THE HANDLOOM INDUSTRY IN NORTH AND SOUTH KERALA A STUDY OF PRODUCTION AND MARKETING STRUCTURES

Dissertation submitted in partial fufilment of the requirements of the Degree of Master of Philosophy of the Jawaharlal Nehru University

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I hereby affirm that the research for this dissertation titled "The Handloom Industry in North and South Kerala - A Study of Production and Marketing Structures" being submitted to the Jawaharlal Nehru University for the award of the Degree of Master of Philosophy was carried out entirely by me at the Centre for Development Studies, Trivandrum

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Certified that this dissertation is the bonafide work of Sri V. Rajagopalan and has not been considered for the award of any other degree by any other University. The dissertation may be forwarded for evaluation.

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Preface

I must confess that the task of acknowledging my thanks to those who made this thesis possible is a difficult one. A large number of persons have helped me substantially in my efforts. But time and space permits me to name but only a few of them. It is presumptuous on my part to thank by guides Smt. Mridul Eapen and Sri Raman Mahadevan. From the very beginning of my study, they have been a constant source of inspiration and encouragement. I must in particular mention the gracious manner in which they entertained my frequent demands on their time. Above all it was their implicit faith in me, that goaded me on. Once again let me acknowledge my deep debt of gratitude to them. I wish to thank Dr. K.N. Raj for the time and effort he spared in discussing with me, my original thesis proposal. I owe a special debt of gratitude to Sri Michael Tharakan. He has been a great source of inspiration and help during the last two years. My thanks are also due to Dr. Thomas Isaac, who first suggested the subject for this thesis. I also wish to thank Dr. Chandan Mukherjee and Dr. Gita Sen whose constant encouragement helped me to tide over temporary setbacks.

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In the course of the sample survey I had the good fortune to talk to a large number of persons connected with the handloom industry. A number of them were gracious enough to spend considerable time on me. Space permits me

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I wish also to record here my thanks to my colleagues Udaya Kumar and Usha who went through my draft chapters. Above all I must thank my wife Geetha who went through several drafts and put up with my frequent bouts of ill temper. I wish also to record my appreciation of the enthusiastic efforts of my 4 year old son Arjun. But for his efforts, this thesis would possibly have been finished earlier.

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Contents

Glossary

1. Mundu	:	A loin cloth; the short cloth worn by Malayalees
2. Thorthu	:	A hand or bath-towel
3. Neriyathu	:	A fine textured cloth
4. Dupatta	:	A kind of cloth worn around the neck
5. Kavani	:	A laced cloth used to cover one's head or worn around the shoulder
6. Muri	:	A piece of cloth of 9 yards
7. Double veshti	:	Dhothi with two layers of cloth
8. Single veshti	:	Dhothi, with one layer of cloth
9. Settu Mundu	:	A dhothi, along with a neriyathu used as an upper cloth, constitutes a settu mundu. It is generally worn by ladies.
10. Thundu	:	A small piece of cloth
11. Kasavu	:	Gold or silver thread
12. Lungi	:	A checkered cloth, worn as a lower garment.

Introduction

1.1 India has traditionally been renowned as the homeland of cotton textiles. It was a major exporter of textiles both to Europe and parts of Asia and Africa. With the opening of the sea routes to Europe and the Industrial Revolution, began a new chapter in the history of the Indian handloom industry. The handlooms had to encounter first the challenge posed by machine made goods from abroad, and subsequently by the indigenous mill industry. Today, the powerlooms are posing a threat to its very existence.

But despite these challenges, the handloom industry has managed to survive and even grow in some regions. The tenacity of handicrafts like handlooms in developing economies such as ours has now become an accepted fact. In the advanced market economies of the west, industrial organisations have evolved by stages from the handicraft to the factory system. Initially, capitalism transforms the relationship between capital and labour, while preserving the handicraft technology of the industry. But the full flowering of the capitalist system occurs with the transformation of its technical base from handicraft to machinery. It is this stage which is often arrested in developing countries due to a variety of reasons. Such economies undergoing rapid industrialisation present a complex picture of the simultaneous existence of a variety of industrial systems.

The persistence of lower forms of capitalism can be attributed firstly, to the dynamic interplay between opposing economic forces. On the one hand, economies of scale, better management and greater financial resources of capitalists enable them to transform handloom weaving from the cottage to the factory system.

On the other hand, the plentiful availability of cheap labour, facilitates the continuation of the backward labour intensive techniques of production. "The fantastically cheap labour of the Indian craftsmen " observes Levkovsky" was indeed the reason for the mysterious at first glance longevity of the local crafts".[2/] The intervention of the colonial State was another significant factor contributing to the stunted growth of capitalist enterprises in India. Both the implicit and explicit policies of the Imperial power were designed to favour foreign capital over indigenous capital. Such deliberate measures tended to stifle the normal process of capitalist accumulation. Thirdly, the absence of a national market and the existence of a large number of regional and sub-regional markets helped the preservation of the lower forms of capitalist enterprises.[3/] Thus, we find that the handloom industry has survived by producing mass consumption items and by catering to specialised requirements "by providing endless exclusive patterns".[4/]

A state-wise distribution of handlooms within India is given below (See Table 1).

We see from this table that although the industry is spread all over the country, it is concentrated in certain regions and States. These centres tended to reveal historically, a certain dynamism which has been variously explained. Thus, historically, both Bengal and the Coromandel coast had exhibited great vitality, attributed to the fact that these centres were catering mainly to the export trade which

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1. In the Indian context, the Banking Enquiry Committee of 1930 for instance, found the Bhagalpur silk industry, slowly being transformed from the handicraft to the factory system. See A.I. Levkovsky 'Capitalism in India -- Basic Trends in its Development.'. 1972 p.210

2. Ibid p.194.

3. Ibid p.204

4. D.S. Buchanan. The Development of Capitalist Enterprises in India, 1966, p.76

Table 1: State-wise Distribution of Loomage 1982-83

(Numbers in lakhs)

State	Number
1. Andhra Pradesh	5.29
2. Assam	2.00
3. Bihar	1.00
4. Gujarat	0.20
5. Maharashtra	0.77
6. Haryana	0.42
7. Jammu and Kashmir	0.37
8. Karnataka	0.95
9. Kerala	0.95
10. Madhya Pradesh	0.33
11. Manipur	1.00
12. Orissa	1.05
13. Punjab	0.21
14. Rajasthan	1.44
15. Tamil Nadu	5.56
16. Tripura	1.00
17. West Bengal	2.12
18. Uttar Pradesh	5.09
19. Other States/Union Territories	0.37
Total	30.20

Source: 20th Annual Report and Review: The All India Federation of Co-operative Spinning Mills Ltd., 1983-84

requires greater innovative skills and organisational ability.[5/] It has also

5. See Tapan Raychaudhuri 'Non-Agricultural Production in Mughal India', Cambridge Economic History of India Vol.II 1982, and K.N. Chaudhuri 'The structure of the Indian textile Industry in the 17th and 18th Centuries', Indian Economic and Social History Review June-September 1974.

been contended that in areas, where the tradition of handloom weaving is still very strong as in Bengal and Tamil Nadu, the industry has prospered.[6/] Baker argues that Tamil Nadu was able to withstand the challenge of Manchester and Liverpool because "the market for coarse cloth in the countryside was reasonably well protected by the expenses of transportation and by the durability of the handloom products". while the market for fine goods was preserved by the innate conservatism of the Indian consumers.[7/]

The Government made conscious attempts to develop the handloom industry from the 1940s onwards. Post-Independent India, witnessed a concerted attempt to develop the industry. Both the Industrial Policy Resolution of 1956 and the Second Five Year Plan emphasised the necessity of promoting village and small industries. This was intended to offset the huge investment in heavy and basic industries, which by its very nature was capital intensive. Since handicrafts like handloomshad great employment generating potential,[8/] it was believed that by launching special programmes to protect these industries, this potential could be substantially increased. In addition, the promotion of village and small industries was also expected to solve the myriad social and economic

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6. Omkar Goswami 'Indian Textile Industry 1970-1984 An Analysis of Demand and Supply, Economic and Political Weekly, September 21, 1983.

7. C.J. Baker. An Indian Rural Economy 1880-1955. The Tamil Nadu Countryside 1984.

8. No precise estimates are available regarding the number of persons engaged in the handloom industry. Estimates vary from as low as 1.25 million (Expert Committee on Tax Measures to Promote Employment' quoted by L.C. Jain, 'Handlooms Face Liquidation: Powerlooms Mock at Yojana Bhavan', Economic and Political Weekly, August 27, 1983) to as high as 10 million (20th Annual Report and Review. The All India Federation of Co-operative Spinning Mills Ltd, 1983-84.

problems that accompany industrialisation.[9] The programme was most actively implemented in the case of handlooms. The Apex co-operative organisations set up by the Government has helped the growth of the industry in some States. Thus, for instance, the innovative and aggressive marketing strategy of Co-optex has helped to sustain the handloom industry in Tamil Nadu.

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, absence of national markets 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 the specific conditions obtaining there.

Despite all the measures initiated by Government, the handloom industry has continued to suffer from a host of problems. These include inadequate supply of yarn, marketing difficulties and so on. However, the gravest threat to the

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9. The Planning Commission was quite ambitious about what the village and small industries could achieve. Thus, according to the Third Plan document, the Sector's objectives were "to create immediate and permanent employment on a large scale, at relatively small capital cost, meet a substantial part of the increased demand for consumer goods, facilitate mobilisation of resources of capital and skills which might otherwise remain inadequately utilised and bring about integration of the development of these industries with the rural economy on the one hand, and large scale industry on the other". See Third Five Year Plan Document, Planning Commission, Government of India, 1961-66 p.426.

handloom industry today is from the powerloom sector.[10/]

The outlook at the macro level thus appears somewhat dismal. But as we have observed earlier, in some states, the handloom 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 insights into the dynamics of the industry. The present study accordingly through a comparative analysis attenpts to examine the structure of the industry in Kerala. This region is of particular interest to us, since it contains two distinct locations, Cannanore in the north and Trivandrum in the south, which exhibit sharp differences in their production and marketing structures. By highlighting these differences and analysing the performance of the industry in the two regions we shall attempt to provide a clearer understanding of the industry.

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10. Report of the High Powered Study Team on the Problems of the Handloom Industry. Ministry of Commerce, Government of India 1974 p.30. The adverse impact of powerlooms is experienced in a variety of ways. Firstly, the statutory requirement laid down by the Textile Commissioner in respect of hank yarn production (which is consumed by the handlooms) has seldom been observed. Quoting a Planning Commission Study L.C. Jain had tried to show that in 1981, 84 million Kgs of hank yarn was diverted to the powerlooms sector. He had also observed that in 1981, Cotton handloom production was only about 1600 million metres as against 2,520 million metres claimed. Such discrepancy has occured, because large quantities of powerloom cloth is booked as being produced by the handloom sector (See L.C. Jain, Economic and Political Weekly August 27, 1983, op.cit.) Secondly, hank yarn meant for handlooms is being increasingly diverted to powerlooms. Further whatever limited advantage, the handlooms enjoyed through excise concessions, have been eroded by powerlooms passing off their products as handloom cloth. Though the new textile policy has made provisions for curbing the growth of unregistered powerlooms, it does not hold much cheer for the handloom industry as a whole. In fact, some observers even feel that the new policy will have the effect of rendering thousands of handloom weavers jobless. See L.C. Jain The New Textile Policy: End of Handlooms. Economic and Political Weekly, July 6, 1983.

1.2 Review of Literature

A number of studies have been undertaken on the handloom industry. Broadly, the literature can be classified into those dealing with the industry at the All India level and secondly, studies based on specific regions or states, which have recently been assuming importance. A large number of these studies are official in nature, consisting of reports of Committees/ Commissions and working groups appointed by Central and State Governments. Some of the more important of these are: The Fact Finding Committee (Handlooms and Mills) 1942, The Textile Enquiry Committee 1954, and the High Powered Study Team on the Problems of the Handloom Industry, 1974. Here we propose to discuss some of the major observations of the Fact Finding Committee and the High Powered Study Team.

By far, the most comprehensive and in depth analysis of the Indian handloom industry is still the report of the Fact Finding Committee (Handlooms and Mills) 1942. 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 changes in the tariff policy, shift in consumer taste and competition from the mill sector. There was also a general lack of dynamism in the industry due to the fact that the majority of weavers were enmeshed in a strong dependency relationship with middlemen. The growing competition of the powerloom sector which emerged around the second world war period was also clearly mentioned by the Committee.

The High Powered Study Team constituted in 1973, to inquire into all aspects of the handloom industry, organisational, technical and functional, observed that increased co-operativisation 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 institutions as the All India Handloom Board was also underlined by the Committee. Analysing the functioning of the reservation system and the availability of the necessary inputs to the handloom industry, the Committee noted that in practice, very little protection was in fact being given. This was due to the poor enforcement of the various policy measures undertaken.

There is also a fairly large body of literature dealing with the historical evolution of the handloom industry in India. Raychaudhuri discusses the state of the industry in the Mughal period, when it was characterised by an incredible richness both in the quality and variety of fabrics.[11/] But the technological stagnation, endemic in the industry was an ominous portent for the future. However, Punjab, the Bengal region, and the Coromandel coast exhibited greater signs of vitality and dynamism. This was attributed by K.N.Chaudhuri to the fact that these centres were catering to the export trade.[12/] He points out that there is a qualitative difference between production for the local market and production for export. In the case of the former, few considerations, apart from price are really vital, however for the export trade, a host of commercial considerations like quality, price, bulk orders, delivery time and so on are all equally important. Consequently and also due to the greater risk involved, a centre catering to the export trade would exhibit greater responsiveness to market conditions.

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11. See Tapan Raychaudhuri, Non Agricultural Production in Mughal India, op.cit.

12. See K.N.Chaudhuri, The Structure of the Indian Textile Industry in the 17th and 18th centuries, op.cit.

The implications of Government textile policies are crucial to any understanding of the current status of the industry. There are a few studies which have examined this question at the all India level. L.C. Jain observes that the phenomenal growth of the powerloom sector at the cost of the handloom sector is due at best to the apathy and at worst, to the active connivance of Government officials.[13/] Decrying the move to entrust the handloom sector with the production of controlled cloth in the 1985 Textile Policy, he contends that this is the surest way of ensuring technological stagnation in the industry, and eventually making it a sick industry. Further, as the production of controlled cloth is not remunerative, the earnings of weavers will also decline.[14/]

The second group of studies, though relatively few can be broadly categorised as those relating to specific regions. Venkataraman's study on the handloom industry in south India is an early attempt at studying the industry of a particular region.[15/] After discussing the production and marketing structures extant in the region, he explores the nature of the relationship between production and marketing. He is of the view that the system of production determines the method of distribution. Thus, the individual weaver, producing for himself markets his products by hawking. But when the production is more organised, as in handloom factories, marketing is done through a plethora of agencies like commission agents, mail order houses, showrooms and so on. This is however a debatable point and we shall return to it later.

13. See L.C. Jain, Handlooms Face Liquidation: Powerlooms Mock at Yojana Bhavan, op.cit.

14. See L.C. Jain, The New Textile Policy End of Handlooms op.cit.

15. See K.S. Venkataraman, Handloom Industry in South India, Madras 1935.

Abanti Kundu in her study of the industry in West Bengal analyses the impact of Government intervention on the industry. She finds that the failure of Government to control the supply and distribution of raw materials as well as to start an effective marketing network, has resulted in the industry being still dominated by mahajans.[16/] Bharathan's study of the industry in Tamil Nadu is another important contribution.[17/] He observed a number of changes in the industry during the period 1961-1971. Thus, the industry was becoming more urban and non-household in character. Further, while production for the domestic market declined, exports went up. Consequently, changes have occured both in the product mix and in the organisation of production.

Datta and Hein Streeflkeak examine the structure of the handloom industry in Bangladesh.[18/] The authors find considerable downward mobility in the economic condition of the weavers and attempt to explain the current depressed state of the industry both in terms of the historical experience of that country as also the socio-political context within which the industry has developed.

As far as the handloom industry in Kerala is concerned, it remains a relatively under researched area. There is very little published material on the subject. One of the few studies is an unpublished M.Phil dissertation by Geetha Devi, which is essentially devoted to an analysis of the cost

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16. See Abanti Kundu, Pattern of Organisation in the Handloom Industry in West Bengal, Social Scientist August, September-October, 1980.

17. See K. Bharathan, The Cotton Handloom Industry in Tamil Nadu: Some Characteristics and Aspects of Change from the Post Independence Census Data, Madras Institute of Development Studies, Working Paper No.34, 1983.

18. See A.K. Datta and Hein Streeflkeak, Weavers, Traders and the State: Handloom Weaving in Bangladesh. Economic and Political Weekly, September 14 and 21, 1985.

structure of the industry in the two centres of Cannanore and Trivandrum.[19] The author finds that due to a variety of reasons the cost structure is higher in Cannanore than in Trivandrum.

1.3 Objectives of the Study

The present study is therefore an attempt to fill the gap in our understanding of the handloom industry in Kerala, particularly in view of the protracted crisis that the industry is currently facing. Of the traditional industries in the State, handlooms is second only to coir in its employment potential. It is estimated that the industry with over 95,000 looms[20] provides employment to more than two lakhs of people,[21] that is 22 per cent of the non agricultural workforce. The spatial distribution of loomage, however is not even, as the industry is concentrated in two centres. Thus, the southern most district of Trivandrum and the northernmost district of Cannanore together account for more than 60 per cent of the loomage in Kerala.[22]

We had noted that the industry exhibits wide variations between different states. However in Kerala we have the unique case of the same state exhibiting fundamentally contrasting industrial structures. Thus, in Trivandrum, the household or unorganised sector predominates, and production is oriented primarily towards the domestic Kerala market. In contrast, in Cannanore nearly half the loomage is in the non household or organised sector and production is oriented towards exports. As a consequence of this structural dichotomy between the two

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19. See Geetha Devi S. Handloom Production in Kerala: A Case of Study of Trivandrum and Cannanore Centres. Unpublished M.Phil thesis, University of Kerala, 1982.

20. Figures furnished by the Directorate of Handlooms, Government of Kerala, 1985.

21. Economic Review of Kerala, State Planning Board, Government of Kerala 1984.

22. Directorate of Handlooms op.cit.

regions, differences are evident in a number of factors like production strategy, production mix, markets, marketing organisation, composition of the workforce, degree of co-operativisation and so on. The objective of our study therefore would be firstly to identify and analyse the structural differences of the industry in Trivandrum and Cannanore districts.

As a result of these structural differences, the industry has thrown up a variety of production systems. For instance, there are the large manufactories of Cannanore, where production and marketing is centralised. On the other hand, independent weaving households still exist in Trivandrum (and in other Centres) which market their goods by hawking them in the daily evening markets or in the village fairs. Between these two extremes are a host of intermediate structures. Our study will seek to throw light on these varying production structures. In the light of Venkatraman's observation, we shall try to examine further the relationship between production and marketing systems. Our study seems to suggest that his argument viz. that production systems invariably determine the marketing systems does not apply uniformly accross regions and at all times. In fact, it is much more symbiotic relationship rather than a unidimensional one. One of the significant observations of our study is the tendency we observe towards a narrowing down of the inter-regional variations (so marked in the pre 1975 phase) as a consequence of the crisis in the industry. We are inclined to believe that this phenomenon is itself the outcome of the interaction between the production and marketing structures.

1.4 Data Source

As already mentioned, there is little research done on the handloom industry in Kerala. For our study therefore we have relied essentially on publications of the Government departments and quasi-Government institutions.

These consist of the 1968, 1976 and 1981 Census of Handlooms conducted by the Directorate of Handlooms, Committee Reports of the Government of India, Annual Reports of Hantex and Hanveev, Publications of the State Planning Board, Directorate of Handlooms and the Directorate of Economics and Statistics. The dearth of systematic compilation of records by Government departments has hampered our efforts to a considerable degree. This was especially so in the case of Trivandrum, where cross checking of data, had to be undertaken several times, before a set of data could be finally adopted.

In view of the paucity of qualitative information from the above sources, we attempted to overcome to some extent, this shortcoming by undertaking a sample survey. This survey was conducted in August-September 1985, in the districts of Trivandrum and Cannanore. Owing to the disparate nature of the industry in the two districts, different sets of samples were prepared.[23/] Another important source was oral information gathered in the course of the survey from a number of persons associated with the industry; such as private factory owners, labour union leaders, exporters, the President of the Kerala Handloom Association, Chief Executives of Hantex and Hanveev, Government officials and so on. Oral information on the industry supplied by non officials was relatively more sketchy in Trivandrum than in Cannanore. It may be mentioned in this context, that we have used the information collected through the Survey, mainly to substantiate secondary information. However, certain developments in the industry over time, such as changes in production strategy, product mix and so on, which have not been fully captured by official statistical records have been investigated more elaborately through our Survey.

23. See Appendix I for a description of the Sample used in the sample survey.

1.5 Chapterisation Schema:

The thesis is divided into five chapters besides the introduction and conclusions. In Chapter 1, we shall trace the historical evolution of the industry in Trivandrum and Cannanore and attempt to show how the present structure of the industry has been conditioned by the differing historical experience of these two regions. Chapter 2, will be devoted to a comparative analysis of the basic organisational features of the industry in Trivandrum and Cannanore; the type of industry, composition of workforce, degree of co-operativisation and so on would be discussed at length. Chapter 3 examines the two different production structures and attempts to explain their growth in response to changing conditions in the industry. The nature of the markets and the role of Government organisations in the marketing of handloom products will be discussed in Chapter 4. This Chapter also examines, the nature of the relationship between production and marketing systems. Chapter 5 is devoted to an analysis of assessing the performance of the industry in the two regions. Based on the preceding analysis, we shall attempt to hypothesise that the crisis in the industry has tended to narrow down the inter regional variations through the interaction of production and marketing structures. This is followed by our concluding observations.

