1984-'85	1.68	29.43	31.11	30.96	-0.15	34.16	0.05	-9.80
	1985-'86	1.94	31.80	33.74	33.34	-0.40	42.00	0.05	-0.26
I_4	1983-'84	0.70	7.99	8.69	8.55	-0.14	10.69	0.07	-25.00
	1984-'85	1.04	5.38	6.42	5.68	-0.74	19.69	0.05	-246.67
	1985-'86	0.90	7.46	8.36	8.61	0.25	6.74	0.13	21.74
I_5	1983-'84	0.24	4.69	4.93	4.77	-0.16	14.31	0.02	-200.00
	1984-'85	0.21	3.09	3.30	3.17	-0.13	8.32	0.03	-162.50
	1985-'86	0.22	5.67	5.89	5.88	-0.01	6.16	0.04	-4.76

Appendix XVI B Break-even point of primary weavers societies

(Rs. in lakhs)

Society	Year	Fixed cost	Variable Cost	Total cost	Sales	Profit/ loss	Break even point	Profit volume ratio	Margin of safety
P_1	1983-'84	3.91	69.76	73.67	74.21	0.54	65.20	6.06	12.13
	1984-'85	4.76	72.68	77.44	77.36	-0.08	78.68	0.06	-1.71
	1985-'86	5.79	65.65	71.44	71.31	-0.13	72.95	0.08	-2.30
P_2	1983-'84	2.01	13.40	15.41	14.51	-0.70	26.27	0.08	-81.08
	1984-'85	2.10	10.47	12.57	10.84	-1.73	61.52	0.03	-467.57
	1985-'86	2.03	6.82	8.55	7.82	-1.03	15.87	8.13	-9.71
P_3	1983-'84	4.10	58.23	62.33	62.81	0.48	56.23	0.07	10.48
	1984-'85	4.12	55.86	59.98	59.89	-0.09	61.23	0.07	10.48
	1985-'86	4.49	49.09	53.58	53.56	-0.02	53.80	0.08	-0.45
P_4	1983-'84	1.31	12.70	14.01	13.15	-0.86	38.28	0.03	-191.11
	1984-'85	1.84	15.23	17.07	16.55	-0.52	23.07	0.08	-39.39
	1985-'86	1.79	13.20	14.99	14.85	-0.15	16.11	0.11	-8.84
P_5	1983-'84	0.13	3.23	3.36	3.37	0.01	3.13	0.04	7.14
	1984-'85	0.13	0.70	0.83	0.78	-0.05	1.27	0.10	-62.50
	1985-'86	0.17	0.70	0.87	0.88	0.01	0.83	0.20	5.56

Appendix XVII - Wage rates for certain varieties of handloom products of industrial and primary societies.

Sl.No.	Variety	Rate (Rs)	Work load (metres)	Dearness Allowance (Rs)
1.	Lungi (40s)	1.89	6.5	10.32
2.	Satin Sheet	3.70	6.0	10.32
3.	Double Veshti	3.17	5.0	10.32
4.	Bed Sheet (60X90)	1.81	6.0	10.32
5.	Casement	2.19	6.0	10.32
6.	Honey comb towels	1.98	5.0	10.32

Source : Records of societies

Appendix XVIII- Wages paid per member (yearly) of primary and industrial societies

(Figures in Rupees)

Year	Industrial societies					Primary societies				
	I_1	I_2	I_3	I_4	I_5	P_1	P_2	P_3	P_4	P_5
1983-84	2520.47	5484.52	2059.52	1735.01	579.20	2854.10	960.62	2928.38	820.54	530.90
1984-85	3209.26	5916.46	2669.39	1403.05	769.21	3182.57	804.60	3422.60	1095.47	178.68
1985-86	2189.31	6325.24	2996.70	1926.48	1057.51	3185.26	568.17	3338.07	895.98	120.71
Percentage change over the period	-13.14	15.33	45.50	11.04	82.58	11.60	-40.79	13.99	9.19	-77.26

Source: Records of societies

A COMPARATIVE ANALYSIS OF THE COTTAGE AND FACTORY SUB SECTORS OF THE CO-OPERATIVE SECTOR IN THE HANDLOOM INDUSTRY OF KERALA

By
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ABSTRACT OF A THESIS

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ABSTRACT

The study on 'A Comparative Analysis of the Factory and Cottage Sub Sectors of the Co-operative Sector in the Handloom Industry of Kerala' has been carried out to examine the structural differences, operational costs and profit margin and working conditions of weavers under both the categories.

Five industrial societies and five primary societies whichconstituted 20% of the working societies of Cannanore district were selected for the study. Hundred weaver members were interviewed for the purpose of the study.

The primary societies were organised on a production cum sales pattern while the industrial societies were similar to the handloom factories where production was centralised.

The average membership in primary societies was considerably high. The share of female members in total membership was also found to be high among primaries. The socio economic characteristics of weavers showed that more people were

associated with weaving in primary societies than industrial societies. In the case of other variables like literacy, family size, age, caste, income, marital status, occupational mobility and territorial mobility, considerable difference was not noticed.

The number of average looms and active looms covered were high among primary societies. But the average production per member was found to be high among the industrial societies. The factor productivity analysis showed that both the primary and industrial societies were found to be highly labour intensive.

The analysis of the cost structure revealed that raw materials and wages constituted more than 70% of total costs. The sub sectoral analysis showed that cost structure was more or less similar. The cost-volume-profit analysis reflected the negative margin safety and it was found that break-even point of sales was above the actual sales.

The working conditions revealed that the average wage received by the workers in the industrial societies was considerably higher. The preference for higher counts of yarn was high in industrial societies. Health problems were wide spread among the weavers. Majority of weavers felt that they were pursuing a job of low status. Eighty percent of the weavers joined co-operatives either for better remuneration or for protection against exploitation.

Thus, we have found that though industrial and primary societies were basically co-operative institutions with lot of similarities, the striking structural difference was found in their production organisation.