Introduction

Handloom is one of the largest economic activities in Tamilnadu, employing more than 4.29 Lakh weavers' households and about 11.64 Lakh weavers. It is predominantly in the Co-operative Sector as more than 50% of the handloom weavers have been brought under the co-operative fold (against the national average of 25%). The remaining handloom weavers are in the private sector. There are about 2388 Co-operative Societies, of which only about 1313 are working societies. The profitability of the working Societies in the Co-operative fold has also been affected.

Out of 1313 Handloom Weavers Co-operative Societies, 1125 are Cotton Primary Weavers Co-operative Societies, 103 are Industrial Weavers Co-operative Societies and the remaining 85 are primary Silk Weavers Co-operative Societies. These Weavers Co-operative Societies exist in rural and semi urban areas where there is large concentration of handloom weavers.

This sector is mainly dependent on the organized mill sector for their principal raw material requirements namely yarn in hank form. The State Government has been ensuring its uninterrupted supply.

All the developmental and welfare schemes of the State Government intended for the handloom weavers are channelised only through these weavers co-operative Societies. During the year 2002-03, the Weavers Co-operative Societies have produced 841.70 Lakh meters of handloom cloth valued at Rs.415.71 crore and sold handloom fabrics to the extent of Rs. 571.66 Crore.

After liberalization, this picture has changed to some extent. A series of institutional reforms have led to a policy of partially decentralizing responsibility and resources to the agency directly in-charge of the co-operatives; however the most striking shift has been the rising rate at which the Handlooms Co-operatives have been able to find export markets and overseas, private buyers. The improved performance of the reconstructed handloom co-operatives is evident in the rise in deemed exports by the co-operatives in the past year. Exports have grown from 25 crores in 99-2000 to 179 Crores in 2002-2003. Since the Co-operatives began exporting in 1997, rejection rates have fallen dramatically; they have gone from a high of 50% in the first year of exports to less than 3% in 2000. The number of Weavers Co-operative Societies working on profit has increased from 320 during 2001-2002 to 487 during 2002-2003.
In spite of this the handloom sector’s overall performance in recent years has not been up to the mark. The main reasons are, lower productivity levels and stiff competition from power loom, non-utilization of blended and synthetic fiber, the high product cost especially when compared to power loom products of the Handloom Societies, improper product mix of the Societies and failure to get in tune with market seasonal color and design forecast and limitations of the Apex Handloom Society – Co-optex to procure more than 30-35% of the products lack of new designs. This has resulted in dwindling number of looms and reduction in the number of weavers. The existing generations of weavers have discouraged their next generation into getting into this profession and instead have diverted them to agriculture construction activity, Beedi rolling, and a select few have strived to educate their children to choose gainful employment.

While this is an area causing some amount of concern, the focused concern of the State is on rehabilitating the weavers – the backbone of the rural economy in these districts, occupied with the production of the Sarees and Dhoties under FDS Scheme. These weavers who are practically unskilled have to be taught/shown and given alternate means of employment and income generation.

Due to the severe financial crunch, Government is also not in a position to give them any protected schemes or subsidies their products beyond a period.