Appendix 1

The sample consisted of 4 primary co-operatives, 5 industrial co-operatives, 6 private non household units and 7 household units. The sample was distributed between the two Centres in the following manner.

Unit	Trivandrum			Cannanore			
1. Primary Co-operatives	A_1	A_2	A_3		A_4		
2. Industrial Co-operatives		B_1	B_2	B_3	B_4	B_5	
3. Private Non Household Units		C_1	C_2	C_3	C_4	C_5	C_6
4. Household	D_1	D_2	D_3	D_4	D_5	D_6	D_7

Chapter 1

An Historical Overview

1.1 Introduction

The present structure of the industry in North and South Kerala, is the outcome of the different historical experience that the two regions have undergone. While geographically and culturally homogenous, the two regions 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 the 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.

In this chapter, we shall first discuss the evolution of the industry in Travancore and then go on to Malabar.

1.2 (a) Evolution of the Handloom Industry in Travancore:

A serious limitation for a researcher is the paucity of secondary material on the handloom industry in the pre-Independence period. Consequently, one has had to perforce, rely rather excessively on Nagam Aiya[1/] and T.K. Velu Pillai[2/], the two scholars, who seem to have commented on the state of the

1. Nagam Aiya The Travancore State Manual - Vol.III 1906

2. T.K. Velu Pillai The Travancore State Manual - Vol.III 1940

industry during the period from the second half of the 19th century to the first three decades of the 20th century. Given the limitation of our data and information sources, it is somewhat difficult to establish the precise period when cotton handloom weaving first developed in the State. In fact, the pre-19th century history of handloom industry is shrouded in legends. According to one such legend about three hundred and fifty years ago, prior to the present period, the Raja of Travancore imported six families of weavers from Devagiri, and settled them near Kottar, near Nagercoil. Kottar, soon became a flourishing centre for the silk weaving industry. But silk had only a limited market since the main buyers were from among the nobility. So, when fine English spun yarn was introduced into the Indian market around the middle of the 19th century, the silk weavers of Kottar increasingly took to the weaving of cotton of fine counts.[3/] The high concentration of weavers, especially in Neyyattinkara and Balaramapuram, two other regions of South Travancore, is said to have historical roots going back to the latter part of the 19th century. Thus, in the reign of Visakhom Tirunal Maharaja of Travancore, it is said that weaver families were brought from Tirunelveli and settled in Neyyattinkara and Balaramapuram.[4/]

In addition to the expatriate weaving community settled in specific regions and producing for a specific market under royal patronage, weaving also seems to have been an important subsidiary occupation of agriculturists especially during the slack season. This was observed by Rev. Samuel Mateer, writing as early as in 1883. He found weaving to be a cottage industry and

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3. T.K. Velu Pillai Vol.III pp.546& 547. Around the mid 19th century onwards cloth was also being imported from neighbouring Tamil Nadu, principally from Tirunelveli, See: Statistical Appendix, Together with a Supplement to the District Gazetteer: (1917) for Tinnevelly District. Edited by C.A. Souter, Assistant Editor K.N. Krishnaswami Ayyar 1934 p.199.

4. Report of the Minimum Wages Committee for Employment in the Handloom Industry, Kerala 1959, p.5.

apparently decentralised. The bulk of the cloth produced was of the coarse variety mainly 'mundus' and 'thorthus'. 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.[5/]

While some changes in the nature of the industry had occured since the time of Rev. Mateer as is evident from our foregoing analysis; yet even as late as 1940, the industry was predominantly decentralised in nature.[6/]

1.2 (b) Growth in Loomage

There are no precise time series estimates regarding the number of looms or weavers. Hence it is difficult to correctly estimate whether the industry was growing or declining. Nagam Aiya (1906) on the basis of 1891 census observed that there was a marked decline in the number of persons engaged in weaving. This process seems to have continued through the second decade of the 20th century.[7/] This decline may possibly have been on account of the severe competition from machine made goods, both imported and indigenous. This is substantiated by the enormous increase in the import of cotton piece goods into Travancore. Thus, imports had swelled from Rs.10.54 lakhs in 1894-95[8/] to Rs.107.05 lakhs by 1927-28.[9/] However, by the 1940s, there appears to have been some growth

5. Rev. Samuel Mateer, Native Life in Travancore 1883

6. Thus only 32% of the weavers in Travancore during the period were working in Karkhanas. See Report of the Fact Finding Committee (Handloom and Mills) (Hereafter FFC). 1942 p.71.

7. T.K. Velu Pillai Vol.III p.545.

8. Nagam Aiya Vol.III p.204.

9. T.K. Velu Pillai Vol.III p.643
A number of explanations have been advanced to explain the decline of the industry in Travancore. Thus, the inability of the weavers to respond to changing fashions and the unorganised nature of the industry were said to be a handicap. So also, the weavers' alleged habit of investing their surplus in unproductive assets like land and thus starving the industry of sufficient funds was also cited as a possible fact adversely affecting the industry.

in the industry, as is evident by the data furnished by the Report of the Fact Finding Committee (hereafter FFC). Thus by this time, there were about 19,000 looms and weavers in Travancore.[10] Interestingly, all the weavers are reported as being full time weavers.[11]

1.2 (c) Composition of the Workforce

Rev. Samuel Mateer had observed that the majority of weavers were Hindus, and that there was only a sprinkling of Christians and Muslims. It is also reported that weaving was a heriditary occupation followed mainly by Ezhavas, Salias and Patnuls. It is interesting to note that by 1931, women constituted only 13%[12] of the workforce in contrast to the situation in the 1970's when the industry came to be dominated by women.[13]

1.2 (d) 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 'muri'. By 1940, the major products were 'mundu', 'thorthu', neriathu'. The FFC in 1941 also observed, more or less the same pattern of product mix obtaining 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' (double veshties, single veshties, settu mundu') 'neriyathu' and 'thorthu' constitute the bulk of the product mix in south Trivandrum.

10. FFC pp.32 & 35
11. Ibid.p.35
12. T.K. Velu Pillai Vol.III. p.545
13. This aspect is discussed in Chapter II.

As mentioned earlier, the industry in Travancore was traditionally differentiated in its product mix. While one section of the 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 the domestic market.

1.2 (e) The Role of Government

The active involvement of the Government in promoting the industry, started only from the second decade of the present century. A weaving depot was started in 1095 ME (1919-20) at Iraniel.[14] Its purpose was to instruct the weavers in improved methods of weaving. A peripatetic team was also constituted the same year, to tour rural areas and instruct weavers about the use of improved implements. The Government seems to have achieved considerable success in the inroduction of fly shuttles. Thus, around the last decade of the 19th century, a substantial number of the looms were throw shuttle looms. However, by 1940, it was observed, that the situation had changed and almost 80% of the looms in Travancore were fly-shuttle looms.[15] In addition to the modernisation of looms, the State was also making attempts by the mid thirties to introduce weaver's co-operatives.[16]

1.3 (a) Evolution of the Industry in Malabar

Apart from the records of the Basel Mission, information on the handloom industry in Malabar is even more scarce than in Travancore. Therefore

14. T.K. Velü Pillai Vol.III. p.545
15. FFC. p.74
16. K. Perumal Pillai, Travancore Co-operative Enquiry Committee Report 1934

we have relied on a few select Mission records, the Report of the FFC and oral information.

Just as in Travancore, there are legends and stories current in Malabar of 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 Chaliyas. Before the coming of the Basel Mission, the weavers were apparently producing articles for domestic consumption in the traditional pit looms.

1.3 (b) Basel Mission Industries

The Basel Mission commenced activities in India, in Mangalore in 1834. Subsequently branch missions were started in Telicherry, Cannanore, Calicut and Palghat. While the basic thrust of their work was directed towards religious and educational activities, the promotion of industries was also an important allied activity.[17] Among their earliest industrial ventures was an attempt, though abortive, to make sugar out of toddy. Relatively greater success was achieved with printing. It was around 1844, that weaving was taken up as an important activity in Mangalore. The first 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,

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17. A number of factors were apparently responsible for the missionaries venturing into industries. Firstly, they had to find a source of livelihood for the new converts who were disinherited by their own families. To protect them and also to encourage fresh converts, they had to be assured of a means of sustenance. Secondly, a suitable occupation had to be found for the mîssionaries of the mission, while they were on probation, and for the ınmates of the boarding schools. "Proceedings of the South India Missionary Conference held at Ootacamund." April 19 - May 1858. pp.82 and 83. Finally it is not inconceivıable that the commercially shrewd Germans were not indifferent to the opportunities offered by the cheap and plentiful labour supply of Malabar.

weaving establishments were started in Cannanore in 1852, and Calicut in 1859. By 1913, both these establishments had grown to huge complexes employing over 600 workers in each.[18] In 1911, in order 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 the Basel Mission were taken over as enemy property. Subsequently the Commonwealth Trust Ltd. was formed to run the industries.

1.3 (c) Technological Innovations:

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. It's greater productivity combined with the large supply of good timber on the Malabar coast assured its wide acceptance. The introduction of the fly-shuttle was another innovation. Mission records state that one Mr. Heller came over from Europe for this purpose. The introduction of jacquard looms in 1872, helped to widen the range of products that the industry could produce. Till about 1895, all the work in the weaving industry was done manually. Steam power was introduced in 1895 for doing the winding and twisting of threads on bobbins, and in the dye-works to raise productivity.[19]

1.3. (d) Organisation Changes:

Together with technical improvement, there was a major transformation

18. The Cannanore establishment had only 6 workers, when it was started in 1852. By 1913, it had grown to a workforce of 600. It had also two branches at Nettur near Tellicherry and another at Chombala. The Calicut weaving establishment was opened in 1859 with about 10 looms. By 1913 it had 700 employees. It had also a branch established at Codacal near Tirur. See H. Hofmann: 'The Basel Mission Industries 1913 p.10.

19. Ibid. p.15.

in the organisation of production and marketing. The Basel Mission pioneered the concept of integrated handloom factories. Handloom factories or 'Karkhanas' had developed indigenously and were in existence at least from Mughal times.[20/] However, the modern type of 'Karkhanas', were first started on the west coast of southern India, by the Christian missioneries.[21/] 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 entrepreneures to start similar factories. According to the FFC, there were 122 factories of different types in Cannanore by 1940.[22/]

1.3 (e) Product Mix:

Changes in technology and organisation were also reflected in the product mix. Right from 1850, onwards, new items of clothing were introduced. Heller, the European specialist is credited with having invented the khaki dye from locally available materials. The mission establishments produced

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20. In Mughal times, though there were large organisations of artisans, they were not set up to achieve economies of scale or even to centralise production. But they did have centralised control. They were set up for two important reasons: To ensure the quality and regularity of supply which the European traders demanded and secondly to 'bind up producers so as to exclude or limit competition from other buyers.' Tapan Ray Chaudhuri. See Section on 'Non Agricultural Production: Mughal India' Cambridge Economic History of India Vol.II. 1982.p.286.

21. The Karkhanas of Malabar were quite different from those that existed in other parts of the country. For instance, unlike the permanent karkhanas of Malabar, those of the Bombay province were seasonal. Secondly, the former was on an average larger in size than the latter. Thirdly, in Sholapur and other Bombay centres, technical improvements in production had not been affected to any great extent, as on the Malabar coast. Finally while the Karkhanas of Malabar were integrated handloom factories the Karkhanadar of Sholapur, still remained the middleman-weaver in essential respects and his bringing together of workers at work place did not make much difference, See. FFC pp.76-77.

mainly table clothes, napkins, handkerchiefs, cotton check shirtings and suitings. With the introduction of jacquard machines, superior damask linen and mercerised materials were woven. In 1890, production of banians, ladies underwear etc. were also started.

During the inter war period, after Commonwealth was formed, a whole range of new products was introduced. These included gingham (ladies and children's dress materials) sheets, turkey and honey combed towels, drill and canvas cloth. Towards the end of the thirties, a new product range known as the 'V' range was introduced by Commonwealth Trust.[23] This was the beginning of the well known furnishing and upholstery fabrics for which Malabar in general and Commonwealth in particular is still renowned.

Thus by the 1940's, the handloom industry in Cannanore had assumed certain distinctive features. For reasons already spelt out in the preceding section, the industry was overtime becoming increasingly responsive to the external market both within and outside India. This had significant implications for its subsequent growth and development.

The private factories were also equally versatile in their product mix.[24] There was in fact a significant difference between the goods produced in the factory sector and that in the traditional sector. The Madras District Gazetteer thus observes "These factories do not make the 'thundus' and 'mundus' made by local handloom weavers, but confine themselves to the production of sheets, towels, table-cloth, shirting, trousering, gingham and mercerised silk.[25]

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23. Confidential Note prepared by Marketing Manager, Commonwealth Trust Ltd., Calicut, 1982.

24. Establishments like Lokanath, Royal etc. in Cannanore which were in existence, since the first two decades of the present century, were manufacturing such commodities as shirting, suiting, ladies dress material, English sports and lungies. Information acquired through interviews with officials of these establishments. September 1985.

25. See Madras District Gazetteers Malabar. C.A. Innes. 1938. pp.253 & 254.

1.4 As is evident from the foregoing analysis, the historical experience in North and South Kerala, revealed significant variations. Thus, while the industry in Travancore remained essentially decentralised, the industry in Cannanore was relatively more organised.[26] This is further reflected in the product mix, technology and above all, in the nature of the markets they catered to. Thus, Travancore was mainly producing for the local market. In contrast, the industry in Cannanore had geared its production to an external market. Though one is constrained by dearth of information, yet it would seem tht this situation would have given rise to different marketing channels.[27] In the light of this brief historical account, we propose to (in the subsequent chapters) examine the present structure of the industry, with reference to production and marketing in the two regions.

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26. As we have shown in the preceding pages, the Basel Mission has contributed significantly to make the industry in Cannanore more organised. Further confirmation of this is evident from the fact that the industry in Malabar exhibited greater dynamism in Chirakkal and Telicherry taluks of the present Cannanore district and Kozhikode taluk of Calicut district, areas where Basel Mission was most active. It is for instance, revealing to note that in 1940, out of the 14, 857 looms in Malabar, 10,000 were in Chirakkal taluk, including Cannanore town.

27. T.K. Velu Pillai in an exhaustive analysis of exports of Travancore for the period 1925-1935, no where mentions exports of cotton goods from Travancore. On the other hand there is evidence of large scale import of piece goods and cotton goods into Travancore. From this, it is reasonable to assume that the handloom fabrics produced in Travancore were being consumed within the domestic market. See T.K. Velu Pillai Vol.III pp.609 and 643.

    The handloom factories of Cannanore had a regular marketing organisation geared to external trade. They used to send out travelling canvassers who booked orders from various parts of India. Thus, many of the factories of Cannanore were able to market their shirtings, coatings, in Bombay, Calcutta and other big cities. See <u>FFC</u> - pp.76 and 77.

Chapter 2

Basic Organisational Features and the Growth of the Industry in Kerala

2.1. Introduction:

In this chapter, we shall attempt to examine the basic structural characteristics of the industry in the post-Independence period. These, to a large extent are conditioned by the specific, but differing historical experience of the two regions, viz. Travancore and Malabar. While in this chapter, we would be analysing certain basic organisational features of the industry, in the following chapters, we shall deal more specifically with production and marketing organisations.

The handloom industry in Kerala continues to be concentrated mainly in the northern most district of Cannanore in North Kerala, and the southern-most district of Trivandrum, in the south.

2.2. Growth in Loomage:

A detailed analysis of the growth and decline of the industry in Trivandrum and Cannanore districts during the period 1960-1984 in terms of loomage is given in Table 2.1. The two districts of Cannanore and Trivandrum together account for 63% of the loomage in the State. Thus of the 95,038 looms in Kerala in 1984, 46,063 were in Cannanore and 21,000 in Trivandrum.[1/] A

1. This concentration is evident at taluk and panchayat levels also. Thus, 46% of the loomage in Trivandrum is in Neyyattinkara taluk, while 60% of the loomage in Cannanore district is within Cannanore taluk itself. We find also that within a taluk itself, certain panchayats dominate. Thus 49% of the looms in Neyyattinkara taluk is in the contiguous panchayats of Balaramapuram and Pallichal. Similarly the two adjoining panchayats of Chirakkal and Azhikode alone account for 32% of the looms in Cannanore taluk. Source: Directorate of Handlooms and Report on Handloom Census 1976, Government of Kerala: (hereafter Handloom census 1976).

Table 2.1: Growth of Loomage in Trivandrum and Cannanore districts

	1960	1968	1973	Per-cent change	1976	Per cent change	1980	Per cent change	1984	Per cent change
Trivandrum										
Co-operatives		6,250(35)	8,147(37)		5,235(27)		12,000(61)		17,500(83)	
Private		11,650(65)	13,752(63)		13,999(73)		7,700(39)		3,500(17)	
Total	27,278	17,900	21,899	+22	19,234	-12	19,700	+2	21,000	+7
Cannanore										
Co-operatives		2,661(10)	3,950(15)		3,568(9)		5,550(13)		9,000(23)	
Private		24,831(90)	22,681(85)		36,576(91)		38,250(87)		30,200(77)	
Total	29,768	27,492	26,631	- 3	40,144	+51	43,800	+9	39,200	-11
Kerala										
Co-operatives		21,353(30)	23,637(31)		22,548(25)		33,500(35)		48,975(52)	
Private		49,972(70)	51,420(69)		67,482(75)		61,400(65)		46,063(48)	
Total	1,21,905	71,325	75,057	+ 5	90,030	+20	94,900	+5	95,038	+0.2

Sources: 1. 1960 and 1968: Census of Handlooms, Directorate of Industries and Commerce, Government of Kerala, 1968.

2. 1973 : Industries, Industrial Labour and Infrastructure, State Planning Board, Government of Kerala, 1975.

3. 1976 : Handloom Census. Directorate of Industries and Commerce, Government of Kerala, 1976.

4. 1980 and 1984: Directorate of Handlooms, Government of Kerala, 1985.

Note: Figures in brackets indicate percentage distribution district wise analysis for the State as a whole is given in Annexure I). At first glance it would appear that for Kerala as a whole, there was a decline in loomage from nearly 1.22 lakh looms in 1960 to about 95,000 looms by 1984. (i.e. by almost 27,000 looms). This decline however which occurred almost entirely between 1960-68 is more apparent than real since the high figure for 1960, is on account of double counting.[2] The probable figure for 1960 appears to be one closer to the 1968 estimate of 71,325 looms.

Adjusting for the 1960 figure, therefore, we find that the industry in the State has in fact grown steadily between 1968 and 1984. The sharpest increase occurred between 1973 and 1976, when the number of looms increased from 75,051 to 90,030. It is interesting to observe that this growth was confined almost exclusively to the Cannanore region. However between 1980 and 1984, when every district improved its position, loomage in Cannanore district, declined to some extent.

2.2.a. Trivandrum

Trivandrum accounted for about 25% of the loomage in 1968. However, since then, growth in loomage has been sluggish and in fact its share declined slightly to 22% by 1984. Between 1973-76, there was an absolute fall in loomage followed by some improvement during 1980-84. As can be seen from Table 2.1, loomage in the Co-operative sector has grown significantly especially during 1980-84. However, the growth of loomage in the co-operative sector is open to serious doubt, as we shall see later.

2.2.b. Cannanore:

The industry in Cannanore displays much larger fluctuations. The most

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2. In a study of four sample societies, the census team found that the percentage of double counting was on an average 30%, going upto 48% in one case. Report on the Census of Handlooms, Department of Industries and Commerce, Government of Kerala, 1968. p. 3 & 5.

buoyant phase of the industry was between 1973 and 1976, when the number of looms increased from 26,631 to 40,144. But between 1980 and 1984, there was a sharp fall in loomage. This growth and decline of the industry during the course of one decade is attributed to the 'crepe phenomenon'. Crepe or cheese cloth, is a relatively low priced textile which became very popular in the West in the early seventies. The industry was very soon flooded with export orders to cope with which both factories and household units expanded loomage. The Kerala Handloom Association estimates that during the peak period, almost 70 to 80 per cent of the production in Cannanore was of crepe cloth.[3] However, by the late seventies, there were signs of a slackening as indicated by the fall in crepe orders. By the beginning of the current decade, the boom had virtually collapsed. Thus, the decline of the industry, during the current decade is attributed by all to the decline of the crepe boom.

2.3. Type of Industry

The handloom industry in Kerala encompasses within itself a wide range of production systems, though both Trivandrum and Cannanore exhibit a predominant form. They range from large scale manufacturies where production and marketing is centralised to individual weaving household units. However, for the purpose of classification, the industry can be broadly divided into two, namely Co-operatives and the Private sector. Within the latter, we can distinguish between household and non-household units. The non-household units can be further subdivided into organised or factory type units, and unorganised units. Co-operatives can be either industrial co-operatives or primary societies where production

3. Interview with President of the Kerala Handloom Association at Cannanore, September 1985. It is said that the comparative ease with which crepe production could be organised, combined with windfall profits attracted even outsiders to the industry during the height of the boom.

is carried out in household units.

A household industry is generally defined as an "industry conducted by the members of the household at home or within the village in rural areas and at home in urban areas".[4/]

Table 2.2: Structure of the Industry

	Household					Non-household				
	Units	Looms	Per-cent	Workers	Per cent	Units	Looms	Per cent	Workers	Per cent
Trivandrum	5,074	17,479	91	22,034	91	90	1,755	9	2,051	9
Cannanore	6,357	20,359	51	26,332	56	1,574	19,785	49	20,746	44
Kerala	21,681	63,169	70	88,985	75	2,057	26,861	30	30,167	25

Source: Handloom Census 1976[5/]

We see from the above table that the industry exhibits sharp differences between Trivandrum and Cannanore.[6/] Thus, almost 91% of the loomage and the workforce in Trivandrum is in the household sector. However, it needs to be understood that the household sector is far from being undifferentiated and homogenous. Based largely on the limited data available in the 1976 census

4. This is the definition adopted in the All India Population Censuses.

5. The 1976 census of handlooms conducted by the Department of Industries and Commerce, Government of Kerala, nowhere defines precisely a household handloom unit. However the survey of non-household handloom units in Cannanore district conducted in 1981 by the Directorate of Handlooms, defines a non-household handloom unit as "a handloom weaving establishment with at least one hired weaver". Presumably therefore, a household handloom unit is one which is operated solely by the labour of the household members. See Handloom Census - 1976 op.cit. and Report on the survey of Non-household Handloom units in Cannanore District, Directorate of Handlooms, Government of Kerala 1981 p.2.

6. It may be noted that there is remarkable similarity both in the structure of the industry and the type of loomage between Trivandrum and some districts in Central&North Kerala especially in Trichur, Palghat and Malappuram districts. (See Annexure 3). We have not found any economic, historical or sociological reasons for this similarity. But it is a problem worth further study.

and our survey, we have been able to distinguish between the following categories within the household sector. There is a group of weavers who produce goods on the basis of orders of master craftsmen, as also a group of loomless weavers, who hire themselves out to master craftsmen. Then, there are weavers, who belong to co-operative societies, which appears to be the largest category and is increasing over time. It may be noted, that in Trivandrum, there also exists the independent weaver who produces cloth on his own and disposes it by hawking it in the weekly fairs or daily markets. However, this category is very small.

It may also be noted that the number of members of weaving households employed in the handloom industry is comparatively high in Trivandrum district.[7] Thus, whereas 53% of the members of the weaving household are engaged in the industry in Trivandrum, this proportion is only 38% in Cannanore. The census, attributes this variation to the fact that the concentration of the industry in Cannanore is mainly in non-household units.

In Cannanore, the industry is almost equally divided between the

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7. The Handloom Census 1976 gives the following details:

	Members of weaving households	Members employed in handloom industry	Per cent
Trivandrum	30,097	15,890	52.80
Cannanore	47,715	18,021	37.77
Kerala	1,46,688	71,027	48.42

Source: Handloom Census 1976 Op.cit.

household and non-household sectors.[8/] But there is some evidence to indicate that the non-household sector has been losing importance over time. Thus while in 1976, there were 19,785 (49%) looms in the non-household sector, by 1981, this had declined to 19,390 (44%). The fact that the absolute number of looms had grown, while the non-household sector had declined indicates some growth in the household sector. Further, the proportion of workers in the non-household sector which was 59% in 1968 declined to 44% by 1976. This growing tendency towards de-centralisation of the industry in Cannanore will be discussed later.

The household industry in Cannanore is far more homogenous than in Trivandrum. The household units are integrated with the non-household sector.

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8. It must be noted that in Cannanore district, the non-household sector was dominant only in Cannanore taluk which accounts for the bulk of the looms in the district. As the following table shows, in other taluks the household sector dominates; however Cannanore taluk alone accounts for over half of the total loomage.

Taluk-wise Distribution of Loomage in Cannanore District

Taluk	Household	Non-household
Telicherry	7,635	1,988
Talipparamba	2,596	1,958
Kasaragod	885	54
Hosdurg	920	151
Cannanore	8,319	15,634
North Wynad	2	-

Source: Handloom Census 1976 op.cit.

Thus they invariably produce on the basis of orders given by factories or master craftsmen unlike the kind of suo-moto production which exists to some extent in Trivandrum.

With respect to the non-household sector in Cannanore, certain disaggregated data are available on size distribution of units (See Table 2.3).

Table 2.3: Size-wise Distribution of Looms in Non-Household Sector in Cannanore 1981

Size of units (number of looms)	Number of units	Percent	Number of looms	Percent	Average number of looms per unit
Less than 5	275	14	883	4	3.3
5 - 15	1,369	75	11,575	60	8.5
16 -20	87	5	1,572	8	18.1
Above 20	107	6	5,360	28	23.2
All	1,833	100	19,390	100	10.6

Source: Report on the Survey of Non-household Units in Cannanore District op.cit.

We see from the table that around 64% of the looms in the non-household sector is in small units with less than 15 looms. In the previous census of 1976, there were in all 1,574 units with 19,785 looms. Thus between 1976 and 1981 the number of units had increased; however the number of looms had come down, indicating that average unit size has declined. It is observed that while the non-household sector is very small in Trivandrum, the average size of a unit is relatively bigger than in Cannanore. The 1976 census showed that the average number of looms per unit in the non-household sector was 19.5 in Trivandrum, and only 12.6 in Cannanore. This has now declined further to 10.6

The average per unit investment on fixed assets in the non-household unit is Rs.60,756 in Trivandrum, but only Rs.20,469 in Cannanore.

The breaking up of the larger units into smaller units would at first glance appear contrary to the widely held view on this question. This phenomenon is the outcome of the distorted and warped process of capitalist development in developing countries.[9]

However, this does not mean that the weavers of Cannanore have gone back to producing for the local market or for self consumption. The decentralised sector in Cannanore is still integrated with the non-household sector through the sub-contracting system. In this system, production is sub-contracted by handloom factories to small units, both in the household and non-household sectors. It may be noted that handloom factories are more in the nature of common sheds, where the purchase of raw materials and the selling of cloth has been centralised, but where the essential production technology is more or less similar to what exists in the unorganised sector. In such a situation, the transfer of production from organised worksheds to production in decentralised units is relatively easier.

Table 2.4[10]: Type of Loomage in Trivandrum and Cannanore Districts

District	Household		Non-household		Total	
	Pit looms	Frame looms	Pit looms	Frame looms	Pit looms	Frame looms
Trivandrum	9,614 (55)	7,865 (45)	415 (24)	1,340 (76)	10,029 (52)	9,205 (48)
Cannanore	62 (0.31)	20,297 (99.69)	-	19,785 (100)	62 (0.15)	40,082 (99.85)
Kerala	17,344 (27)	45,825 (73)	530 (2)	26,331 (98)	17,874 (20)	72,156 (80)

Note: Figures in bracket indicate percentage
Source: Handloom Census 1976 op.cit.

9. See A.I. Levkovsky: op.cit.
10. District-wise break-up of loomage is given in Annexure 3. It reveals that the districts of Trivandrum, Palghat, Trichur and Malappuram have a high percentage of pit looms.

We see from the table, that while almost all the looms in Cannanore are frame, in Trivandrum, pit looms dominate.[11] Within Trivandrum, however the proportion of frame looms is high in the non-household sector; over three fourths of the looms in the non-household sector are frame looms.[12] It may be recalled that Trivandrum is also the district where the household sector of the industry is most dominant. Therefore there does seem to be some relationship between the type of industry and the type of looms used.

The situation in Cannanore is very different. Thus all the looms in Cannanore are frame, except for 62 pit looms in the household sector. The fact that there is no difference between the household and non-household sectors in the type of loomage, strengthens the impression that both these sectors are closely inter-related in Cannanore. A width-wise analysis of looms shows that a relatively high proportion of the looms is of wide-width.

Width	Number	Per cent
48"	10,883	27
54"	17,379	43
72"	9,832	25

11. There is however major differences in the type of looms between taluks in Trivandrum district as the following figures reveal:

Taluk	Pit	Percent	Frame	Percent
Neyyattinkara	7,836	88	1,090	12
Trivandrum	1,882	47	2,081	53
Nedumangad	159	22	572	78
Chirayinkil	152	3	5,462	97

The contrast is really between the southernmost taluk of Neyyattinkara and the northernmost taluk of Chirayinkil. Handloom Census 1976 op.cit.

12. An exception seems to be Neyyattinkara taluk, where almost 50% of the looms in the non-household sector are still pit looms. Thus, out of a total of 867 looms in the non-household sector in the taluk, 398 are pit looms. Handloom Census 1976 op.cit.

In addition, Cannanore has a much larger number of looms with additional fittings as the following figures show

Looms with Additional Fittings

	Jacquard	Dobby	Others	Total
Trivandrum	78	196	20	294
Cannanore	357	799	6	1,162

These additional fittings are of three types: 'take up motion', 'jacquard' and 'dobby'. Of these the first one is a device for increasing productivity, whereas the other two add greater flexibility to the product mix. For instance with jacquard fittings, by increasing the number of hooks, the range in designs can be greatly enhanced.[13/]

2.5. Composition of workforce:

In the matter of workforce too, Trivandrum and Cannanore show sharp variations.[14/] This is clear from Table 2.5.

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13. Regarding additional fittings, there are major differences within Cannanore district. Thus, all the jacquard looms in the district are located within Cannanore taluk. Of the 797 dobbys, 497 are in Kasaragod, 300 in Cannanore and only 2 in Talipparamba. Thus only the taluks of Cannanore and Kasaragod have looms capable of making designs. But the capacity of dobbys is far smaller than that of jacquards. Consequently Cannanore taluk is the centre of such elaborately designed fabrics as furnishings, satin-bed-spreads, table-tops etc.

14. Annexure 4 gives a detailed sector-wise analysis of the composition of the workforce in the State. On the whole males account for 56% and females 35% of the workforce. There does not seem to be any definite correlation between the type of the industry and the composition of the workforce. The erstwhile district of Malabar appears to have a comparatively higher percentage of male labour than in the two constitutent regions of Travancore and Cochin. starting from 47% in Palghat which is in Southern Malabar, it progressively goes up to 72% in Cannanore which is in Northern Malabar. See Handloom Census 1976 op.cit.

Table 2.5: Sex-wise Distribution of workers and weavers in Cannanore and Trivandrum Districts

		Workers				Weavers			
		M	FM	C.H.	Total	M	FM	C.H	Total
Trivandrum	Household	7,787 (35)	9,287 (42)	4,960 (23)	22,034 (100)	7,299 (50)	7,083 (48)	28 (2)	14,633 (100)
	Non-household	616 (30)	1,021 (50)	414 (20)	2,051 (100)	470 (37)	767 (60)	43 (3)	1,280 (100)
	Total	8,403 (35)	10,308 (43)	5,374 (22)	24,085 (100)	7,769 (49)	7,850 (49)	324 (2)	15,943 (100)
Cannanore	Household	17,449 (66)	8,233 (31)	650 (3)	26,332 (100)	16,993 (94.8)	817 (4.6)	99 (0.6)	17,849 (100)
	Non-household	16,556 (80)	3,900 (19)	290 (1)	20,746 (100)	14,520 (98.6)	206 (1.39)	2 (0.01)	14,728 (100)
	Total	34,005 (72)	12,133 (26)	940 (2)	47,708 (100)	31,453 (96.6)	1,023 (3.19)	101 (0.3)	32,577 (100)

Note: Figures in bracket indicate percentage distribution

Source : Handloom Census 1976 op.cit.

We see from the above table that females and children dominate the industry in Trivandrum even in the non-household sector. In fact the proportion of women workers and weavers is higher in the non-household sector. The predominance of women in the handloom industry of Trivandrum is a comparatively recent phenomenon. Velu Pillai records that in 1931 women constituted only 13% of the workforce.[15] The 1961 census also records that males constituted 65% of the workforce in the handloom industry.[16] However, by 1976, the percentage of males in the workforce had declined to 35%. Our survey data indicates that this process has been carried further. It appears then, that it was during the years 1960-1976, that women came to dominate the industry in Trivandrum.

The reason for this dramatic shift in the composition of the workforce has not been explained either in official or non-official publications. At this stage only a very tentative hypothesis can be offered to explain this shift. It could be that earnings of weavers have not been rising as fast as in other sectors, such as agriculture, trade and construction. Perhaps, in addition, employment may also have become increasingly irregular. This could have induced men to leave the industry in large numbers. At the same time, women have entered the industry in large numbers, which is perhaps regarded as a source of supplementary income. The fact that the industry in Trivandrum is household oriented, further facilitated the entry of women.[17]

15. T.K. Velu Pillai: Vol.III Op.cit. p.545

16. Census of India, 1961. In our field trips, we gathered some information which would suggest that the industry was still dominated by men in the fifties. For instance, in the Nellivala society, there were only 8 women, out of the 75 members when the society was started in 1954: At present there are 173 women, (47%) out of a total of 378 members.

17. However, it may be noted that the phenomenon of female dominance is not uniform across all the taluks of Trivandrum district. For instance, whereas 65% of the weavers in Chirayinkil taluk are women only 37% of the weavers in Neyyattinkara taluk are female. The reasons for this significant discrepancy between taluks is an interesting problemworthy of detailed investigation. Handloom Census 1976, op.cit.

The composition of the workforce in Cannanore has not undergone any substantial change during the last twenty-five years. Thus, while in 1961, 71% of the workforce was male, in 1976 males continued to constitute 72% of the workforce. Our survey indicates that the situation is unchanged today.[18/] The proportion of males is higher in the non-household than in the household sector. This would be on account of the fact that, as the number of looms per unit increases, the number of supporting workers, such as winders, warpers, etc. does not increase proportionately. Since the average size of a unit is larger in the non-household sector and women are engaged almost wholly in allied activities, the percentage of female labour in the non-household sector would be much lower than in the household sector. The concentration of women in allied activities is clear from the fact that 97% of the weavers in the district are male.[19/] A further point to be noted is that among the female weavers, 87% are members of the concerned household and only 17% are employees.[20/] This reinforces the observation that women do not generally weave in Cannanore; the small percentage who do so, are engaged in their own household.[21/]

2.6 'Co-operativisation' of the Industry

Weaver's Co-operative Societies were in existence both in Malabar and Travancore even prior to Independence. As regards Travancore, both Perumal Pillai and Velu Pillai refer to the Co-operative movement in handloom

18. Thus the percentage of males ranged from 76% in Puzathi Industrial Society to 96% in Chirakkal Weaver's Society.
19. Handloom Census 1976. op.cit.
20. Ibid.
21. It is interesting to speculate why women and children have not played a larger role in the handloom factories of Cannanore. To what extent, the reason for this phenomenon can be attributed to technological and sociological factors is something which calls for in depth investigation.

industry.[22] In Malabar too, the radicalisation of the industrial labour force, through participation in the freedom struggle combined with the crisis in the late 30s, gave an impetus to the formation of Co-operatives. Thus, it is claimed that the Chirakkal Weaver's Co-operative Society was started in 1946, at the initiative of the trade unions.

However, it was after Independence that the Co-operative movement really got a fillip. By 1957, 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).[23] By the end of the fifties it was estimated that about 37% of the looms in the state had been brought under the co-operative sector.[24] In Malabar, the Textile Enquiry Committee's report in 1954 gave a fresh impetus to co-operation. The committee favoured the 'co-operativisation' of the industry to overcome the general crisis then facing the industry. Accordingly, in Malabar, in the early fifties, a scheme was launched to convert crisis ridden private factories into industrial cooperatives. It was in accordance with this scheme that the Lokanath and Kausalya factories in Cannanore were turned into industrial co-operatives.[25]

There are broadly two types of co-operative societies: primaries and industrial co-operatives. The primaries are organised on a production cum sales pattern. The societies procure and distribute yarn and other raw materials to their members and undertake the marketing of the finished

22. See K. Peruma Pillai 1934 op.cit. and T.K. Velu Pillai Vol.III Op.cit.

23. Administrative Report of the Department of Industries and Commerce (Handloom) Government of Kerala 1956-57.

24. Ibid.

25. Interview with the President of Lokanath Industrial Co-operative Society - September 1985.

products. In all these societies production is de-centralised as it is carried on in the member's households. The industrial co-operatives on the other hand, are regular handloom factories owned by the co-operative.

Table 2.6 below indicates the degree to which the industry is covered by co-operatives in Trivandrum and Cannanore districts. We clearly

Table 2.6: 'Co-operativisation' of the Industry in Trivandrum and Cannanore Districts

District	1968		1973		1976		1980		1984	
	Total	Co-ops	Total	Co-ops	Total	Co-ops	Total	Co-ops	Total	Co-ops
Trivandrum	17,900	6,250 (35)	21,899	8,947 (37)	19,234	5,235 (27)	19,700	12,000 (61)	21,000	17,500 (83)
Cannanore	27,492	2,661 (10)	26,631	3,950 (15)	40,144	3,568 (9)	43,800	5,550 (13)	39,200	9,000 (23)

Sources: 1. Census of Handloom 1968 op.cit.

2. Industries, Industrial Labour and Infrasturcture 1975 Op.cit.

3. Handloom Census 1976 Op.cit.

4. Directorate of Handlooms 1985.

observe that throughout the period under study the cooperative coverage of the industry has been far higher in Trivandrum than in Cannanore. Since the beginning of this decade in particular there was a tremendous growth of co-operatives in Trivandrum. However, some evidence has surfaced in recent years which casts serious doubts on the genuineness of these co-operatives.[26/]

26. See Report in 'Malayala Manorama' dated 2-3-1986. According to this report a large number of looms claimed in the co-operative sector in Trivandrum are actually bogus. There has been a spate of articles recently, highlighting the problem of bogus societies in Trivandrum. We shall discuss this in greater detail in Chapter 5. An article in 'The Hindu dated 9-3-1986 reveals that the problem of bogus societies has assumed alarming proportions in U P. as well.

2.6.b The Apex Society

The primary societies had been set up to protect the unorganised weavers from the unfair practices of intermediaries such as yarn and cloth merchants. But in course of time, it was found that many of the primaries had neither the financial resources nor the managerial capability to cope with yarn procurement and marketing of cloth. Hence at the initiative of the Government of India, apex co-operative societies were set up in most states to (i) channel credit from central credit institutions to the primaries; (ii) procure and supply yarn and other raw materials; (iii) provide technical inputs in the form of improved design, know-how; and finally (iv) market the products of member societies.[27]

The Kerala State Handloom Weaver's Co-operative Society Ltd. or Hantex, as it is popularly known, was set up in 1961.[28] The membership of the society is open to: (a) weaver's co-operatives in the State; (b) central co-operatives; (c) co-operative spinning mills; (d) financial corporations; and (e) Government of Kerala. As on 30-6-1984 there were as members 368 co-operatives, 2 spinning mills and Government. As members of the society they together held 39,469 shares of which 94.4% shares are held by Government, 5.5% by members

27. Report of the High Powered Study Team on the Problem of Handloom Industry Ministry of Commerce, Government of India 1974.

28. Prior to its formation, there were three central societies, in the three constitutent units of Kerala. In the Travancore area, the primaries came under the jurisdiction of 'The Travancore Sree Moolam Handloom Weaver's Society". In Cochin, the central society had under its purview, both textiles and handicrafts, and was known as the "Cochin Cottage Industrial Marketing Society". Subsequently, it was bifurcated into two: one for textiles and the other for handicrafts. The textile society come to be known as "Cochin Central Co-operative Handloom Weaver's Society". In Malabar, all the societies were originally attached to 'Co-optex'. After the re-organisation of States, all the societies in Malabar were formed into a new society known as 'The Kerala Handloom Weaver's Society'. In 1961, conforming to the Government of India policy of having only one apex society for each State, the three existing societies were amalgamated to form the present apex society with its headquarters at Trivandrum. Source: Oral Information supplied by Officials of Hantex and Annual Reports of Hantex.

societies and 0.1% by spinning mills.[29/]

For all practical purposes, therefore, Hantex is a Government organisation. However, the composition of the Governing Body is at variance with the share holding powers. Thus, out of 18 members of the Governing Body, 12 are representatives of members societies. Of the six Government nominees, three are representatives of political parties. It is clear from this, that the societies can wield control, despite their marginal share holding. This has serious implications for the functioning of Hantex as a commercial organisation, especially in the matter of procurement and distribution of cloth. This will be discussed at greater length in Chapter 3.

Since over 71% of the handloom societies during the late fifties was in the southern or Travancore region, the latter is heavily represented in Hantex. This has important implications for the procurement policy of Hantex which, reflecting regional concentration in membership, caters primarily to primaries in the south.

The 'Kerala State Handloom Development Corporation' or 'Hanveev' as it is known, has had a checkered career. It was set up in Cannanore in 1968 as "The Kerala Handloom Finance Corporation", to promote the private handloom sector by providing finance for both working capital and for investment.[30/] The shares of the corporation were held by the Government and a large number of private factory owners and master craftsmen. In 1975, the name of the Corporation was changed to "The Kerala Handloom Finance and Trading Corporation".[31/]

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29. Annual Report 1983-84, Hantex.

30. At first, the loans were limited to cash loans. Then in 1969, the Corporation started giving loans both in cash and in kind in the form of yarn and raw materials. Source: Interview with Managing Director and Finance Manager of Hanveev, September 1985.

31. Ibid.

Now, in addition to giving loans, the Corporation started buying fabrics from members and selling them in the open market.

In 1978-79, the Government of India formulated a scheme for increasing production in the handloom industry. As part of this scheme two 'Intensive Development Projects' and one 'Export Promotion Project' were sanctioned to Kerala. As these projects were primarily targeted at the unorganised private sector, the responsibility of implementing these projects was vested with the corporation. However, since the Board of Directors took the decision that the projects entrusted to it, would be implemented in the co-operative sector, a number of industrial co-operatives were set up.[32/] The corporation has also introduced a novel scheme of organising weavers under common procurement centres called clusters. Though not co-operatives, these centres have strong co-operative overtones.[33/] Thus, though the organisation was initially established to promote the handloom sector, its original goals underwent a change in recent years.[34/]

2.7. Summing-up

In the foregoing pages, we have analysed several striking differences in the way the handloom industry is organised in Cannanore and Trivandrum. These differing organisational characteristics obviously affect every aspect of the industry. The type of industry, profoundly affects the product mix, as well as

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32. Though the corporation was originally set up in Cannanore to cater to the private sector, it now operates both in the Malabar and Travancore regions. Thus of the 22 societies (19 directly set up by the corporation and 3 assisted by it to expand) controlled by the Corporation 14 are under the Cannanore project and 8 are under the Trivandrum project. Of the clusters 11 are under Trivandrum project and 18 under Cannanore project.

33. Thus yarn is bought in bulk by the corporation and supplied to the weavers in the clusters. The weavers bring the finished cloth to a common centre, from where it is procured by Hanveev. These activities are characteristic of the functioning of primary societies. For details See Appendix 2 of Chapter 3.

34. Part of the reason for this change may be due to the presence of representatives of radical political parties on the Board of Directors of Hanveev. They would not like to see Government funds used to develop the private sector. It may also be that in the post crepe period, the corporation thought that the co-operative structure was more capable of withstanding crisis than the private sector. Hence they decided to go in for co-operatives.

where and how the product is marketed. Even the differences in extent of co-operativisation is a reflection of these differing organisational characteristics. The organised nature of the industry in Cannanore enabled it to produce specialised goods for distant markets. Goods such as jacquard furnishing, damask linen came to be manufactured in Cannanore and marketed in Bombay, Delhi and other distant markets. The reliance on distant markets in turn contributed to greater integration between the organised and unorganised sectors of the industry in Cannanore. In Trivandrum on the other hand, the household nature of the industry has constrained its ability to cater to distant and sophisticated markets. Consequently they cater mainly to the domestic market. However it may be noted that some primary societies of Trivandrum, have started collective weaving centres to overcome the deficiencies of the decentralised production system. With the introduction of a new organisational set up, we find a change in the type of loomage (frame looms) and the introduction of new products like bed-sheets, mosquito nets which have a wider market than the goods traditionally produced in this region.

The type of looms employed in the industry and the type of goods produced by it seems to be positively correlated. Thus, the high percentage of pit looms in Trivandrum is accounted for by the fact, that the industry is primarily oriented towards production of fine varieties of cloth. Yarn of very high counts breaks easily if woven on the heavy frame looms.

Trade union organisation is also profoundly influenced by the nature of the industry. The labour force in Cannanore is far more organised and conscious of its rights than in Trivandrum. The predominance of the organised sector in Cannanore, and the consequent employment of large numbers of workers in handloom factories has facilitated the rise of a strong trade union movement. However, the spread effect of such a movement goes beyond the factory walls. Today, every household weaver in Cannanore knows precisely, what are the benefits that are due to him and has no hesitation in demanding them. A similar phenomenon occured in the case of coir, where starting from the coir factories of Alleppey, the entire workforce employed in the industry soon became radicalised.[35] However the movement in Trivandrum, which represents handloom workers primarily in the decentralised sector is relatively weak.[36]

There does seem to be some correlation between the nature of the industry and the degree of co-operativisation. Thus the co-operative movement is seen to be stronger in regions where the organised industry was weak; the predominance of the household sector encouraged a greater degree of co-operativisation in Trivandrum unlike in Cannanore.[37] However, this does not hold good for all districts and all time points. Thus, since the beginning of this decade, we find a greater degree of co-operativisation in Cannanore and Calicut. This is apparently a reaction to the severe crisis in the industry during the post-crepe period which we shall discuss later. In the following chapter we examine, the structure of production in greater detail.

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35. See T.M. Thomas Isaac "Class Struggle and Industrial Structure: A Study of Coir Weaving Industry in Kerala", unpublished Ph.D thesis. Centre for Development Studies, Trivandrum. The rise of the reform movement among the Ezhavas of Travancore during the first half the present century, may also have contributed to increased consciousness among the working class.

36. Based on oral information collected during sample survey, August 1985.

37. Incidentally, the 1976 census showed that Palghat with 97% of its looms in the household sector had 78% of its looms in the co-operative sector - the highest in the State then.

Chapter 3

Production Organisation

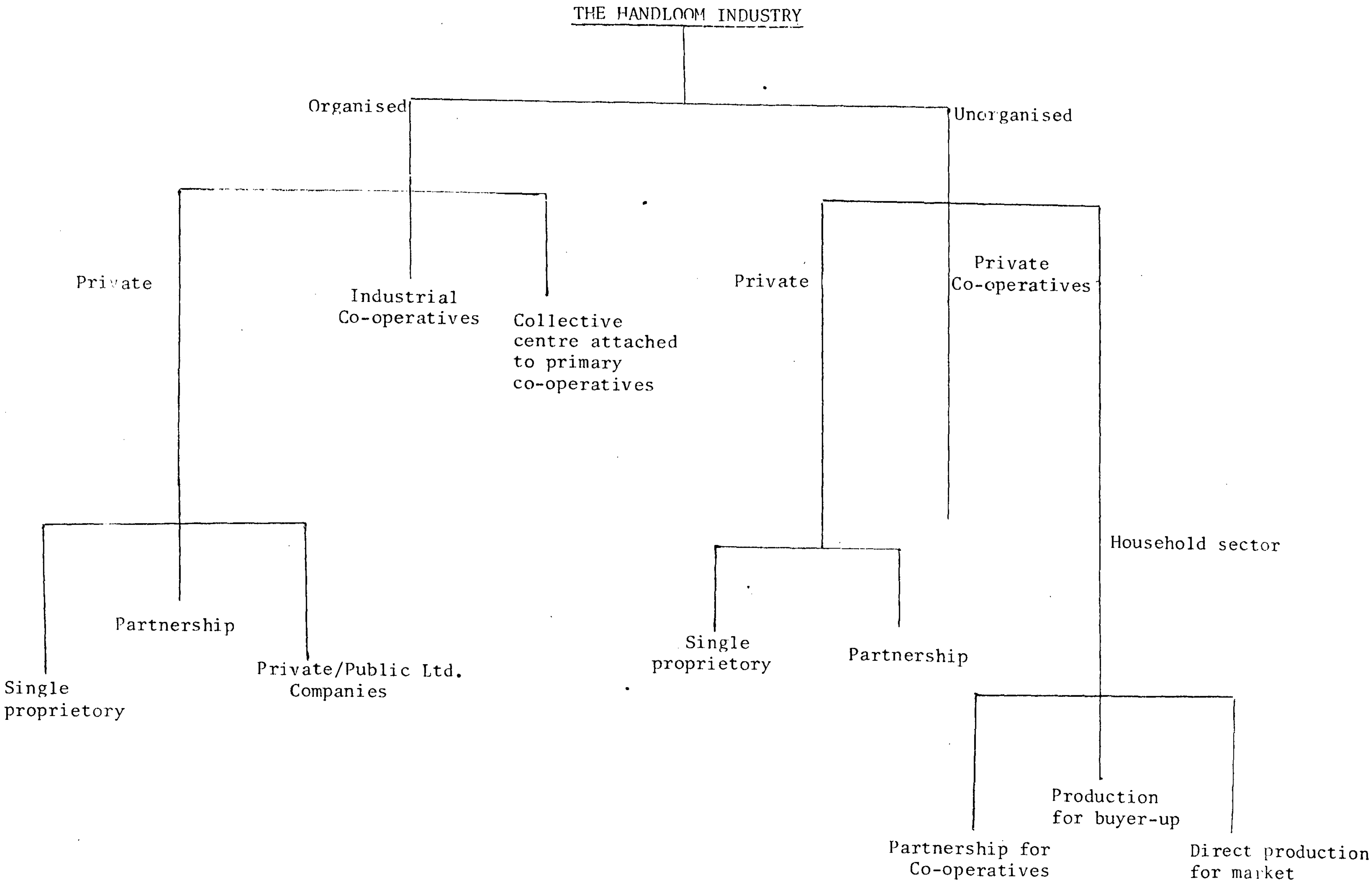
The organisation of production shows very wide variations between Trivandrum and Cannanore as would be implied by the basic features described in the last Chapter. In Trivandrum, the industry is primarily household in nature, whereas in Cannanore it is more organised and non-household in character, with a much larger private sector, catering mainly to outside markets (both outside India and Kerala). Hence, while the organisational structure of the industry tends to resemble the handicraft stage in Trivandrum, it has developed on somewhat more capitalist lines in Cannanore.

3.1. Organisational Structure

Given the different ways in which the industry can be organised even within the household and non-household sector; and the importance of the primary weaving societies, we examine production structure for the following three types: (i) Co-operatives; (ii) Private non-household sector; and (iii) Private household sector. These can also be classified into the organised and unorganised segments of the industry. The former includes industrial co-operatives, and the private factory sector, while the latter consists of the primary societies, individual weaving households and the unregistered non-household units such as proprietorships and partnerships. The structure of the industry with its linkages between

Chart 1

THE ORGANISATION OF THE HANDLOOM INDUSTRY



the various types of units is given in Chart I. As can be seen from the chart, the co-operative sector includes within it organised constitutents like industrial co-operatives and collective weaving centres attached to primaries, as also de-centralised production units organised on a household basis, viz. primary weaving co-operatives. The private non-household sector refers to non-household handloom units, which may be organised either as handloom factories or as un-registered non-household units. The private household sector, consists only of decentralised units, which, however, are not entirely independent entities. In Cannanore, they are organically linked with the organised sector.

3.2. Production Structure: Co-operatives

There is little difference between Trivandrum and Cannanore in the manner in which the co-operatives have organised their production systems. In both regions there are primaries and industrial co-operatives. As we have noted, the difference between them is the way in which production takes place.

3.2.a Primary Societies

In the primaries, cloth is usually produced in the houses of members. 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 on labour cost since all the benefits due to workers in a factory need not be given in a society. However, this advantage is often nullified in many societies, especially, where there is a union and where there are collective weaving centres; since it then becomes necessary to equalise wages between workers in these centres and those in household units.[1/]

1. For instance, societies like 'Udaya' in Trivandrum and 'Chirakkal' in Cannanore give equal wages in the form of special wages to weavers in the household units.

The second advantage is that the de-centralised production system affects large savings in overheads like rent for office/factory premises, salary for technical and managerial staff.

But the disadvantage of this system lies in the fact that the society's production becomes confined to a few standard varieties of cloth. For instance, most of the primaries of Trivandrum produce only 'dhothis'; 'thorthus' and 'settu-mundus'. The decentralised production system thus 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 work-shed with about 25 looms. Sometimes additional assistance is given to set up other facilities like dye houses. A number of primaries both in Cannanore and Trivandrum have set up such collective centres, although in the case of the latter, it is a relatively recent phenomenon.[2/]

Most of the primary co-operatives in Trivandrum, do not have any particular production strategy. Production is generally carried out on the basis of the previous year's experience. Over the years, these primary co-operatives have evolved a peculiar production strategy. Since the primary purpose of production is to provide employment to its members, commercial considerations such as market trends, consumer preference and so on, are seldom taken into consideration while fixing production targets. Once the goods are produced, the apex organisation is pressurised politically or through Hantex's own board members to buy the goods. In fact, a study by

2. For instance 'Udaya' started its weaving centre only in 1977, and the 'Nellivila' society as late as 1983. In contrast, the 'Chirakkal' society in Cannanore started its centre as early as 1965.

Hantex itself shows that this is the most important reason for the periodic stock accumulation in Hantex.[3/]

Apart from political interference, a number of other factors also distort the procurement policy of Hantex, on which hinges the production strategy of a large number of co-operatives.[4/] Thus, there is considerable delay in the various offices of Hantex in processing procurement orders. As societies are not given adequate time to execute orders, there is a tendency to take the easy way out and procure what is already produced by the societies. Moreover, Hantex has not scientific system of accurately predicting consumer preferences. No market research is conducted and the entire procurement programme is based on the impressionistic reports of depot maangers. It is only recently that the Hantex management has initiated measures to streamline its procurement programme. Through its new "Demand Oriented Production Programme" it is claimed, that attempts are being made to arrange production according to changing market trends. But the programme is till in its infancy, and it is too early to predict its outcome.[5/]

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3. The study pointed out that a significant portion of the production in the south is plain grey for which there is no market today. But as production continues unabated and Hantex is forced to procure them due to non-market pressures, sotcks accumulate. Unpublished Note by Marketing Manager of Hantex 1983.

4. For a description of the procurement system of Hantex See Appendix I. Hantex officials claim that they procure more than 40 per cent of the cloth produced in the co-operative sector in Kerala. Our own information tends to confirm this. Thus, in 1982-83, out of the total production of Rs.1,880.94 lakhs in the co-operative sector, Hantex procured cloth valued at Rs.770.14 lakhs, which is about 41 per cent.

5. In actual practice the programme involves only a rationalisation of the indenting system. That is to say, Hantex will henceforth attempt to procure only as per the requirements of the Regional Managers, and try to ward off, as much as possible, non-commercial pressures.

3.2.b Industrial Co-operatives

Industrial Co-operatives of both Cannanore and Trivandrum have come into being in three ways. Firstly, there are private handloom factories converted into industrial co-operatives like Lekshmi Handloom Weaver's Co-operative Society" in Trivandrum and "Lokanath Weaver's Industrial Co-operative Society in Cannanore. Secondly, there are societies newly started under a Government programme like the Sree Narayana Weaver's Industrial Society' in Kulathur, Trivandrum and "K.K.S. Industrial Co-operative Society', Cannanore. Finally, there are co-operative societies like 'Puzhathi Weavers Industrial Co-operative Society' in Cannanore and Manvila Vanitha Weavers' Industrial Co-operative Society, Trivandrum, which are directly set up by Hanveev.

The production structure of all these societies is similar to that of handloom factories, where every activity from purchase of yarn to the final disposal of the product, is centrally planned, executed and monitored. Since 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 skills. Thus, the Minimum Wages Committee found 7 categories of skilled workers, 26 categories of unskilled workers and 5 categories of supervisory staff in a typical handloom factory.[6/]

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

6. The categories are:-

A. Skilled Workers:
1. Weavers
2. Jacquard fitters, lacers
3. Carpenters
4. Fitters
5. Blacksmiths
6. Chemical weighers
7. Creche Ayah

B. Non-skilled Workers:
1. Machine bobbin winders
2. Machine pirn winders
3. Doublers
4. Bobbin sorters
5. Healders
6. Bobbin carriers
7. Hand pirn winders
8. Rug weft winders
9. Warpers
10. Hemmers and stitchers
11. Folders
12. Ironers
13. Warehouse mazdoors
14. Sweepers
15. Yarn store mazdoors
16. Warp joiners
17. Cloth carriers
18. Packers
19. General mazdoors
20. Firemen
21. Sample mazdoors
22. Chainers
23. Bleachers and vat dyers
24. Dryers and Bundlers
25. Machine dyers
26. Yarn boilers

C. Supervisory Technical Staff:
1. Weaving master
2. Assistant Weaving master
3. Dyeing master
4. Designer
5. Master Cutter

In contrast to this extremely specialised division of labour, the productive process in the de-centralised sector essentially revolves round the weaver. As the minimum wages Committee puts it; "work is allotted to each member of the group in the interests of expediency, rather than out of any consideration for the proficiency that he or she may have acquired for doing any special line of work" -- Minimum Wages Committee for Employment in the Handloom Industry op.cit. p.14 & 15 a primary society own the implements of production, but are dependent largely on the society for their supply of raw materials and marketing of output. All industrial Co-operative Societies are attached either to Hantex or to Hanveev.

Industrial Societies of Hantex

It would appear, that the production strategies of Hantex's industrial societies, in contrast to its primaries is based to a much larger extent on commercial lines. Around, the late sixties and early seventies, production was carried on, suo motto, by the industrial societies of Trivandrum, in accordance with market trends. But increasing overhead costs coupled with loss of their traditional markets have forced many of them to depend exclusively on Hantex.[7/] The industrial societies of Cannanore, however, do not show such heavy dependence on Hantex. But, here too, market forces have brought about substantial modification in the production strategies. Prior to the mid seventies, production in most of these societies was organised on the basis of definite orders placed by commission agents in Bombay, Madras, Calcutta. However, with the collapse of the crepe boom and the onset of the general crisis in the industry, as reflected in the decline in external orders, the co-operatives were forced to alter their production strategy. Thus, in the post-crepe phase, production without definite orders constituted about 30 to 40 per cent of the total output. This situation inevitably increased the dependence of these societies on Hantex and other marketing organisations.[8/] In other words,

7. Thus in 'Lekshmi' and 'Sree Narayana' -- both societies in Trivandrum - 90 per cent of the current production is based on orders of Hantex.

8. Sample survey.

in place of a definite production strategy based on assured orders, there is now a certain amount of uncertainty.[9/]

Industrial Societies of Hanveev

The Industrial Societies attached to Hanveev, have been set up under the Intensive Handloom Development Project (IDP) and the Export Promotion Project (EPP). These projects were initiated by the Government of India, to stimulate production in the handloom industry.[10/] Currently, about 19 societies out of the proposed 26, have been actually organised. The financial viability of many of these societies has been eroded by over investment.[11/] As a result, the societies are almost wholly dependent on Hanveev for securing orders. The production programme of these societies

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9. The crepe boom collapsed in a few years due to a variety of factors. Some of them were (i) changes in fashion in export markets (ii) over production; and (iii) exporting inferior and powerloom crepe as handloom crepe.

10. Under the two IDPs, twentysix -- 100 loom factories -- fourteen in Cannanore project and twelve in the Trivandrum project were to be set up. Under the E.P.P. there was provision (a) for starting five new societies; and (b) for assisting the expansion of another five. The achievements of these programmes have been uneven. Altogether only nineteen out of the twenty-six have been actually organised. Further, while seven out of the eight societies under the Trivandrum Project have 100 loom factories, only one out of the eleven societies in Cannanore project is a 100 loom factory. Thus, the production structure of Hanveev is still narrow and not as broad as envisaged in the project report.

11. During the course of our sample survey, we made an analysis of the investments made in a few of these societies. It is seen that on an average Rs.5.5 to Rs.6.00 lakhs have been invested in each of these societies. Of this, an average of Rs.2 to Rs.3 lakhs was spent on the building alone. For such heavy items of expenditure as land and building (which comes to about 50 to 70 per cent of total investment) the grant component is only 25 per cent. As the balance has to be repaid, these societies face considerable financial pressure. A study by the Planning Board also found that the financial viability of many of these societies was open to doubt. We also found during the course of our sample survey, that the 'Sree Narayana' Society owed more than three months back wages to its staff and members. The position is not very different in many other industrial societies. See Intensive Handloom Development Project and the Export Promotion Project An Evaluation Study - Planning Board (Evaluation Division) Government of Kerala, 1984 And Sample Survey August and September 1985.

is therefore strictly according to the requirements of Hanveev. Specific orders, along with the required quantity of yarn is supplied by Hanveev to these societies. The latter is expected to execute the orders according to the stipulated conditions. Partly, as an extension of the two projects and partly to broaden the scope of its activities, Hanveev has pioneered the institution of "clusters".[12/] This is an innovative mechanism for organising the unorganised weavers and linking them to supply cum procurement centres called "clusters". Weavers attached to these centres are supplied with yarn and a sample of the cloth to be produced. The finished product is then procured and marketed by Hanveev.

A comparative analysis of arrangement of production by Hanveev reveals that it relies equally on the clusters and co-operatives for its production base (See Table 3.1)

Table 3.1: Production Details of Co-operatives and Clusters of Hanveev

(Rs. in lakhs)

Year	Societies	Clusters	Total
1983-84	87.22 (52)	80.74 (48)	167.96
1984-85	93.67* (46)	108.87 (54)	202.54

*This is inclusive of about Rs.2.9 lakhs produced through a special production programme with certain societies

Note: Figures in brackets indicate percentage

Source: Hanveev Records 1985

12. For a discussion on the organisation of clusters See Appendix II

It is possible that in future, more production will take place in the clusters. This is because cost of production is lower in the clusters than in the societies, (the advantage of decentralised production mentioned earlier).

From the foregoing discussion, it is clear that Hanveev exercises greater control over its procurement policy. The co-operatives and clusters controlled by Hanveev produce only on the basis of its orders, while Hantex, though it operates on the basis of an indenting system is unable to "order" its production. This is perhaps, due to the differing nature of the two organisations. Hantex is an apex co-operative organisation controlled by its member societies. Hanveev is a Government controlled organisation, where neither the "clusters" nor the societies have any effective power.

From our analysis of the structure of industrial societies, we thus find that the three most important characteristics of an industrial society are: the centralisation of the production process, division of labour and direct ownership by the society of the means of production.

3.3.a. Production Structure: Private Sector: Household and Non-household Trivandrum

The non-household private sector is relatively small in Trivandrum district. It consists of two broad categories: namely (1) master craftsmen, who directly operate a few looms through hired weavers and who sub-contract additional work to household units; and (2) pure sub-contractors, who may be either yarn or cloth merchants. They buy yarn in bulk, process and dye it and give one warp at a time to weavers controlled by them.

The finished cloth is then bought back after deducting the cost of yarn. Within this group, are also cloth merchants, who without supplying yarn, purchase finished cloth outright from the unorganised weavers. The private household sector consists of two types of units: (1) units which produce on the basis of orders of master craftsmen and merchants; and (2) units which produce directly for the market.

The industry in Trivandrum, caters essentially to the domestic Kerala market, which requires mainly standardised products like 'dhothis', 'settu-mundus', 'thorthus' and so on. Production in these units, therefore is not subject to violent fluctuations in taste. This has implications for the production strategy. Unlike in Cannanore, producers do not have to wait for definite orders, but can organise production on the basis of the previous year's experience. Further, unlike in Cannanore, production activity in the household units is relatively less integrated with the organised non-household sector. There is also some evidence, as revealed by our field survey, of the existence of the independent weaver who himself produces and markets the cloth (though he would still be dependent on the yarn merchant for his supply of raw materials).

3.3.b. Private Household and Non-household Sector: Cannanore

The organised private sector dominates the industry in Cannanore. Nearly 50 per cent of the loomage in the private sector is in the handloom factories.[13] However, since the latter half of the seventies (the post crepe phase) certain significant changes have occured in the industry. A large number of non-household units have closed down or are working far below capacity.

13. Census of Handlooms1976 op.cit.

However, some of the non-household unorganised units and the household units have come to be linked in varying degrees with the organised factory sector. The most visible aspect of this link is the sub-contracting system.

The sub-contracting system, though in existence prior to the crepe phase, became prominent only during the latter half of the seventies. A number of factors were apparently responsible for this. The windfall profits made by the industry during the crepe phase, was accompanied by increased benefits to workers. Thus, during 1970-74, the Kerala Handloom Association (an association consisting essentially of the entrepreneurs of Cannanore and Calicut) had negotiated four wage agreements in the space of as many years (i.e. 1971, 1972, 1973 and 1974). The consequent increase in the cost of production led the organised private sector to concentrate exclusively on the production of export items which yielded the highest unit value of output;[14/] it also rendered the industry non-competitive in traditional items. The consequent loss of traditional markets was an added incentive, in turning to export trade.[15/] The nature of the export trade was perhaps a contributory factor in the phenomenal growth of the sub-contracting system. The 'rush order' nature of exports where delivery schedules had to be stringently observed encouraged exporters to farm out part of the order. Tight delivery schedules would have meant

14. Some of the popular items of export trade are: dress material, table tops, napkins, place-mats, furnishings and so on.

15. With the collapse of the crepe boom, the industry, at first tried to regain its traditional markets. However, by then the traditional buyers of Cannanore had turned to other states while Cannanore had geared itself to meet the crepe demand.

overtime in factories, the cost of which could be reduced through sub-contracting. Thus, increase in wage cost, coupled with the export oriented nature of the industry brought about a fundamental change in the organisation of production, which was now based on the sub-contracting system.[16/] The sample survey conducted in 1985 confirms, that between 60 to 70 per cent of the production of the private factories in Cannanore is through sub-contracting. From being relatively unimportant, sub-contracting thus became the characteristic feature of production in Cannanore existing at almost every level of the hierarchically structured private sector.

At the top are the large scale factory owners of whom some export directly, while others produce export goods for exporters based in metropolitan cities. The second category consists of small factory owners who sub-contract from the local factory owners and also the exporters in the metropolitan cities. Then comes a group of master craftsmen who may directly operate 10 to 15 looms and sub-contract the remaining proudction or the entire production to household units.[17/] Finally, the last link in the chain is the household unit. Some exporters and factory owners deal only with smaller factories and master craftsmen. But others often deal directly with household units.

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16. It may be noted that since export trade is unpredictable some of the exporters of Cannanore have attempted to secure domestic customers like Air India, the Taj Group of hotels and so on who will given them regular orders.

17. The distinction between small factory owner and master craftsmen is not very rigid. Persons who own and operate registered factory units are referred to as factory owners.

A typical transaction may involve several categories simultaneously.[18/]

The foregoing analysis indicates that while production has tended to become more de-centralised in Cannanore, it has also become more integrated. Any disturbance in the system, such as falling export orders will have wide repercussions - from the exporters down to the household units. Thus the production system of Cannanore, though more dynamic than in Trivandrum, is also nonetheless more vulnerable.

3.4 The Product Mix

The organisation of production has significant implications for the product mix as also vice versa. Thus, sophisticated products like jacquard furnishing, satin bed sheets, table tops is woven mainly in areas where the technology is relatively advanced. Similarly, 'Kasavu' or the finer fabrics are generally not woven on frame looms as there is a greater risk of yarn breakage. Thus the choice of products is determined by an interaction between market forces on the one hand and the organisation of production, including technology, on the other hand. If market forces are strong enough to warrant a substantial change in product mix, then organisation of production and technology are also likely to change over time.

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18. For instance, in Ambika Textiles, a big partnership firm (it directly operates 97 looms and controls another 87 through sub-contracting) in Cannanore, orders are sub-contracted directly to the household units. These units receive dyed yarn along with the sample cloth from the factory. The finished product when brought to the factory is rigorously tested for quality before acceptance. In this transaction itself there are three participants: the exporter/merchant who booked the order, the factory owner who has sub-contracted it, and the household unit which has actually executed the order. In case of bulk orders with short delivery times, there may be further inter-mediaries. Thus, a master craftsman may take orders from a factory owner partly execute it himself, and farm out the rest to other master craftsmen and household units.

The type of products being produced can be assessed directly, or indirectly through the type of yarn consumed. Since, direct information on the type/variety of fabrics being produced is hard to obtain, we rely primarily on yarn consumption data, as also on the information we collected in the course of our survey.

3.4.a. Product Mix of Trivandrum

The average monthly consumption of yarn, count-wise, is given in Table 3.2. On average, while the consumption of yarn in Trivandrum consists equally of the coarse and fine varieties, the industry in Cannanore consumes almost entirely coarse yarn. Within Trivandrum however, the pattern of consumption in the non-household sector is more similar to Cannanore. Over 80 per cent of the yarn consumed is of coarse counts and the relatively larger proportion of twisted yarn (used mainly for furnishing) indicates a wider product range in the non-household sector.[19]

The sample survey suggests a remarkable continuity in the product mix of the handloom industry in Trivandrum (both private and co-operative). Thus, in both the private firms and the three primary societies covered by our survey, mainly 'dhothis', 'settu mundus', "kasavu" items and sarees were being produced. Only in societies like "Udaya", which had a collective weaving centre, were products like bed-sheets, towels, mosquito nets being produced. However there has been a continuous change in the product-mix of the two industrial co-operatives. Thus "Sree Narayana" started with design sheets, switched to crepe in the seventies, and is currently producing white drill. Similarly "Lekshmi" is currently manufacturing polyster fabrics and

19. There are wide variations between the taluks of Trivandrum regarding the consumption of yarn. Thus, more than 80 per cent of the yarn consumed in Neyyattinkara taluk is fine and superfine (40s to 120s) whereas 80 per cent of the yarn consumed in Chirayinkil is coarse (10s to 30s).

Table 3.2: Average Monthly Consumption of Yarn (Kgs)

Region	Household: Coarse 10_s to 30_s	Household: Fine and super fine 40_s to 130_s	Household: $2/10_s$ to $2/40_s$	Household: Total	Non-household: Coarse 10_s to 30_s	Non-household: Fine and superfine 40_s to 130_s	Non-household: $2/10_s$ to $2/40_s$	Non-household: Total
Trivandrum	1,31,156 (51)	1,17,527 (46)	8,016 (3)	2,56,699 (100)	12,748 (42)	5,820 (19)	12,105 (39)	30,673 (100)
Cannanore	5,02,619 (98.72)	5,109 (1)	1,403 (0.28)	5,09,131 (100)	4,51,055 (93)	3,368 (1)	28,811 (6)	4,83,234 (100)

Source: Handloom Census 1976 op.cit.

Note : Figures in brackets indicates percentage distribution gada pieces, instead of their traditional products like design sheet and shirting.[20]

We had seen in Chapter 1, that historically, there has been some continuity in the product mix of Trivandrum. This continuity is most noticeable in the decentralised production system. However with the establishment of collective weaving centres, new products are being introduced by the primaries.[21] Similarly the product mix of industrial co-operatives is also undergoing changes.

3.4.b. Product Mix of Cannanore

In Cannanore, there are no significant differences between the household and non-household sectors in the consumption of yarn by counts, (See Table 3.2) most of which is of the coarse type. This confirms our earlier observation that the household and non-household units are much more integrated and produce more or less the same type of products.

Unlike in Trivandrum, the industry has witnessed rapid changes in product mix. Traditionally, Cannanore was renowned for the production of specialised items such as lungies, shirting and coating. The Textile Enquiry Committee (1954) found that shirting and coating were the most important items of production in the fifties. In the sixties, products like jacquard furnishing, turkish towels, bed spreads and so on were being produced. The seventies were of course the period of the crepe.

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20. These changes in the product mix could perhaps be a response of the organisations to changing market trends and increasing overhead costs.

21. Currently, the production in these centres is comparatively low. For instance in 'Nellivala' society, only 1 loom out of the 25 looms installed in the centre is working. In "Udaya", production in the common centre account for only about 18 to 20 per cent of total production. We have unfortunately no data regarding variety wise production in these centres.

Till the crepe-phase in the early 1970s, the product mix of the co-operatives and the private sector was roughly the same. But the post-crepe period witnessed a sharp divergence in product mix. For reasons already mentioned, a section of the private sector went in for the production of high valued export items. These included items such as place-mats, furnishing, napkins, table-covers, bed-spreads, dress materials and so on.

However, the co-operative sector went back to the production of traditional items like "lungies", dhothis", bed-sheets, shirting, coating, sarees and other such items. This is borne out by Table 3.3. which shows that production of export goods declined sharply from 37 per cent in 1980-81 to 23 per cent in 1984.[22]

The co-operative sector's reversion to the traditional product mix needs to be explained. Firstly, as our sample survey indicates, it appears to be on account of the reluctance of co-operatives to engage directly in exports.[23] Secondly, as the export orders from the metropolitan cities which they traditionally received, had been diverted to other States, they were able to procure relatively fewer direct orders which declined by 20 to 30 per cent. To protect the interests of its members, many societies had to continue producing goods even without definite orders. This would necessarily be of the traditional items to which they are most accustomed. Hence, we find the product pattern of some co-operative societies in Cannanore becoming more similar to that of the industry in Trivandrum.

22. This change in product mix in the co-operative sector was confirmed by the sample survey.

23. The reluctance is due to the greater risk and unpredictability of the export trade.

Table 3.3: Variety-wise Production of Cloth in Co-operative Sector - Cannanore District

(In lakh metres)

Variety	1980-81	Percent	1982-83	Percent	1984 up to December 1984	Per cent
Dhothis	2.96	6.76	2.29	6.08	1.59	6.37
Sarees	3.22	7.36	3.64	9.67	1.49	5.99
Bed Sheets	0.48	1.1	1.68	4.46	1.08	4.34
Furnishing	0.25	0.57	0.92	2.44	1.15	4.63
Shirting and Coating	3.38	7.73	3.67	9.74	3.23	12.99
Towels	0.34	0.78	1.12	2.98	0.58	2.33
Lungies	8.93	20.41	7.35	19.54	5.23	21.03
Others	8.16	18.65	5.69	15.12	4.74	19.06
Export Varieties	16.03	36.64	11.28	29.97	5.78	23.24
Total	43.75	100	37.64	100	24.87	100

Source: District Industries Centre, Cannanore 1985.

We now discuss cost of production of some items as between the two regions.

3.5. Production Costs

It is well known that cost of production data are difficult to obtain. From our sample units, we were able to obtain some information for the year 1985 on the two major items of cost - raw materials and labour, as also a rough idea of the selling price per unit of the fabric produced. We have used these data in a tentative attempt to bring out inter regional and inter-sectoral differences in cost for broadly similar items of production.

3.5.a. Yarn Cost:

Yarn is procured from different sources. The primary weaving societies depend largely on Hantex to meet their yarn requirements. However, a study conducted by Hantex itself shows that it is able to meet only about 40% of the yarn requirement of member societies.[24] As a result, member societies have also to depend on external sources like yarn merchants or spinning mills directly for their requirement of yarn. An analysis of data from the sample survey reveals distinct variations between regions in respect of their dependency on Hantex for yarn. Thus, the industrial societies of Trivandrum, rely substantially on Hantex for their yarn, whereas the bigger societies of Cannanore, purchase directly from the spinning mills of Coimbatore and Cannanore. There is no conclusive evidence to suggest that the price of Hantex yarn is higher or lower than the open market prices. Certainly, direct purchase from mills

24. Interview with General Manager, Hantex - October 1985.

implies cheaper yarn than buying from Hantex.[25]

The private sector purchases yarn either from yarn merchants or directly from the mills. The bigger handloom factories buy directly from the spinning mills. The smaller units, both household and non-household generally buy yarn from yarn merchants if they are producing directly for the market. However, if they have sub-contracted an order from merchants or bigger owners, yarn is generally supplied by them.

Yarn prices are subject to considerable fluctuations, since raw cotton prices tend to fluctuate. Sometimes, they fluctuate even from month to month as the following table shows:

Table 3.4: Fluctuations in Yarn Prices

(In Rs. per bundle)

Count	March 1982	June 1982	June 1983	June 1984
20s	102	101	90	114
60s	168	170	195	196
100s	285	300	375	320
2/60s	162	188	200	186
2/80s	206	226	250	215

Source: Hantex records 1985

These fluctuations cause severe problems for all producers. Quite often, between the time an order is negotiated and the time the raw material is actually purchased, the price of yarn may increase sharply and thereby erode profitability. Ensuring adequate supply of yarn at fairly stable prices, is one of the serious problems facing the industry.

25. Hantex adds an additional three to five per cent as handling charges, while supplying yarn to the societies. This can be saved, if the yarn is purchased directly from the mills.

3.5.b Wage Cost:

In respect of wages, there is considerable difference between the two regions of Trivandrum and Cannanore. The wage rates prevailing in Trivandrum are generally based on the wage structure decided by Hantex. Hantex periodically updates its wage levels. Table 3.5 below gives wage rates fixed by Hantex which are given per kg of yarn made available by it to the societies.

Table 3.5: Wage Costs Per Kg of Yarn

Count	1-5-1977	20-2-1979	1-7-1980	1-3-1984
	Rs.	Rs.	Rs.	Rs.
20s	5.75	6.25	7.50	9.60
26s	7.75	8.25	9.90	12.67
40s	13.21	14.50	17.40	22.27
80s	29.95	32.95	39.40	50.43
100s	39.60	43.55	55.00	70.40
120s	52.80	58.10	79.20	101.37

Source: Hantex Records 1985.

The above table shows that wages have increased on an average by 70 per cent between 1977 and 1984. The increase has been especially sharp after 1979. The private sector to some extent adopts the wage levels fixed by Hantex, the implementation of which would depend on the strength of the workers' unions.

Wage Costs in Cannanore:

In Cannanore, wages have been traditionally higher than in other regions of Kerala. Thus, the Minimum Wages Committee of 1959, pointed out in its report, that in 1940, the wages prevailing in Cannanore factories were at a much higher level than what was prevailing at Calicut. The Committee also found that even during the fifties, wages in Calicut and Cannanore were at least 50 to 60 per cent higher than those prevailing in Erode and Karur in Tamil Nadu. Thus the existence of wage differences between Tamil Nadu and Kerala is not of recent origin.

The post-crepe period witnessed an escalation of wage costs. As we have seen, four wage agreements were signed between the trade unions of Cannanore and the Kerala Handloom Association between 1970-74. As a consequence, the workers started getting D.A. and other additional benefits which included: (i) casual leave; (ii) festival holidays; (iii) gratuity; and (iv) maternity leave. Together these account for between 30 to 40 per cent of total wages.[26]

We now give the data on input costs as also the approximate selling prices of a few major items made by different types of production units in the two regions.[27] These data given in Tables 3.6 to 3.9 would throw some some light on production costs in the industry.

From Table 3.6, we observe that in Trivandrum, there is considerable difference between the private sector and the co-operative sector, in the cost of production of a similar type of dhothi. Though, there is a slight difference in yarn costs, the wage costs differ significantly. Thus as against Rs.23.30 as wages (wage + D.A) in the co-operative sector, the private sector

26. Sample Survey

27. The margin between selling price and the yarn plus wage costs would include various elements such as overheads, profits, interest and so on depending on the type of unit surveyed. We have been unable to collect the relevant details.

Table 3.6: Cost of Production (Raw Materials and Labour) of Double Veshties, Trivandrum - 1985

A1 (Co-operative Society) D.V.S. 120s			C2 (Private non-household Sector) D.V.S. 100s		
Yarn	21.50	48%	Yarn	20.00	56%
Wage	16.70		Wage	16.00	44%
D.A	6.6				
	44.80			36.00	
Selling Price	49.30		Selling Price	39.60	

Source: Sample Survey

Table 3.7: Cost of Production of one Lungi -1985 Comparative Study of Production Cost (Raw Materials and Labour) of One Lungi

A2 (Co-operative Society) Trivandrum Lungi 40s			A_4 (Co-operative Society) Cannanore Lungi 40s x 40s		
Yarn	18.47		Yarn + dye	13.12	
Wage	5.17	7.74	Wage + D.A.	6.19	8.86
D.A.	2.07		Benefits	2.37	
Special Charge	0.50		Other charges	1.92	
	26.21			23.60	
Selling Price	34.01		Selling Price	23.92	

Source: Sample Survey

Table 3.8: Comparative Study of Production (Raw Materials and Labour) in Cannanore between two time points

Cost of Production of 1 Metre of Lungi

	A4 (Co-operative Society)			
	September 1972		September 1984	
	Lungi 40_s x 40_s 1 Metre			
Yarn	1.53		5.05	
Dyes and Chemicals	0.25		2.04	
Wages (excluding D.A)	1.23	42%	3.35	36%
Benefits	0.34		1.29	
Packing, forwarding & sales commission	0.35		1.04	
	3.70		12.77	
Selling price	4.07		14.02	

Source: Sample Survey

Table 3.9: Cost of Production (Raw Materials and Labour)

Cost of Production for 1 metre of "Karin" Furning

	At C5 Factory in Cannanore, Kerala		At their Procurement Centre Tirupur, Tamil Nadu Karin furnishing 2/80 x 2/80	
Yarn	11.75		11.75	
Dye	2.86		2.80	
Boiling Charges	0.15		0.15	
Wages	4.80	38%	4.65	24%
Benefits	2.40		Nil	
Production Cost	21.90		19.35	

Source: Sample Survey

pays only Rs.16. It may be noted that no D.A at all is given in this unit in the private sector.

While in Trivandrum, the wage bill for weaving one lungi of 40s comes to only Rs.7.74; for making a similar lungi in Cannanore, the wage cost is Rs.8.86. The major reason for this is the higher outlay on benefits to workers in Cannanore. In this case, yarn costs also are very different viz. Rs.18.47 in Trivandrum and 13.12 in Cannanore.

Table 3.8 compares the cost incurred in producing 1 metre of lungi in 1972 and 1984. The production unit is the same - Chirakkal Weaver's Co-operative society. We find that both yarn cost and wage costs have increased tremendously between the two time points, the former having risen much faster. Thus, while yarn cost had increased from Rs.1.53 to Rs.5.05, wage cost had gone up from 1.57 to 4.64. Within wage cost, whereas basic wage has increase by 172 per cent the cost of 'benefits' has increased by nearly 280 per cent (that is, from Rs.0.34 to Rs.1.29).

From the above tables, it appears that wage costs are lower in Trivandrum, when compared to Cannanore. This is supported by a recent study which also shows that wage cost is comparatively high in Cannanore district.[28/] The private sector in Trivandrum pays a relatively lower wage (including benefits) than the co-operative sector; we also noticed that in Cannanore during the last decade, both yarn costs and wage costs have increased sharply. Our sample survey revealed that in 1972, no D.A. was being paid and that benefits constituted only about 28 per cent of total wages. But today, D.A. is being paid, and in Cannanore benefits now

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28. See Geetha Devi.S., Handloom Production in Kerala: A Case Study of Trivandrum and Cannanore Centres, unpublished M.Phil thesis, University of Kerala 1982.

constitute over 38 per cent of wages. The increase in yarn costs would have occurred both in northern and southern regions. However the increase in wages is more pertinent to Cannanore. Consequently, there is evidence of some shift of the industry to the neighbouring state of Tamil Nadu.[29]

From Table 3.9, we can see the relative advantage in shifting to Tamil Nadu. A factory based in Cannanore producing the same type of furnishing in its unit in Cannanore and at its procurement centre in Tiruppur (Tamil Nadu) incurs a cost which is Rs.2.55 higher per metre in Kerala than in Tamil Nadu. It is significant that the difference is accounted for wholly by the difference in wage costs. Thus whereas wages and benefits together comes to Rs.7.20 per metre in Cannanore, it is only Rs.4.65 in Tiruppur. We also observe that no 'benefits' at all are paid to workers in Tamil Nadu. Unfortunately we have not been able to get any further information on cost differentials between Kerala and Tamil Nadu, nor any evidence on the quantum of this shift.

In the foregoing pages, we have attempted to understand in some depth, the structure of production of the handloom industry in Trivandrum and Cannanore. We have also traced the differences, between the two regions, as also some of the changes that have occurred within it. We observed that the production strategies, organisation of production and product mix are inter-linked, each affecting the other. We now examine in Chapter 4, the nature of the market existing in the two regions and its relationship with the production structure.

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29. Sample Survey.

Appendix 1

Procurement System of Hantex

The procurement system of Hantex functions in the following manner: The managers of depots or retail sales outlets prepare quarterly indents of the commodities they require, and forward them to the Regional Managers. The Regional Managers consolidate them and send them to the Head Office of Hantex. The Head Office collates these and classifies them into two broad categories: (1) cloth required by a region; and (ii) cloth required from a region. The second list is disaggregated region-wise and sent to various Regional Managers in the form of procurement orders. The Regional Managers distribute these procurement orders to various co-operatives within their respective jurisdiction. This distribution is based on a number of criteria like: (a) share of the concerned Co-operative in the apex society; (b) number of looms controlled by it; (c) cash credit accommodation of the society and so on. Once the procurement orders are given to societies, technical officers attached to the Regional Manager's Office, frequently verify whether goods are being produced according to specifications. Once the order is executed, and the quality verified, goods are brought from societies to the Central depot attached to each Regional Manager's Office. From there, goods are despatched to other regions, as per their requirements already intimated to the Head Office.

Appendix 2

'Clusters' of Hanveev

The concept of 'clusters' was evolved to provide adequate employment opportunities to the weavers who are outside the co-operative fold. Only weavers who own their own looms and work it themselves are eligible to become members of these clusters. A cluster may have up to 150 members; but the usual norm is about 75 active members. At present there are 18 such clusters under the Cannanore project and 11 under the Trivandrum project.

Each cluster acts as a supply cum procurement centre and has a quality control inspector, who is expected to interact frequently with the weavers attached to the centre. Based on his assessment, and taking into consideration, the type of loomage in the locality, and the type of cloth the weavers weave, Hanveev prepares a production programme for a specified period for each cluster. The quality control inspectors are expected to report frequently to the project headquarters. There, they would receive instructions as to what to produce during the next few weeks. They are also expected to make arrangements for receiving the dyed yarn and forwarding the finished cloth. Once the production programme is finalised by Hanveev in consultation with the quality control inspectors, dyed yarn is supplied by the Project Head Quarters to the clusters on a regular basis. This yarn is in turn given from the centre to the weavers either weekly or fortnightly Usually 1 warp of 100 metres is given at a time, along with the sample of the goods to be produced. When the finished cloth is brought back, wages is paid after deducting the yarn cost.

As a rule, weavers attached to the centre, seldom produce goods on their own for supplying to the centre. Firstly, they do not have the resources to purchase yarn on their own. Secondly, Hanveev refuses to take any cloth, other than what they have ordered. But in some centres, weavers do take export orders from private parties. Thus the 'clusters' combine within themselves elements of both co-operatives and the buyer-up systems.

Chapter 4

Marketing Organisation

4.1 In this chapter, we shall discuss the nature of the market and marketing organisations for the handloom industry in Trivandrum and Cannanore. As stated earlier, historically the marketing organisations of the two regions as also the production structures have been marked by differences. Although some official records are available on the marketing structures of co-operatives, we have had to depend rather heavily on our survey for analysing this aspect in the private sector.

Co-operatives, private household and non-household sector units have evolved different marketing strategies over time in Cannanore and Trivandrum. They cater broadly to three different markets namely (i) export markets; (ii) domestic Indian market and (iii) domestic Kerala market. While we can broadly indicate the types of handloom units serving each of these markets, it is almost impossible to make any precise estimates regarding the share of each in these different markets. We shall first discuss the export market, which is almost exclusively confined to the Cannanore industry and then go on to examine the markets served by each of the three types of production systems.

4.2 Export Markets:- Estimates of total exports of handloom fabrics from Kerala are given in Table 4.1.

The figures of exports (as of production) are very often guess-estimates and hence subject to error. As admitted by the President of the Kerala Handloom

Table 4.1: Total Export of Handloom Fabrics from Kerala

(Rs. in lakhs)

Year	Value	Year	Value
1963-64	12.71	1971-72	45.86
1964-65	4.69	1972-73	84.60
1965-66	14.00	1973-74	100.00
1966-67	9.39	1974-75	100.19
1967-68	12.01	1976-77	268.00
1968-69	19.72	1977-78	204.00
1969-70	18.35	1978-79	273.00
1970-71	40.80	1979-80	371.00

Sources: 1. 1963-70 - Industries, Industrial Labour and Infrastructure, State Planning Board, Government of Kerala, 1975.

2. 1970-80 - Economic Review of Kerala, State Planning Board, Government of Kerala, Various Issues.

Association, the volume of goods exported by any single exporter is a closely guarded secret. His direct exports can, of course be verified by cross checking with the Handloom Export Promotion Council (H.E.P.C.). However, the figures from Kerala with H.E.P.C. are subject to two limitations. Firstly, a direct exporter from Kerala may channel part of his exports through firms registered outside Kerala. Secondly, a number of producers in Cannanore do not engage in direct exports at all; instead, they rely upon exporters based in metropolitan cities. For instance, it may be noted that out of a very large number of producers of export goods in Cannanore in 1981, only 33 firms were registered with the H.E.P.C.[1/] Consequently the figures available with H.E.P.C. may not be a true reflection of the quantum of export goods produced in Kerala and hence should be regarded as being underestimates.

Production for the export market is almost entirely restricted to Cannanore district. We had earlier mentioned the historical reasons for the relatively greater ability of the industry in Cannanore to cater to the export trade. We had noted that under the Basel Mission, production was relatively more organised, which enabled the industry to cater to the specialised needs of distant markets like Assam, Sind and Bengal. We had also seen in Chapter 1, that the handloom factories of Cannanore had agents who used to travel widely around the country to secure orders. Most of the production during this period was oriented towards the domestic Indian market. Though some tentative efforts were made towards exports in pre-Independence period, the handloom industry in Cannanore began to gear itself to the export trade only in the early sixties.[2/] The export trade in Cannanore touched a peak during the early seventies, at the height of the crepe boom. But, as we have seen within

1. Statistical Handbook on Handloom Industry in Kerala. Directorate of Economics and Statistics Government of Kerala 1981.p.15-19. We may also mention that at the time of our sample survey in September 1985, we found that though almost the entire private sector was producing for the export market, only five or six of them were direct exporters. The remaining produced goods on the basis of orders booked by agents in metropolitan cities.

2. The Managing Director of Excelsior Factory - a company directly engaged in export trade during the course of an interview, stated that he and other exporters of Cannanore started direct exports only in the early sixties. Similarly the head of the Textile Division of Commonwealth Trust said that his company also entered the export market in a big way only from the early sixties. Interviews with the Managing Director, Excelsior Factory and Manager, Textile Division, Commonwealth Trust, September, 1985.

a few years, the boom collapsed.

Today, it is the private non-household sector, that is mainly engaged in the export trade. However, since export business is risky and unpredictable, many firms, as we have noted, are now attempting to get domestic institutions such as Imperial Tobacco Company, Air-India, The Taj Group of Hotels and so on, as exclusive customers in addition to their exports. Such customers will ensure greater continuity of orders.

As the household sector in Cannanore is organically linked with the non-household sector, the former also indirectly participates in the export trade. However, this in turn, makes even the smallest weaving household extremely vulnerable to market conditions.

We had mentioned in the last chapter that the co-operative sector does not engage in export trade for a variety of reasons. Even Hantex does not engage in direct exports. Hanveev was at one time actively engaged in export trade, however the percentage of export trade declined from 40% in 1979-80 to 1% in 1983-84 (See Table 4.6).[3]

4.3 Marketing Channels of Co-operatives:

Both the primary and industrial co-operatives have broadly three methods for marketing their products: (i) sales through own show rooms and exhibitions; (ii) orders booked by commission agents, public sector undertakings and other outside parties, and (iii) sales to the apex organisation (Hantex) and to the Handloom Development Corporation (Hanveev). In Table 4.2, we summarise the

3. Hanveev started exports only from 1978-79. Though there was considerable export activity in the earlier phase, it had fallen sharply by 1983-84. The export of goods worth Rs.102 lakhs durring 1984-85 is not actual exports by Hanveev. It is the value of exports made by private entrepreneurs through export licences held by Hanveev. The latter has permitted this arrangement so as to enable it to secure export licenses for the same amount in the following years. Hanveev Records 1985.

information in respect of the nine co-operatives, covered by the sample survey.

4.3 a. Sales through Show-rooms and Exhibitions

Some societies in both Cannanore and Trivandrum rely considerably on sales through own show rooms which are generally attached to the head-quarters of the society. However, only bigger societies, generally participate in exhibitions organised during festivals like Onam, Vishu and Christmas. In societies like 'Udaya', Pulluvila, 'Chirakkal', the dependence on these two types (show-rooms and exhibitions), is as high as 40 to 50%. But societies like 'Lokanath' and 'Puzathi', do not depend upon this type of sales at all.

4.3 b. Sales to 'Other Agencies'

'Lokanath', and 'Chirakkal' show a relatively higher dependence on sales to 'other agencies'. These include commission agents based in metropolitan cities and organisations like Handloom House. In fact, it is these sales that distinguish Cannanore societies most from their Trivandrum counterparts. Except for a small quantity sold by 'Sree Narayana' in 1980-81 no other society in Trivandrum, seems to have sold its goods to 'other agencies'. From these differing sales outlets, it appears that while the co-operatives of Cannanore serve both the domestic market of Kerala and the inter-state markets (as reflected in 'other agencies') the co-operatives of Trivandrum, are concentrating almost entirely on the domestic market of Kerala.

However, the industry's preoccupation with crepe during the crepe boom had resulted in a neglect of its traditional markets. This, coupled with the considerable increase in its costs, made it increasingly difficult for the co-operatives of Cannanore to compete with the producers of other states in the Indian market. Thus, 'Lokanath' attributes the comparatively low sales of their jacquard furnishing to the competition offered by Punjab and Haryana.[4] Similarly, Tiruppur and Erode in Tamil Nadu have imported weavers and design masters from Cannanore and their products are posing a threat to the Cannanore industry both in export markets and in the internal markets. This is evident from the fact that in most societies there has been a drastic fall in orders from commission agents outside the State.[5] As a result, the co-operatives of Cannanore have tended to sell more to organisations like Hanveev and Hantex. Thus the 'Royal' society has increased its sales to these organisations from Rs.1.49 lakhs in 1979-80 to 6.67 lakhs in 1981-82. Even 'Lokanath' has increased its sales to Hantex.

4.3.c. Sales to Hantex

We had observed in the previous chapter that the production structure and product mix of Trivandrum Co-operatives is such that the products have a market mainly within Kerala (Table 4.2). This is further confirmed by a region wise analysis of Hantex's procurement (Table 4.3) as also by a variety wise distribution of cloth procured by Hantex (Table 4.4)

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4. 'Interview with President of 'Lokanath' Weaver's Industrial Co-operative Society' -- September 1985.

5. Thus for instance, in 'Chirakkal' Society, the percentage of sales to 'other agencies' has come down from 48% in 1980-81 to 33% in 1984-85. In the case of 'Royal', the situation is even worse - from 19% in 1980-81 to Nil in 1984-85. Sample Survey 1985.

Table 4.2: Sales of Co-operative Societies - Agency wise

(Rs. in lakhs)

Agency	Cannanore				Trivandrum				
	Royal	Lokanath	Chirakkal	Puzhathi	Nellivila	Udaya	Pulluvila	Lekshmi	Sree Narayana
1980-81									
Hantex	3.88 (70)	20.65 (51)	7.59 (22)		16.15(82)	5.92 (48)	0.61 (58)		4.92 (77)
Retail & Exhibition	0.62 (11)	-	10.68 (30)		3.87(18)	6.17 (51)	0.44 (42)	N.A	1.37 (21)
Other Agencies	1.08 (19)	19.96 (49)	17.06 (48)		-	-	-		0.12 (2)
Total	5.58	40.61	35.33		20.02	12.09	1.05		6.41
1982-83									
Hantex	5.99 (77)	12.54 (35)	11.10 (24)		19.03 (84)	6.50 (48)	8.74 (75)		6.61 (88)
Retail & Exhibition	1.76 (27)	-	19.69 (43)		3.52 (16)	6.89 (52)	3.23 (27)	N.A	0.94 (12)
Other Agencies	-	23.83 (65)	15.07 (33)		-	-	-		-
Total	7.75	36.57	45.86		22.55	13.39	11.97		7.55
1984-85									
Hantex	2.58 (34)		13.35 (21)		13.54 (65)		7.48 (45)	70% to	
Retail & Exhibition	4.92 (66)	N.A	28.46 (46)		7.20 (35)	-	9.32 (55)	Hantex	N.A
Other Agencies	-		20.88 (33)		-				
Total	7.50		62.69		20.74		16.80		

Source: Sample Survey

Notes: *Includes sale to Hanveev

** The entire sales of Puzhathi is through Hanveev

1. Figures in brackets indicate percentage distribution
2. N.A.: Not available

P.T.O

List of Cooperatives

Cannanore

1. The Royal Weaver's Industrial Co-operative Society Ltd., Azhikode (industrial)
2. The Lokanath Weaver's Industrial Co-operative Society Ltd. Choova (industrial)
3. The Chirakkal Weaver's Primary Co-operative Society Ltd. Chirakkal (primary)
4. The Puzhathi Weaver's Industrial Co-operative Society Ltd. Puzhathi (industrial)

Trivandrum

1. The Nellivila Handloom Weaving Co-operative Society Ltd. Balaramapuram (primary)
2. The Kulathur Udaya Handloom Weaving Co-operative Society Ltd. Kulathur (primary)
3. The Pulluvila Handloom Weaving Co-operative Society Ltd., Ochakadovu (primary)
4. The Lekshmi Handloom Weaver's Industrial Co-operative Society Ltd., Karamana (industrial)
5. The Sree Narayana Weaver's Industrial Co-operative Society Ltd., Kulathoor (industrial)

Table 4.3: Region Wise Procurement of Hantex

(Rs. in lakhs)

Region	1965-66	1970-71	1975-76	1980-81	1983-84
1. South Kerala					
Number of Societies	67 (47)	100 (49)	117 (50)	144 (55)	165 (62)
Value of Cloth	22.82 (55)	61.27 (53)	110.89 (57)	361.12 (54)	399.75 (61)
1.1 Trivandrum					
Number of Societies	-	80 (39)	82 (35)	109 (42)	134 (50)
Value of Cloth	-	53.79 (46)	87.96 (45)	303.58 (46)	335.96 (52)
2. North Kerala					
Number of Societies	49 (35)	52 (26)	50 (21)	65 (25)	48 (18)
Value of Cloth	10.65 (26)	31.97 (27)	33.79 (17)	155.30 (23)	108.60 (17)
2.1 Cannanore					
Number of Societies	-	28 (14)	24 (10)	36 (14)	22 (8)
Value of Cloth	-	20.97 (18)	19.18 (10)	86.63 (13)	48.70 (8)

Note: Figures in brackets indicate percentage distribution

Source: Annual Reports of Hantex - Various Issues

We see from this table, that during the last twenty years, the share of South Kerala in total procurement has gone upto 62%.[6/] Even though the relative share of North Kerala has declined to 17%, in absolute terms, the quantum of procurement from the North, has definitely increased. But in the current year , it shows a decline.

Table 4.4: Variety wise Procurement of Hantex from Trivandrum Region

(Rs. in lakhs)

	January to April 1984 (Vishu)	August to September 1984 (Onam)	October to December 1984
Dhothis (including Sett Mundu and Kasavu)	86.41 (77.8)	121.33 (57.49)	28.42 (68.57)
Sarees	8.51 (7.6)	16.59 (7.86)	4.16 (10.03)
Bed-sheets and Pillow Covers	2.59 (2.59)	15.22 (7.21)	0.16 (0.39)
Furnishing	0.01 (0.01)	2.00 (0.95)	0.08 (0.19)
Towels/Thorthus	2.24 (2.03)	4.13 (1.95)	0.67 (1.62)
Lungies	3.30 (2.97)	9.77 (4.64)	4.20 (10.13)
Polyester	--	24.51 (11.63)	--
Others	8.01 (7.21)	17.48 (8.27)	3.76 (9.07)
Total	111.07 (100)	211.03 (100)	41.45 (100)

Note: Figures in brackets indicate percentage

Source: Hantex Records 1985

6. Two reasons are primarily responsible for this bias in favour of the south, Firstly, there are far more societies in Trivandrum than in Cannanore. Naturally, the share of Trivandrum societies would be higher. Secondly, this bias confirms our earlier analysis that non-market considerations play an important part in the procurement policy of Hantex.

From Table 4.4 it is clear that an overwhelming percentage of the cloth procured is accounted for by dhothis and sarees of various types which generally have a market within Kerala.[7]

Hantex has three systems of marketing its products: (i) cash sales through own depots, exhibitions and authorised agents[8] (ii) credit sales to Government servants; and (iii) sales to government departments. More than 90% of the total sales is through cash sales. A month-wise analysis of the sales is given in Table 4.5 .

The table clearly establishes that about 40% of the sales is during August-September which is the Onam Season in Kerala. Another 20 to 25% is accounted for by sales in 'Vishu' which falls in the months of March-April. The next big sales season is in December during Christmas. Thus over 75% of Hantex's sales occur during the three festival periods when the rebate facility is available. It may be noted that apart from these festivals there are other periods also when rebate is given; hence Hantex's dependence on

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7. That Hantex's products do not have much sales outside Kerala is clear from the following figures:

(Rs. in lakhs)

Year	Total Sales	Outside State
1977-78	268.00	7.29 (3%)
1982-83	866.74	47.35 (6%)
1983-84	823.15	41.13 (5%)

Source: Hantex Records 1985

8. As Hantex does not appoint private parties as authorised agents, but only co-operative banks and such institutions, they contribute only a fraction of the total sales of Hantex. This exclusion of private individuals needlessly hampers Hantex's sales efforts; and it appears that the organisation is reviewing the policy.

Table 4.5: Month-wise Analysis of Sales of Hantex

(Rs. in Lakhs)

Month	1979-80	1981-82	1983-84
July	7.39 (1.97)	10.83 (1.46)	25.64 (3.34)
August	144.77 (30.28)	144.01 (19.48)	282.57 (36.8)
September	47.42 (9.9)	167.69 (22.65)	34.20 (4.45)
October	10.91 (2.29)	16.67 (2.25)	31.27 (4.07)
November	13.40 (2.84)	31.70 (4.28)	34.04 (4.44)
December	15.58 (3.28)	65.36 (8.82)	78.89 (10.28)
January	16.59 (3.48)	22.53 (3.04)	22.02 (2.88)
February	22.22 (4.64)	23.23 (3.14)	36.26 (4.73)
March	76.40 (15.97)	55.40 (7.48)	38.41 (5.00)
April	34.31 (17.6)	119.63 (16.16)	105.16 (13.7)
May	20.54 (4.4)	18.56 (2.51)	27.49 (3.58)
June	16.89 (3.54)	64.85 (8.76)	51.84 (6.75)

Source: Hantex Records 1985
Note : Figures in brackets indicate percentage distribution

rebate for sales would be even higher. It appears logical therefore to conclude that, but for the State intervention in the form of rebates, the societies of Trivandrum, would find it extremely difficult to sell their products.

4.3.d. Sales through Hanveev

We had seen in the previous chapter that the co-operatives controlled by Hanveev, market their goods only through it. Table 4.6 shows that Hanveev started the marketing of handloom fabrics in earnest only from around the late seventies.

Table 4.6: Disaggregated Sales Turnover of Hanveev

(Rs. in lakhs)

Year	Total Sales	Sale of Cloth	Exports
1	2	3	4
1974-75	85.72	0.59 (0.6)	
1975-76	28.86	3.37 (12)	
1976-77	31.64	2.13 (7)	
1977-78	19.53	3.93 (20)	
1978-79	69.71	24.85 (36)	7.00 (28)
1979-80	161.97	44.20 (27)	17.77 (40)
1980-81	214.70	87.88 (41)	28.49 (32)
1981-82	280.47	150.33 (54)	23.84 (16)
1982-83	433.26	250.31 (58)	20.31 (8)
1983-84	515.00	330.00 (64)	4.25 (1)
1984-85	662.25	401.00 (61)	*

Notes: 1. Column 2 minus Column 3 gives the figures of sale of yarn and other raw materials.

2. Figures in brackets in column 3 refer to percentage of total sales.

3. Figures in brackets in column 4 refers to percentage on sale of cloth

* Refer to footnote 3

Source: Hanveev Records - 1985

It appears from the above table that initially Hanveev was mainly concerned with the sale of yarn and other raw materials. It was only from 1979-80 after the two I.D.Ps. and the E.P.P. was given shape that the marketing of handloom products was taken up in any significant manner.

In the first few years since then, Hanveev had also catered to markets outside Kerala; however at present more than 90% of the sales is within Kerala itself.[9/] A number of factors are apparently responsible for this concentration on the domestic market. Firstly, the product mix of these societies at present is not oriented towards exportable products (See Table 4.7)

Table 4.7: Production Programme of Hanveev[10/]

(Rs. in lakhs)

Variety	September 1983 to April 1984		May 1984 to September 1984	
Dhothi, Neriyathu, Settu Mundu	104.25	(27.82)	42.50	(30.75)
Sarees	86.63	(23.12)	25.00	(18.03)
Sheets,Pillow Covers	38.52	(10.28)	25.00	(18.03)
Furnishing	9.00	(2.4)	10.00	(7.23)
Towel/Thorthu	16.85	(4.5)	6.73	(4.86)
Lungies	44.40	(11.85)	11.00	(7.95)
Polyester	15.80	(4.22)	12.50	(9.03)
Others	59.22	(15.81)	5.70	(4.12)
Total	374.67	(100)	138.43	(100)

Note: Figures in brackets refer to percentage of total production

Source : Hanveev Records, 1985

9. This estimate was furnished by Hanveev itself. Unfortunately they were not able to furnish time series data on this.

10. The above table includes the production of both societies and clusters. Apart from jacquard furnishing and satin bed-spreads, there are no major differences in the products made by the societies in Trivandrum and Cannanore. As all the societies are industrial cooperatives, similarity of organisation imposes a degree of uniformity in the product-mix. But the real difference between the regions becomes evident in the products of the clusters. The clusters of Cannanore are capable of producing a wide range of goods including sarees, settu mundus, polyester items, sheets, lungies, towels, crepe and casement cloth. But the clusters of Trivandrum produce a limited range of products such as dhothi settu mundus, sarees and kasavu items.

From the table, it appears that dhothis and sarees alone account for nearly 50% of the production. However, in relation to Table 4.4 which gives variety wise procurement by Hantex, it is clear that the societies of Hanveev, are in a relatively better position to cater to Indian markets outside Kerala, since their product range is more diversified. However their inability to penetrate other markets on a larger scale has already been explained.

A further analysis of the sales figures reveals that Hanveev also relies heavily on the rebate period to sell its products (See Table 4.8). The table indicates that between 80 to 90% of the sales of Hanveev is during the rebate period. Within the rebate period itself, it is again the three

Table 4.8: Sales of Hanveev during Rebate/Non Rebate period

(Rs. in lakhs)

Period	Trivandrum Project				Cannanore Project			
	1983-84		1984-85		1983-84		1984-85	
1. Vishu	10.23	(16)	4.09	(7)	32.61	(25)	24.44	(21)
2. Onam	36.96	(56)	34.16	(58)	55.01	(43)	56.02	(48)
3. Christmas	7.12	(11)	7.86	(13)	10.88	(9)	9.72	(8)
4. Total for festivals	54.31	(82)	46.11	(78)	98.5	(77)	90.18	(78)
5. Total Rebate period	66.02	(94)	59.24	(69)	127.29	(82)	115.71	(88)
6. Non-Rebate Period	14.01	(6)	27.10	(31)	27.63	(18)	16.11	(12)
7. Total	70.04		86.34		154.92		132.82	

Source: Hanveev Records 1985

Note: 1. Figures in brackets in rows 1 to 4 is percentage of totals in row 5

2. Figures in brackets in rows 5 and 6 is percentage of totals in row 7.

festival seasons of Onam, Vishu and Christmas which are responsible for the bulk of the sales.

From the above, it appears, that over time there has emerged a great deal of similarity between Hantex and Hanveev, both in the type of markets they serve and in their dependence on rebate. Both the organisations are seen to be increasingly concentrating on the domestic market of Kerala,[11/] and on the rebate periods to market their goods. Part of the reason of course is that customers have become rebate "conscious". In other words, they wait for the rebate period to purchase handloom goods. Thus we note that with differing organisational set ups and production programmes, Hantex and Hanveev have nevertheless adopted a more or less similar marketing strategy.

4.4 Marketing Organisation: Private Household and Non-household Sector - Trivandrum

Currently more than 80% of the handloom industry in Trivandrum is covered by co-operatives. Hence the private sector is relatively less significant in Trivandrum. Within the household sector, there are weavers attached to private firms. They produce only against orders. However, as any one firm may not be in a position to supply them with work throughout the year they invariably contract orders from a number of firms. Along with them, the 'unattached weavers' are also present to some extent in the Trivandrum handloom industry. Their marketing options are limited to hawking their products in the local fairs, and evening markets or selling them at any price to the local cloth merchants. Extreme penury combined with perpetual indebtedness erodes their bargaining position vis a vis the local merchants. The net result is that, though apparently unattached, these weavers are caught in a strong dependency relationship.

11. In this respect, there is avoidable duplication in the efforts of Hantex and Hanveev. Quite often, they are seen to be competing with each other, rather than complementing each other, as they were originally meant to be.

We have very little information on the marketing strategies of the private sector firms of Trivandrum. The 1976 census shows that there were only about 69 non household units in the private sector in Trivandrum, of which only 7% would be classified in the organised sector. Our sample survey reveals that by and large, the private sector industry in Trivandrum is oriented towards the domestic market of Kerala.[12/] As the demand for traditional fabrics of Kerala like 'thorthus', 'kasavu' items, 'settu mundu', 'neriyathu' and so on does not fluctuate violently from year to year, marketing strategies too, do not seem to undergo frequent changes.[13/]

Summing-up

On the basis of our analysis in the preceding pages, we are inclined to believe that there exists a symbiotic relationship between the production and marketing structures. This line of argument is of particular significance in the context of the hypothesis that the system of production determines the methods of distribution. Thus, according to Venkataraman when the weaver produces and markets the cloth himself, he resorts to hawking. In the case of master craftsmen and sowcar weavers, who organise their production on more capitalist lines, a more elaborate system of marketing, including the

12. Unfortunately, there is no published material on the production or marketing strategies of the private sector in Trivandrum. The information we have with us, is based on our sample survey which could cover only two private firms.

13. For instance, 'Somasundaram and Sons, which is one of the biggest handloom manufacturing firms in Trivandrum is a permanent supplier to 'Karal Kada'. The latter is the biggest retail outlet in South Kerala for traditional Kerala handloom fabrics. As indicated earlier, since the product mix has remained relatively unaltered, the marketing strategy of Somasundaram and Sons appears to have remained unchanged.

village fair and the shop system is prevalent. In a typical handloom factory, where production is centralised, a host of marketing avenues, like mail order houses, commission agencies and the regular shop system is pursued. From this analysis, he concludes that marketing strategies are to a large extent conditioned by the production process.[14/] However our study suggests that the relationship is far more complex. Thus, the organised nature of the private non-household industry in Cannanore, enabled it to cater first to distant markets within India and subsequently facilitated its entry into the export trade. On the other hand, the success and the subsequent failure of the export trade in crepe profoundly affected the production structure of the industry in Cannanore; further, the wage increases during the period, made it a high cost industry. This coupled with the demands of the export trade accelerated the process of sub-contracting in the industry. The reported shift of a certain section of the industry to neighbouring Tiruppur and Erode in Tamil Nadu can also be attributed to its high cost structure.[15/] Finally, before the crepe boom the Cannanore market was fairly predictable. However, the present heavy dependence on exports has compelled the industry to produce only on the basis of firm orders.

We had noted that the household nature of the industry, had resulted in a more static product mix for the industry in Trivandrum -- one which caters mainly to the domestic market. This lack of diversification is due both to the in-built limitations of the production structure, as well as to the market to which the industry caters. Thus firstly, the household

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14. See K.S. Venkataraman. Handloom Industry in South India, Op.cit.

15. As we have already mentioned we have little statistical evidence of this shift.

nature of the industry coupled with the absence of technological and organisational innovation brought about by external intervention, as in Cannanore, has prepetuated a relatively backward production technology. Secondly, the continuing consumer preference for traditional items like double veshties, settu mundu, kasavu items and neriyathu, ensured a predictable though limited market for handloom goods. Since these finer varieties cannot be woven on frame looms, there has been little pressure to change over to better and more sophisticated looms like frame looms, jacquard looms and so on. Finally, and very significantly, Government rebate policies ensure that even with the existing production system, the industry can sell what it produces.

In the co-operative sector too, we see this dynamic inter-play between organisation of production and markets. Thus, we had observed that many primary societies had established collective weaving centres where production could be centralised, giving them greater flexibility in product-mix.[16/] By centralising production, weavers are more easily trained in production techniques, and essential back-up activities for production of specialised goods, can be done within this frame-work. The setting up of industrial co-operatives can also be regarded as a step in this direction. Thus, market pressures have resulted in making a decentralised sector of the industry become more organised. However, the higher overheads involved in running industrial societies, have made many of them financially weak, and their products uncompetitive. Consequently, as we have seen, they have had to rely more heavily on assured marketing channels like Hantex and Hanveev.

16. Thus, after commissioning of the centre, 'Kulathur Udaya' started producing mosquito nets, bed-sheets, towels and so on. Similarly, the 'Chirakkal' society of Cannanore also began to produce new varieties like turkish towels, bed-spreads and jacquared furnishing after starting their Centre.

From the foregoing, we see that production strategies, product-mix and the organisation of production are significantly altered by a change in markets. However, we also observe that production structures profoundly influences the choice of markets. Thus, production, and marketing structures appear to be continually interacting with one another. This interaction which appears to have occurred as a response to certain external pressures, created conditions which over time have resulted in the narrowing down of the variations between the two regions. We shall discuss this question at some length, after a review of the performance of the industry, in the next chapter.

Chapter 5

Performance of the Handloom Industry

In the preceding chapters, we examined the production and marketing organisations of the handloom industry in Kerala as also their inter-relationship and attempted to bring out the variations exhibited by the industry between Trivandrum and Cannanore. In this chapter we shall (to the extent possible) attempt to see how the industry has performed in terms of production and capacity utilisation during the period under study.[1/] This is particularly significant in the context of the crisis that appears to have set in the industry. The emerging tendencies, towards a certain narrowing down of the differences between the two regions is perhaps, as we shall discuss later, a reflection of this phenomenon. However, given the state of our knowledge at present, it is difficult to ascertain whether this is a structural change or a passing phenomenon.

5.1. Output Trends:

In Chapter 1, we had noted that since 1968, the handloom industry in Kerala had recorded steady growth. Thus the number of looms had increased from 71,325 in 1968 to 95,038 in 1984. However, this picture of growth seems to be contradicted by output trends. In Table 5.1 we have given output

1. Paucity of data prevents us from taking any other indices other than output and capacity utilisation. We have not for instance been able to get any data on productivity trends between the two regions. Being largely an unorganised industry, we have little reliable information on profitability. True, we do have figures for the co-operative sector. but that by itself, will be of little help in understanding the overall profitability in the industry.

Table 5.1: Production of Handloom Cloth in Kerala 1966-67 to 1983-84

[Q in lakh metres
V in Rs. lakhs]

Year	Co-operatives Quantity	Co-operatives Value	Project (Quantity)	Private Sector Quantity	Private Sector Value	Total Quantity	Total Value
1966-67	423.24(31)	507.88(26)		951.88 (69)	1427.78(74)	1375.09	1935.6[illegible]
1967-68	378.41(31)	481.90(27)		838.67(69)	1308.32(73)	1217.08	1790.2[illegible]
1968-69	393.74(31)	551.24(27)		868.25(69)	1579.44(73)	1261.99	2070.6[illegible]
1969-70	384.67(35)	561.62(32)		708.24(65)	1204.00(68)	1092.91	1765.6[illegible]
1970-71	385.61(32)	451.16(25)		805.05(68)	1390.74(75)	1190.66	1843.9[illegible]
1971-72	387.48(33)	658.71(32)		793.84(67)	1428.91(68)	1181.32	2087.6[illegible]
1972-73	385.92(33)	637.47(32)		769.04(67)	1384.37(68)	1154.96	2021.8[illegible]
1973-74	357.14(43)	749.80(31)		482.18(57)	1684.48(69)	839.32	2434.2[illegible]
1975-76	236.00(27)			650.00(73)		886.00	
1976-77	219.00(27)			600.00(73)		819.00	
1977-78	192.00(24)			595.00(76)		787.00	
1978-79	234.00(29)			580.00(71)		814.00	
1979-80	289.00(41)			415.00(59)		704.00	
1980-81	305.00(34)		32.10(4)	562.9(62)		900.00	
1981-82	324.00(39)		28.88(4)	477.12(57)		830.00	
1982-83	342.00(42)		32.00(4)	440.79(54)		814.00	
1983-84	350.00(44)		40.00(5)	410.00(51)		800.00	

Sources: 1. 1966-74 - "Industries Industrial Labour and Infrastructure - Planning Board - Government of Kerala, 1975

2. 1974-84 - Directorate of Handlooms Government of Kerala, 1985

Notes: The production shown under projects is that which is produced under the Intensive Development and Export Promotion Projects.

Figures in brackets indicate percentage

trends in respect of handloom production in the State during the period 1968-84 (region-wise data on production are not available). As is well known, official estimates of handloom production are subject to certain limitations.[2]

From Table 5.1, it appears that handloom production has declined sharply during the last twenty years. The decline seems to be particularly steep in certain years. Thus, between 1968-69 and 1969-70, production declined by 169 lakh metres. However the sharpest decline occured during 1972-74 when production declined by 300 lakh metres. Given the fact that precisely during this period the value of cloth registered a substantial increase of around Rs.412 lakhs, it would tend to suggest that these estimates are not entirely fool proof.

Such a pronounced discrepancy between quantity and value, in the absence of a major change in the product mix, indcates some limitations of the data. Firstly, the data is culled from two entirely different sources,

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2. L.C. Jain caustically comments that 'more cloth is woven in the country, by official statistics than by our handloom weavers'. For instance, he points out that in 1981, cotton handloom cloth was closer to 1600 million metres against 2520 million metres claimed. Jain charges that a substantial portion of the production by the powerlooms is being booked under the handloom sector. L.C. Jain - Handlooms Face Liquidation: Powerlooms Mock at Yojana Bhavan, Op.cit.

   Production is usually estimated in three different ways: (i) in terms of total yarn consumed in the industry; (ii) in terms of yardage or weight; and (iii) in terms of the value of the cloth. Three methods are also employed to estimate production, (a) the first involves a complicated procedure called the residual method of computation. In this, the total yarn consumed by the industry is estimated; (b) in the second method, total production is estimated on the basis of number of working looms; and (c) Finally, there is the system of collecting statistics directly from the production units. However, it must be noted that except for the last, all these estimates of handloom production are based on indirect methods, and hence subject to error.

and to that extent do not appear to be fully comparable.[3/] Secondly, the method by which handloom production in the State is computed is questionable. In the case of co-operatives, information is directly collected through a quarterly return. But all districts do not regularly collect information and consequently information at the State level is often sketchy and imprecise.[4/] The situation is worse in the case of the private sector. There is no institutional machinery for collecting information about production in the private sector on a regular basis. Instead, based on the number of looms, the average productivity of these looms, and the probable quantity of yarn consumed, the department 'guess estimates' production which is not reliable.[5/]

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3. For instance, in the co-operative sector, production is seen to have fallen between 1973-74 and 1975-76. Similarly between 1972 and 1976 we notice very sharp fluctuations in the private sector also. When we recall that the first half of the seventies was the hey-day of crepe in Cannanore this behaviour of the private sector becomes all the more inexplicable.

4. For instance, the office of the General Manager, District Industries Centre, Cannanore had detailed item-wise production of handloom cloth in the co-operative sector. But the Trivandrum office did not possess even general production figures in the co-operative sector. There is therefore considerable uneveness in the quality of information as between districts.

5. Firstly, precise information on the number of active looms in the State are not collected on an annual basis. Secondly, the per loom average can be very misleading. This is because productivity varies sharply between different types of looms and fabrics. Thus for instance, the minimum daily work load fixed for different types of cloth in Cannanore district are as follows:-

1. Jacquard furnishing	6.00 metres
2. Satin bed-spreads	1.5 metres
3. ordinary bed-spreads	8.00 metres
4. lungi.	6.5 metres
5. shirting	5.00 metres

Further, productivity varies from region to region. For instance it is generally accepted that productivity is higher in Cannanore than in other regions. Thus, unless precise information regarding productivity between looms and between regions is available and taken into consideration, production estimates can be highly misleading.

However, despite these limitations, the data does throw some light on the state of the industry. Even if we take only the data from the mid-seventies (when the source changes) we find a picture of stagnation. Thus from 886 lakh metres, in 1975-76, production had declined to 800 lakh metres by 1983-84. But what is of greater significance is the sharp fall in production in the private sector; from 650 lakh metres (that is 73% of total production) in 1975-76 to 410 lakh metres (51%) in 1983-84. Conversely, production in the co-operative sector has increased from 236 lakh metres (27%) to 350 lakh metres (44%).

The above figures suggest that the private sector handloom industry in Kerala is in the throes of a severe crisis. Since the private sector is confined mainly to North Kerala, the present crisis in the industry, has to be interpreted in terms of crisis in the private sector industry of that region.[6/] However, it is important to note that even the co-operative sector, which appears to have grown, is not free from problems, as we shall discuss in the subsequent section.

5.2. Capacity Utilisation in the Industry

The first major report on the handloom industry which refers to capacity utilisation in the industry is the Report of the Fact Finding Committee (1942). According to it, in Travancore only 607 (3%) out of a total of 19,009 looms were idle in 1940.[7/] However there is very little information in immediate post-Independence period regarding the state of the industry in South Kerala.

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6. In 1984, there were 46,063 looms in the private sector in Kerala. Of these, 30,200 (66%) were in Cannanore and 8,200 (18%) in the neighbouring district of Kozhikode. In contrast, there were only 3,500 (8%) looms in the private sector in Trivandrum. Directorate of Handlooms, Government of Kerala, 1985.

7. F.F.C. op.cit. p.29.

The problems of the industry in Malabar (now North Kerala) during the late forties and early fifties has been commented upon. The Textile Enquiry Committee in its survey of the industry in Malabar, found that in many centres, the majority of the looms were idle during the period 1951-53.[8/] The crisis persisted even during the late fifties. Stocks accumulated in many of these factories, as a consequence of which, many of them closed down. As a result, "Cannanore which boasted at one time of 25,000 strong labour force in the handloom factories, cannot lay claim to even 10,000 at the present time".[9/]

From 1968 onwards, we do have some information on how the industry has fared both in Trivandrum and Cannanore. (See Table 5.2).

The table provides some insights as to how the industry has performed over time. Thus in Trivandrum, the rate of idleness (proportion of idle looms to total number of looms) had dropped sharply from 23% in 1968 to 9% by 1976. While there is no difference between the private and the co-operative sector in the rate of idleness, the non-household sector appears to be more vulnerable than the household sector.

In Cannanore, the industry appears to have done better in 1968 as compared to the fifties. By 1976, the rate of idleness had dropped sharply to 16%. It may be recalled that the early seventies was the period of the

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8. In its survey of selected centres of Malabar district, the Textile Enquiry Committee found that the percentage of idle looms was high in many places. Thus it was 89% (1953) in Telicherry; 85% (1951-52) in Mannayard; 60% (1950) in Kannadipparamba; 82% (1952-53) in Kuthuparamba; 76% (1953) in Pudukode. The Committee observed that the large number of inactive looms was chiefly accounted for by many Karkhanas which were closed due to marketing and labour difficulties. See Report of the Textile Enquiry Committee. Vol.II Annexures: Ministry of Commerce and Industry, Government of India 1954. p.248-288.

9. Report of the Minimum Wages Committee for Employment in Handloom Industry - op.cit. p.8

Table 5.2: Idle Looms in the Handloom Industry

	All Kerala		Trivandrum		Cannanore		
	1968	1976	1968	1976	1968	1976	1981
Total number of looms	71,325	90,030	17,900	19,234	24,492	40,144	
Percentage of idle looms	19,549 (27)	11,437 (13)	4,148 (23)	1,668 (9)	9,804 (36)	6,235 (16)	
Percentage of idle looms in co-operative sector	23	9	24	9	34	4	
Percentage of idle looms in private sector	29	14	23	8	36	17	
Percentage of idle loom in the household sector	N.A	9	N.A	8	N.A	10	
Percentage of idle looms in the non-household sector	N.A	21	N.A.	20	N.A	21	63

Source: 1. Report of the Handloom Census 1968 op.cit.

2. Handloom Census 1976 op.cit.

3. Report on the Survey of Non-household Handloom Units in Cannanore District 1981 op.cit.

crepe boom in Cannanore. It is noteworthy that the rate of idleness is lower in the co-operative sector than in the private sector. We shall discuss this in greater detail in the subsequent section. It may be noted that in 1976 idleness is far less in the household than in the non-household sector. This is quite natural. In the household sector production will continue at times of crisis, though at a greatly reduced level, as for most of the weaving households, this would be the main or only source of income. But non-household units, being organised on more commercial lines would tend to curtail and then stop production, as adverse conditions set in.

However by 1981, the proportion of idle looms in the non-household sector increased very sharply to 63.1%. It is clear from Table 5.2 that the non-household sector is currently in the throes of a severe crisis. This crisis, we have seen, can in large measure be attributed to the collapse of the crepe boom and other attendant factors which we have already discussed. Currently, the crisis has manifested itself in the closure of units, idle looms and consequent loss of employment.

The 1981 survey of non-household units, showed that in Cannanore 860 units had been completely closed, while a large number were only partially working. A size-wise analysis given in Table 5.3 shows that it is the

Table 5.3: Size-wise Incidence of Idleness in the Non-household Units of Cannanore District: 1981

Size of units (Number of looms)	Number of units	Number of looms Total	Number of looms Idle	Percent	Average Number of looms per unit	Average Number of looms working per unit
Less than 5	270	883	539	61	3.3	1.3
5.15	1,369	11,575	7,645	66	8.5	2.9
16.20	87	1,572	1,232	78	18.1	3.9
Above 20	107	5,360	2,871	53	50.1	23.2
Total	1,833	19,390	12,285	63	10.6	3.9

Source: Report on the Survey of Non-household Handloom Units in Cannanore District 1981 op.cit.

medium size units which have been hit hardest by the present crisis. Thus 78% of the looms in this size class are presently idle. These units which use hired labour and are entirely dependent on their commission agents in metropolitan cities were more affected by the diversion of orders from Cannanore to neighbouring states. The bigger units fared better perhaps because they have direct access to the external markets. Therefore, they are in a better position to solicit and receive orders. Over 60% of the looms in smaller units are idle. However, the relatively lower incidence of idleness (vis a vis the medium units) may be due to the fact, that the smallest units with an average of 3.3 looms per unit would be using relatively less hired labour. Therefore, at times of crisis, hired labour could be dispensed with by using cheaper household labour more intensively.

There has also been a sharp fall in employment. According to the 1976 census, there were 20,746 workers in the non-household units of Cannanore. But according to the 1981 survey, there were only 10,875 workers in this sector. Therefore, it appears that nearly half the workers in the non-household sector have lost their employment during this five year period.

We have no precise information regarding the current state of the household sector. However, we have seen in Chapter 3, that the household industry in Cannanore is organically linked with the organised industry. Consequently, a general crisis of this severity in the organised sector is bound to have its effect on the household sector also.

Unofficial estimates of the current crisis in Cannanore are far grimmer than what official statistics reveal. Thus, the Kerala Handloom Association estimated that in 1985, there were only about 10,000 looms in the private sector in the district[10] whereas the Directorate of Handlooms estimates the number as 30,200; even these are not working to full capacity. It is also reported that a large number of looms have been dismantled and taken out of the district.[11]

5.3. Response to Crisis: Growth of Co-operatives in Cannanore

We had observed in Section 1, that while output in the private sector had come down, the share of the co-operative sector in total output had increased from 27% in 1975-76 to 44% in 1983-84. The increasing importance of the co-operative sector is revealed clearly in the phenomenal increase in the number of co-operativised looms.

Till recently the co-operative coverage in Kerala was comparatively low.[12] The proportion of looms in the co-operative sector was only 38% in 1982, as against 74% in Maharashtra and 85% in Tamil Nadu. By 1984, however nearly 52% of the looms in Kerala had been brought under the co-operative fold.[13] In the space of two years, the number of looms in this sector apparently jumped from 36,000 in 1982 to 48,975 in 1984. The most spectacular growth has been in Trivandrum. While only 27% of the looms, that is, 52,35 looms were in the co-operative sector in 1976, by 1984 the proportion increased to 83%, that is, to 17,500 looms. In Cannanore, there was an increase, though less sharp from 9% to 23%.[14]

10. Oral information supplied by the President during sample survey, September, 1985.

11. It is even said that handloom factories have been converted into lodging houses for letting out on rent.

12. In Annexure 5 we have given a state-wise analysis of loomage in the co-operative sector as on 30-6-1982.

13. Figures furnished by the Directorate of Handlooms, Government of Kerala.

14. *Ibid*.

This growth of the co-operative sector can be mainly attributed to two reasons. Firstly, it is part of the policy of the Government to increase the co-operative coverage in the handloom industry. To that end the Government has been subsidising the co-operatives through rebates and other measures. In fact, almost the entire thrust of Government policy today, is directed towards the co-operativised sector of the industry, though nearly half the loomage is still in the private sector. This is evident from an analysis of the various development policies of the Government.[15/]

Secondly, co-operativisation has often been resorted to as a response to the crises that periodically efforts the industry. This is especially true of Cannanore. We had pointed out in Chapter 2 that the Chirakkal Weaver's Co-operative Society had been organised in the thirties, against the backdrop of a general crisis in the industry. Similarly, the industrial co-operatives had also come into being there, as a response to the crisis in the industry in the fifties.

In fact it would appear that the swings noticed in the degree of co-operativisation in Cannanore coincide with the ups and downs of the industry in general. Thus, during the period between 1973 and 1976 (the height of the crepe boom in Cannanore), while looms in the private sector increased from 22,681 (85%) to 36,576 (91%), looms in the co-operative

15. Currently three types of plan schemes are in existence: (i) 100% State scheme; (ii) State and Central Governments sharing expenditure on a 50:50 basis; and (iii) 100% Central Government schemes. The more important of these schemes are: production incentive for formation and expansion of factory type societies, finance for share participation in apex societies, management grant to co-operatives and so on. A detailed description of the various schemes is given in Appendix 1. As is clear from it, almost all the funds are targeted at the co-operatives. Department of Industries, Secretariat, Government of Kerala 1985.

sector hardly showed any change. On the other hand currently, the industry in Cannanore is in the grip of a severe crisis. Coincidentally, this is also the period, when the industry has recorded the highest degree of co-operativisation. Thus in 1984, 23% of the looms in Cannanore were under co-operatives.

The tendency to increase the co-operative coverage at times of crisis is due to a variety of reasons. Firstly co-operatives are less prone to complete closure than the private handloom factories. Thus the 1981 census found that only 37% of the looms in the non-household co-operative sector were idle as against 63% of the looms in such units in the private sector. This may be due to the fact that co-operatives have been organised primarily to protect the interests of the members. As idle looms will adversely affect their interests, the management of these societies strive to provide employment, even if this entails some loss to the organisation. Secondly, co-operatives are linked to the apex marketing organisation which can be pressurised to lift stocks. Finally, they receive generous Government support in the form of grants, loans, rebate facilities and so on. These advantages enable the societies to insulate, to some extent, their members from the vagaries of the market. At times of crisis, when the weavers employed in the private sector are rendered completely jobless, the co-operatives are able to provide minimum work.

5.4. Problems of Co-operatives in Trivandrum

We saw from Table 2.1 in Chapter 2, that the percentage of looms in the co-operative sector in Trivandrum increased from 27% in 1976 to 83% in 1984. How genuine this growth is, remains in doubt. Furthermore, it appears to be a localised phenomenon. Thus a taluk/panchayat wise analysis reveals that 32 out of the 34 societies, registered since 1980, are located in Neyyattinkara taluk and in the two adjoining panchayats of Venganoor and Kalliyoor of the neighbouring Trivandrum taluk.[16/]

Thus all but two of the newly registered societies are located in a geographically compact area, south of Trivandrum city. However it is believed that most of these newly registered societies are bogus and that a large percentage of the looms included in the co-operative sector are actually

16. The following is the distribution of societies registered between 1980 and 1984 in Trivandrum District

Panchayat	Taluk	Year	Number
1. Balaramapuram	Neyyattinkara	1980	3
2. Pallichal	"	1984	2
	"	1980	4
		1984	2
3. Kollayil	"	1980	1
4. Vizhingam	"	1980	1
5. Kallikkad	"	1980	1
6. Perumpazhuthoor	"	1984	2
7. Perumkadavila	"	1981	1
8. Marathoor	"	1981	1
9. Neyyattinkara Municipality	"	1981	1
10. Kottukal	"	1984	3
11. Tirpur	"	1984	1
Total			23
Trivandrum Taluk			
1. Venganoor	Trivandrum	1980	4
	"	1981	1
	"	1984	1
2. Kalliyoor	"	1984	1
	"	1981	2
3. Pothencode	"	1984	1
Total			10
C. Nedumangad Taluk	"	1982	1
Total			34

Source: Information collected from the office of the General Manager, District Industries Centre, Trivandrum 1985.

non-existent.[17] While there are no precise estimates about the extent of bogus production in the industry it is reported that about 60 to 70% of the production claimed in the co-operative sector of Neyyattinkara taluk is in fact bogus. By making false claims of sale, these bogus societies become eligible to get their rebate claims settled by Government. We have seen in the previous chapter that the societies of Trivandrum market their goods either through Hantex or by direct retail sales. Most bogus societies prefer to show records of sales to the public as they can make rebate claims directly to Government, whereas if they sell to Hantex, it would be Hantex, which would reap the benefit of rebate sales. It is to take advantage of this rebate facility that bogus societies have been organised in such large numbers.[18]

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17. In a report dated 2-3-1986 the 'Malayala Manorama." - a Malayalam daily, has reported that according to official statistics, there were 27,290 looms distributed among 170 societies in Trivandrum district. But in the wake of allegations, subsequent verification by official agencies themselves, reveal that there are only about 10,000 looms in the co-operative societies in Trivandrum. According to a report in 'The Hindu' dated 11-3-1986, the Minister for Industries is reported have said that there were 15,200 bogus looms in the co-operative sector in Trivandrum. Loomage in the co-operative sector is artificially increased in two ways. Firstly, looms in the private sector are falsely entered into the registers of societies. Secondly weavers are induced to become members of more than one society. As a result, the same looms get counted several times.

18. The bogus societies manipulate the rebate facility in two ways. Firstly goods are purchased from Tamil Nadu or from unorganised weavers and passed off as goods produced by the members of the society. As the former goods are cheaper, societies benefit by this transaction. In the second method, society officials first procure false yarn bills from an approved yarn merchant (It is reported that the going rate for a false yarn bill, for one bale of yarn is over Rs.240/- in Balaramapuram. Source: Private informant at Balaramapuram). After this, false records are prepared to show that yarn has been distributed to members and that the finished cloth has been bought back. To complete the fraud, false sale bills are also prepared.

Organising bogus or pocket societies is a very paying proposation. For instance if a society can get the Government to accept its rebate

Continued page.

5.5. Summing Up:

In the foregoing pages, we have attempted to assess the performance of the industry in recent years. We observed that currently, the industry is facing a severe crisis in Cannanore. As a response to this, there was a tendency to extend the coverage of the co-operative sector. We had also seen that in Trivandrum, the spectacular growth of the co-operative sector (a growth assisted by Government policy of actively encouraging co-operatives) is not entirely genuine.

It is difficult to forecast whether the current crisis in the industry is purely a temporary phenomenon or whether it will bring about permanent structural changes in the industry. Our analysis of the performance of the industry, during the last twenty years, shows that in the process of meeting periodic challenges, structural alterations have occurred and are occurrring in the industry. This has tended to narrow down the differences, we had earlier noted between Trivandrum and Cannanore.

Thus, responding to the changed conditions in the post-crepe boom, the organised industry in Cannanore is becoming more decentralised. In Trivandrum on the other hand, the limitations of the decentralised production system has encouraged many primary co-operatives to go in for a more organised system of production, namely the collective weaving centre. The establishment

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claims for say Rs.1 lakh, it gets a net profit of about Rs.20,000. (20% is the average rebate given). Apart from paying compensation for false yarn bills, stationary and others expenditure incidental to the process of settling claims, the society incurs no expenses. The Malayala Manorama report refered to earlier, estimates that during the last 10 years, these bogus societies would have netted a minimum of Rs.25 crores, by way of false rebate claims. A small coterie of professional organisers in collusion with yarn merchants, corrupt politicians and officials are reported to be behind this gigantic swindle.

of industrial societies can also be regarded as an attempt to make the co-operative sector in Trivandrum more organised, though, this process is still very gradual. Thus between 1976 and 1985, the number of industrial co-operatives have increased only to 19 from 17. Similarly, there are five collective weaving centres today, as against one in 1976.[19] The greater flexibility in product range afforded by these collective weaving centres and industrial societies, has resulted in a limited convergence in the product mix of the societies of these two regions. Thus, apart from such items as drill, canvas cloth, mosquito nets, the industrial co-operatives of Trivandrum, have also started making such typical Cannanore goods as jacquard furnishing, bed-sheets etc. With respect to marketing strategies also, we notice some similarities developing between the societies of the two regions. Thus many industrial societies of Cannanore have started to rely more on Hantex to sell their products.

There is also a remarkable convergence in recent years, between Hantex and Hanveev, both in the organisation of production and marketing strategies. Hanveev, an organisation originally meant to promote the private sector, today controls a large number of co-operatives modeld on the lines of the industrial societies of Hantex. Hanveev has greater control over the production programmes; but as we have observed, Hantex is attempting to achieve it through its "Demand Oriented Production Programme". Finally, there is little difference between the two in their dependence on rebate within Kerala.

From the foregoing, it would appear that in future, there would be greater homogenity between the co-operatives of the two regions. However,

19. Handloom Census 1976. op.cit. and Directorate of Handlooms. Government of Kerala 1985.

the private sector in the two regions, remains quite distinct. It is true that the private sector in Cannanore appears to have become more decentralised, in recent years as a result of the sub-contracting system. However, the organisation of production, product mix, markets are all still quite dissimilar in the two regions.

Appendix 1

Development Schemes for the Handloom Industry

I. State Scheme -- 100% State Assistance:

1. Production Incentive Schemes:

    a. Formation and expansion of factory type societies;
    b. Common work-sheds; and
    c. establishment and expansion of dye houses

2. Training:

    Training for weavers and officials of co-operative societies, publicity, common facility centre for weavers

3. Marketing:

    Purchase of vans for apex societies and member societies

4. Incentive Schemes:

    Compensation to banks for loss of interest, share participation in apex socities, management grant to co-operatives, scheme of looms for loomless weavers

5. Handloom Development Corporation

6. Administrative: Salary to officials

7. Welfare Schemes: Renovation of houses of weavers, Government share for the formation of weaver's welfare fund, scholarship to children of weavers.

8. Special schemes for scheduled caste/tribes

II. Equal Participation of Centre and State

1. Scheme for the establishment and expansion of industrial co-operatives.

2. Administration grant for primary co-operatives.

3. Modernisation of looms
4. Scheme for supply of looms to loomless weavers.
5. Share capital for apex society.
6. Share participation by Government in primary co-operatives.
7. Industrial co-operatives for scheduled caste/tribes.
8. Handloom Development Corporation.
9. Loan for share participation to members of primary co-operatives.

III. 100% Central Schemes:

1. N.C.D.C. scheme for building work sheds and godowns for primary and apex societies.
2. Loan to Hantex for building godown.

Source: Department of Industries, Secretariate, Government of Kerala 1985.

Conclusions

In the foregoing chapters, we have attempted to discuss the structure and growth of the handloom industry in Kerala, which is concentrated in the northern most and southern most regions of the State. Regional studies of this kind are relatively few in number and have gained importance in recent years. Among one of the unique and novel aspects of our study is the attempt to highlight and analyse the variations in the industry within a region itself. In the process, we have also studied the complex relationship between production and marketing systems. Within the limitations imposed by paucity of data, we have also attempted an evaluation of the performance of the industry in the two regions over time.

Our analysis in Chapters 1 and 2 revealed that the industry, reflecting the varied historical experience of the two regions had developed on quite distinct lines. Consequently, Trivandrum and Cannanore exhibited wide variations in type of industry and loomage, composition of workforce and degree of co-operative coverage. This, in turn led to a divergence in the organisation of production and in marketing channels.

We had observed that while the industry was relatively more organised in Cannanore and catered to distant markets; in contrast, in Trivandrum, it was highly decentralised in nature and dependent on the local domestic market. However, pressures both internal and external to the industry, have modified production and marketing structures in both Trivandrum and Cannanore. Thus, we saw in Chapter 3, that within the co-operative sector in Trivandrum, there is an increasing trend towards greater organisation and centralisation, as reflected in the establishment of industrial co-operatives and collective weaving centres. This is indicative of changing market conditions. In Cannanore, the turning point appears to have been the collapse of the crepe boom. We notice a significant increase in sub-contracting, which has tended to make the industry more decentralised in nature. The increasing co-operativisation of the industry in Cannanore is a reflection too, of the crisis in the late 1970's. This also contributed in narrowing the gap between the two centres. Thus, we observe that both Hantex and Hanveev were increasingly concentrating on the domestic Kerala market. These developments, which were partially the outcome of market pressures, bring out sharply the complex relationship between production and marketing, which we discuss in Chapter 4.

In Chapter 5, we observed that the industry in Cannanore was in a severe crisis. However, the relatively better performance of the industry in Trivandrum, as reflected through official data, tends in fact, to obscure the crisis afflicting the industry. This is revealed by the problem of bogus societies which has assumed menacing proportions.[1/] However, the industry in Cannanore being more organised, tends to highlight the crisis in a more visible manner.

Our analysis also points to certain disquieting features in the industry today. Thus, the exclusive reliance of the Cannanore industry on the unpredictable export markets, contributes a great deal to the uncertainty in the industry. The growing tendency of many manufacturers in Cannanore to sub-contract part of their orders to weavers based in Tamil Nadu, is detrimental to the long term interests of the Cannanore industry.

1. According to recent newspaper reports, official verification shows that there are over 15,000 bogus looms in the Co-operative Sector in Trivandrum. This means that in 1984, there were only about 2,500 looms in the Co-operative Sector, as against 17,500 claimed, This implies that there are only about 6,000 looms in Trivandrum, as against 21,000 claimed. Hence the industry in Trivandrum it would seem is in a severe crisis.

The almost exclusive reliance by Hantex and Hanveev on rebate sales is also cause for concern. Rebate of some sort, would be necessary to neutralise the inherent limitations of handloom production. However, for commercial organisations like Hantex and Hanveev to depend unduly on rebate would be detrimental in the long run. Already, both these organisations are facing a number of threats: changing consumer tastes are slowly eroding consumer loyalty even in the traditional markets of Kerala. Further, cheap handloom goods are being brought into Kerala from neighbouring States in large quantities. Finally, agressive marketing strategies of institutions like Co-optex are posing fresh threats to Hantex and Hanveev. Thus the entire traditional handloom industry in Kerala is facing a number of challenges. In view of the manifold pressures, a rethinking of both production and marketing strategies is imperative.

Annexure 1

Growth of Loomage in Kerala 1960-1984

	1960	1968	1973	1976	1980	1984
Trivandrum						
Co-operatives		6,250(35)	8,147(37)	5,235(27)	12,000(61)	17,500(83)
Private		11,650(65)	13,752(63)	13,999(73)	7,700(39)	3,500(17)
Total	27,278	17,900	21,899	19,234	19,700	21,000
Quilon						
Co-operatives		2,953(48)	2,092(57)	3,131(75)	3,100(75)	4,400(92)
Private		3,224(52)	1,567(43)	1,032(25)	1,150(25)	370(8)
Total	27,097	6,177	3,659	4,163	4,150	4,770
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	--	1,414	949	832	800	1,025
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	3,487	1,187	1,078	892	900	980
Idukki						
Co-operatives		-	-	-	100(67)	150(30)
Private				28	50(33)	350(70)
Total	--			28	150	500
Ernakulam						
Co-operatives		1,791 (61)	1,888 (69)	1,898 (72)	2,250 (78)	3,500 (86)
Private		1,133 (39)	827 (31)	729 (28)	650 (22)	580 (14)
Total	--	2,924	2,715	2,627	2,900	4,080
Trichur						
Co-operatives		765(36)	895(45)	992(51)	1,150(58)	2,000(83)
Private		1,352(64)	1,058(55)	948(49)	850(42)	420(17)
Total	9,013	2,117	1,922	1,940	2,000	2,420

Annexure 1 continued

District	1960	1968	1973	1976	1980	1984
Palghat						
Co-operatives		3,898(71)	2,775(62)	3,408(78)	3,850(88)	4,300(90)
Private		6,380(29)	1,715(38)	946(22)	550(12)	500(10)
Total		5,515	4,490	4,354	4,400	4,800
Malappuram						
Co-operatives			296(19)	396(26)	350(23)	600(38)
Private			1,226(81)	1,102(74)	1,150(77)	963(62)
Total			1,522	1,498	1,500	1,563
Kozhikode						
Co-operatives		1,991(30)	2,660(26)	2,873(20)	4,500(31)	6,500(44)
Private		4,608(70)	7,506(74)	11,445(80)	10,000(69)	8,200(56)
Total	22,882	6,599	10,166	14,318	14,500	14,700
Cannanore						
Co-operatives		2,661(10)	3,950(15)	3,568(9)	5,550(13)	9,000(23)
Private		24,831(90)	22,681(85)	36,576(91)	38,250(87)	30,200(77)
Total	29,768	27,492	26,631	40,144	43,800	39,200
Kerala						
Co-operatives		21,353(30)	23,637(31)	22,548(25)	33,500(35)	48,975(52)
Private		49,972(70)	51,420(69)	67,482(75)	61,400(65)	46,063(48)
Total	1,21,905	71,325	75,057	90,030	94,900	95,038

Source: 1. 1960 & 1968: Census of Handloom, Directorate of Industries and Commerce, Government of Kerala, 1968

2. 1973 - Industries, Industrial Labour and Infrastructure, Planning Board, Government of Kerala 1975.

3. 1976 - Handloom Census, Directorate of Industries and Commerce, Government of Kerala 1976.

4. 1980 & 1984: Directorate of Handlooms, Government of Kerala 1985

Note: Figures in brackets indicate percentage distribution

Annexure 2

Structure of the Industry | Type of Loomage

	Household			Non-household							
	Units	Looms	Per cent	Units	Loom	Per cent	Total Looms	Pit	Per cent	Frame	Per cent
Trivandrum	5,074	17,479	91	90	1,755	9	19,234	10,029	52	9,205	48
Quilon	1,498	3,080	74	50	1,083	20	4,163	765	18	3,398	82
Alleppey	361	614	74	21	218	26	832	10	1	822	99
Kottayam	297	770	86	12	122	14	892	58	6	834	94
Idukki	1	1	-	4	27	-	28	-	-	28	-
Ernakulam	1,188	2,270	86	36	357	14	2,627	273	10	2,354	90
Trichur	968	1,837	95	14	103	5	1,940	1,347	69	593	31
Palghat	1,498	4,222	97	9	132	3	4,354	4,131	95	643	5
Malappuram	544	1,368	91	10	130	9	1,498	725	48	773	52
Kozhikode	3,395	11,169	78	237	3,149	22	14,318	474	3	13,844	97
Cannanore	6,357	20,359	51	1,574	19,785	49	40,144	62	0.15	40,082	99.85
Kerala	21,681	63,169	70	2,057	26,861	30	90,030	17,874	20	72,156	80

Source: Handloom Census 1976 op.cit.

Annexure 3

Composition of Workforce

District	Household				Non-household				Total			
	M	FM	CH	Total	M	FM-	CH	Total	M	FM	CH	Total
Trivandrum	7787(35)	9287(42)	4960(23)	22034	616(30)	1021(50)	414(20)	2051	8403(35)	10308(43)	5374(22)	24085
Quilon	2016(44)	1712(37)	885(10)	4613	871(51)	639(37)	213(12)	1723	2887(46)	2351 (37)	1098(17)	6336
Alleppey	308(50)	246(40)	58(10)	612	113(37)	165(53)	32(10)	310	421(46)	411(45)	90(9)	922
Kottayam	496(49)	360(36)	147(15)	1003	29(36)	42(53)	9(11)	80	525(49)	402(37)	156(14)	1083
Idukki	1	1	2	4	31(32)	67(68)	-	98	32(31)	68(67)	2(2)	102
Ernakulam	1020(31)	1569(47)	750(22)	3339	197(24)	311(37)	320(39)	828	1217(29)	1880(45)	1070(26)	4167
Trichur	1045(38)	1353(50)	324(12)	2722	6(4)	121(85)	15(11)	142	1051(37)	1474(52)	339(11)	2864
Palghat	4109(47)	3584(41)	1123(12)	8816	76(55)	49(36)	13(9)	138	4185(47)	3633(41)	1136(12)	8954
Malappuram	1151(51)	1028(46)	76(3)	2255	96(55)	68(39)	10(6)	174	1247(51)	1096(45)	86(4)	2429
Kozhikode	9848(57)	6411(37)	996(6)	17255	2733(10)	1075(28)	69(2)	3877	12581(60)	7486(35)	1065(5)	21132
Cannanore	17449(66)	8233(31)	650(3)	26332	16556(80)	3900(19)	290(1)	20746	34005(72)	12133(26)	940(2)	47078
Kerala	45230(51)	33784(38)	9971(11)	88985	21324(71)	7458(28)	1385(4)	20167	66554(56)	41242(35)	11356(9)	119152

Source: Handloom Census 1976 op.cit.

Note : 1. M - Male; F - Female, Ch - Children

2. Figures in brackets indicate percentage distribution

Annexure 4

State-wise Distribution of Looms in Co-operative Sector as on 30-6-1982

Sl. No.	State/ Union Territory	Total Number of Handlooms (in lakhs)	Number of looms in the Co-operative sector	Percentage Distribution
1	Andhra Pradesh	5.29	3.82	72
2	Assam	2.00	0.58	29
3	Bihar	1.00	0.61	61
4	Gujarath	0.20	0.11	55
5	Haryana	0.41	0.06	15
6	Jammu & Kashmir	0.37	N.A	-
7	Karnataka	1.03	0.58	56
8	Kerala	0.95	0.36	38
9	Madhya Pradesh	0.33	0.18	55
10	Maharashtra	0.80	0.59	74
11	Manipur	1.00	0.24	24
12	Orissa	1.05	0.46	44
13	Punjab	0.21	0.05	24
14	Rajasthan	1.44	0.20	14
15	Tamil Nadu	3.56	3.04	85
16	Tripura	1.00	0.04	4
17	Uttar Pradesh	5.09	3.15	62
18	West Bengal	2.12	0.96	45
19	Other States/U.Ts	0.37	0.03	8
	Total	30.22	15.06	50

Source: Annual Report and Review of the All India Federation of Co-operative Spinning Mills Ltd., (19th) 1982-83.

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